

**CONCURRING STATEMENT OF
COMMISSIONER MICHAEL J. COPPS**

In the matter of High-Cost Universal Service Support, Federal-State Joint Board on Universal Service, Lifeline and Link Up Support, WC Docket Nos. 05-337 and 03-103, and CC Docket No. 96-45

In 2005, the Commission issued an NPRM tentatively concluding that high-cost Universal Service funding in Puerto Rico should be increased to raise telephone penetration rates—the lowest in the country. I agreed with the tentative conclusion, voted to approve the NPRM and expected that the Commission would proceed to an Order setting up a funding mechanism that would attend to the specific needs of Puerto Rico. That Commission failed to follow through, however, and no action was taken to address the concerns raised in the NPRM. At the end of 2008, PRTC filed a petition for a writ of mandamus before the D.C. Circuit seeking Commission action on the 2005 NPRM. While I was Acting Chairman, on behalf of the Commission I committed to a timeline for addressing the matter. And the present Commission has dutifully stuck by that timeline, culminating in today's Order. Finally we take a much needed closer look at the critical issue of telephone service in Puerto Rico.

However, I can only concur in today's decision. While I can understand the road the majority is traveling—and even my colleagues' reasons for doing so—I cannot, as someone who has been pushing for resolution for so many years, wholeheartedly endorse the more gradualist approach we take today. The Order finds that circumstances have changed in Puerto Rico and the justifications for the 2005 tentative conclusions are no longer valid. I agree that the situation has changed: according to some calculations, voice penetration in Puerto Rico is now 91.9%, a marked improvement from the less than three-quarters take rate that the Commission observed in 2005. In addition, the collective Universal Service support going to providers in Puerto Rico—support to CETCs as well as Lifeline support—has increased significantly. This suggests that the Commission's Universal Service funds have changed the telecommunications access in Puerto Rico for the better. But better is not good enough for the good people of Puerto Rico. Voice penetration there still falls significantly below the national average. Furthermore, the insular nature of Puerto Rico, as well as its low median household income—roughly one third of the national median household income—create a unique situation which should not be overlooked any longer. More is needed here.

The Order points out that the Commission cannot address the immediate voice telecommunications needs of the people of Puerto Rico because our focus is shifting from Universal Service support of legacy voice services to comprehensive Universal Service reform for high-speed broadband services. Since I arrived at the Commission, I have encouraged the adoption and implementation of a national plan that would make ubiquitous, affordable high speed, value-laden broadband service a reality. While some areas of the country are seeing such service now, or may see it in the near future through infrastructure upgrades, the record shows that there are areas in Puerto Rico that have no infrastructure. Not only is voice service not available, but there is no wireline foundation for broadband service either—putting the people of Puerto Rico that much further from getting the broadband service that we recognize as a necessity in the Digital Age. I do hope we can move forward with implementing the National Broadband Plan to make sure that these areas that lack service—insular, as well as tribal areas and rural areas—at least get the same service that the rest of the country already takes for granted. But, again, this is a longer-term approach to a serious near-term problem.

I am somewhat heartened by the proposal in today's Notice of Proposed Rulemaking to increase support through the Link Up Program in Puerto Rico. The additional support would be used to offset facility construction charges for getting voice service to eligible subscribers. The problem of low voice penetration in Puerto Rico—while improved in recent years—still remains. Based on the household income numbers in Puerto Rico, it appears that additional funding for build-out and service to subscribers

with particular financial needs would be helpful. Now we will have to wait to review the record on this Notice to understand how the proposal will work, and, should we find that the proposal is a good one, we will have to wait even longer for an Order adopting rules to implement it. It is a shame that the people of Puerto Rico must wait so long for infrastructure and service levels that the rest of the United States is already experiencing. But I do expect that this Commission will move swiftly on this proposal and adopt programs that will encourage broadband deployment and adoption in Puerto Rico. Let's not wait another five years to see that Puerto Rico gets the voice and broadband service that it needs.