

**STATEMENT OF  
COMMISSIONER ROBERT M. McDOWELL**

*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*

I have often said that, while the Universal Service system has been critical in connecting Americans and has improved their quality of life, the system needs comprehensive reform. I have noted that Universal Service reform must accomplish five basic objectives. The Commission must:

- (1) contain the growth of the Fund;
- (2) in a limited and fiscally sound manner, explore the possibility of broadening the base of contributors;
- (3) reduce the contribution burden;
- (4) ensure competitive neutrality; and
- (5) eliminate waste, fraud and other abuses of the system.

As a general matter, the Commission must achieve these objectives instead of adding to the growth of the fund. As such, I am concerned that some of the proposed ideas in the Notice of Proposed Rulemaking could ultimately result in expansion of the fund. On the other hand, the high level of poverty in Puerto Rico has produced a unique circumstance. It is vital to our mission that the Commission gathers a record that provides us with a full understanding of the ramifications of these proposed rules.

In the meantime, I look forward to working with my colleagues on comprehensive Universal Service reform.