

**STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN**

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 support today's Order and NPRM because it attempts to address the telephone service needs of the people of Puerto Rico within the confines of the high-cost fund. While the conclusions reached by the Order are fundamentally sound, I concur in the Order because the Commission waited far too long to act on the original NPRM. While a variety of circumstances enabled telephone subscribership to grow significantly since the NPRM was issued, we should not use this fortuity as a rationale for inertia in similar cases in the future. I will work hard to ensure that we expeditiously complete our deliberations on the new NPRM so that the low-income citizens of Puerto Rico who lack access to telephone service due to inadequate infrastructure obtain additional financial assistance to become connected as soon as possible.

The data currently available strongly suggests that the Commission would not be justified in creating a unique and individualized high-cost mechanism to direct additional funds to a particular company for providing voice service in Puerto Rico. While there still exists a gap between the telephone penetration rate in Puerto Rico and the mainland, as the Order notes, the upwards projection of that rate, the total universal service dollars flowing to Puerto Rico, and the success of competitive providers on the island indicate that the situation has dramatically improved.

PRTC's main argument for its own high-cost mechanism is that its costs are much higher due to Puerto Rico's insular nature. It has not explained however, how its new model – one that would grant the company a far more beneficial status than even rural carriers – would more appropriately account for any differences due to its insular nature. PRTC's argument that it deserves special treatment because there are 200,000 households without wireline infrastructure is also unavailing. The company has not demonstrated that those households cannot receive *any* voice service from *any* provider on the island, which is an essential piece of our high-cost analysis. Finally, PRTC asserts that it deserves a far more favorable benchmark because of the economic challenges Puerto Rico continues to endure. While this fact is important, the Order correctly states a new *high-cost* mechanism does not properly address that issue.

To more effectively and appropriately address the needs of the people of Puerto Rico, the Commission has wisely issued an NPRM to seek comment on extending voice service to low-income consumers in Puerto Rico. I hope that we directly hear from Puerto Rico, its citizens, the Telecommunications Regulatory Board, and the telecommunications industry about our proposal to extend the Link Up program in Puerto Rico. Our aim is to help address the telecommunications needs of those citizens who have no access to voice service on the island and will close the telephone penetration gap that results from lack of telephone infrastructure to low-income households. It is critical that once the record is complete, we deliberate and issue an Order expeditiously.

I also would like to note my concern that our most recent broadband data indicates that as of December 31, 2008, only 24% of households in Puerto Rico have broadband connections over 200 Kbps in at least one direction. This is far below the 60% of total U.S. households. This suggests that Puerto Rico's broadband infrastructure is lagging far behind the mainland and that broadband service may not be affordable to Puerto Ricans. While it is encouraging that the parent company of PRTC, América Móvil, has invested approximately \$285 million in broadband infrastructure in Puerto Rico over the last three years, it is important that during our comprehensive reform of universal service we consider whether those areas that are unserved or underserved and have significant numbers of disadvantaged consumers,

including insular areas like Puerto Rico, will need special measures for delivering broadband, ensuring its affordability, and encouraging its adoption and use. For Puerto Rico, and the rest of the nation, broadband has the potential to make a significant difference for the people and its economy. I encourage all interested parties in Puerto Rico, as well as other underserved and unserved communities, to remain engaged with us on these issues as we move forward with comprehensive universal service reform.