

**STATEMENT OF
COMMISSIONER MICHAEL J. COPPS**

Re: Connect America Fund, WC Docket No. 10-90, A National Broadband Plan for Our Future, GN Docket No. 09-51, High-Cost Universal Service Support, WC Docket No. 05-337

I approve both the NOI and the NPRM before us as the Commission makes good on its pledge to be fast-off-the-mark in implementing the National Broadband Plan. The comprehensive reform of the Universal Service Fund is, as we've all known for a long time, integral to getting broadband ubiquitously deployed and adopted. Today we begin to move in earnest toward a Twenty-first century Universal Service program that delivers for broadband what Twentieth century Universal Service delivered for voice service—and more.

Comprehensive reform is never painless and when it comes to building a new Universal Service system, shared sacrifice will be required from just about every stakeholder. Maybe, probably, this is why the Commission has never successfully tackled comprehensive Universal Service reform before. Previous Commissions undertook partial fixes and adjustments to existing USF programs to address discrete problems or contain costs. Sometimes real problems were solved, but at other times this approach had the unfortunate consequence of pushing interested parties apart rather than bringing them to the table to pursue workable, long-term solutions.

Today parts of the country have only legacy voice services—sometimes not even that—under the current high-cost Universal Service program, while others have access to truly amazing broadband-capable networks funded indirectly through that same high-cost program. While we often rightly complain about the lapses, we should also recognize the achievements. Regardless of where the funding comes from, I commend those providers who have made broadband deployment a priority. For example, a lot of small rural telcos often went where others feared to tread and brought broadband to some pretty remote places. Their efforts should be not only recognized, but applauded. Now our challenge is to retool the Universal Service system to provide the efficient and targeted support needed to bring high speed, value-laden broadband to all our citizens. The National Broadband Plan commits to such action and today this Commission takes important steps with the NOI and the NPRM.

While I am supportive of most of what we do today, the record will show that I have expressed concerns in the past about some of the suggestions put forward here. In particular, as it seeks to develop a detailed analytic foundation for the distribution of Universal Service support, the NOI places strong emphasis on the use of reverse auctions. When I supported the previous Commission's decision to seek comment on the merits of reverse auctions for distributing Universal Service support, I cautioned that the prospect of using such a mechanism raised many questions that still remain unanswered. For instance, how do we ensure that the winning bidder provides the services for which support is received? What happens if the auction winner decides to discontinue its operation in the supported area? Who will pick up the pieces and how will that be decided? What will be the rules of the road and how will they be established? And enforced? I'm not saying these questions are unanswerable and I am hopeful we will develop an extensive record on these issues, but I do emphasize that answering all these—and I'm sure other—questions and allaying all doubts are the necessary predicates of my support.

The NPRM proposes several options for containing the growth of the high-cost Universal Service program. I have been wary of some of the earlier makeshift attempts by the Commission to curtail the overall size of the Universal Service Fund because these efforts have too often served as delay tactics to avoid the tougher challenge of comprehensive reform. Clearly, the situation has changed with this new Commission, and I recognize that the proposals in the NPRM seek to phase out legacy support while we ramp up direct funding for broadband through the Connect America Fund. We need to do this, no

question about it. But let's recognize that many of the proposals in the NPRM—which may very well be necessary and overdue—require major actions that will be burdensome for some, perhaps most, Universal Service participants. Here, too, compiling a full and viable record is the key to success. And let's also emphasize that while we are shifting Universal Service to support broadband, at the same time we must make sure that voice service is available nationwide. Go to Indian Country to see how much remains to be done on this score.

I commend the Chairman for initiating this very important proceeding in the first month following the birth of the National Broadband Plan. And I thank the staff of the Wireline Competition Bureau for drafting an item that parses out a very complex issue, with, I am sure, more to come. This is the time, more so than any time in the nearly nine years I have been around this place, to truly and comprehensively reform Universal Service. We have the commitment, we have the Plan, and now we begin to implement. This item makes a great start. We begin to glimpse the prize at the end of the road—a first-rate broadband network covering the length and breadth of the nation.