

**STATEMENT OF  
BOARD MEMBER JOHN D. BURKE  
APPROVING IN PART, CONCURRING IN PART**

*In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Lifeline and Link Up, WC Docket No. 03-109*

I agree in part and concur in part with the Recommended Decision; the changes to the Lifeline Program that the Joint Board recommends today should help more eligible consumers take advantage of the program, while simultaneously improving verification efforts so that the benefits are not extended to unqualified customers.

I write this concurrence to highlight one issue. The Recommended Decision proposes that the Commission take comments on whether to change the income-eligibility threshold for lifeline qualification from the existing 135% of FPG to 150%. In isolation, this change may be reasonable. However, the Lifeline Program is only one of the uses of the overall Universal Service Fund. If the fund size is not increased, any growth in the Lifeline Fund will come at the expense of other uses of the Fund, and, in particular, expansion of the fund to include broadband services.

The NBP makes clear that broadband is becoming a vital service for consumers in this country. For this reason, there is little real doubt that the broadband will be included as an eligible service under the Fund. I support this result, but as we move forward in this direction, it is essential that we do so in a way that does not create a rural Digital Divide. At this time, it is not clear how much funding will be necessary to enable ubiquitous broadband, notwithstanding the Commission's estimates in the NBP. Existing broadband deployment is not fully known. The Commission's cost estimates are also based, in part, upon a wireless solution that may or may not deliver adequate broadband services, particularly in rural, high-cost states. Moreover, as section 254(b)(3) requires, services in rural areas must be reasonably comparable to those in urban areas, as must the rates for those services; the disparity between the service levels proposed in the NBP for urban and rural areas do not appear to meet this test. Further pressure on the fund arises from the need to maintain high-cost support for existing networks in areas that do not have broadband services available.

For these reasons, I am concerned that it will be very difficult to achieve the goals of the NBP with the redirection of existing funding allocations. Raising the income eligibility provisions of the Lifeline Program from 135% of FPG to 150% may place additional pressure on a fund that is already unlikely to be large enough to achieve its needs. Although I support the Recommended Decision's conclusion that the Commission should take comment on the increase, I cannot support actually making such a change unless the Commission can simultaneously assure adequate universal service funding for ubiquitous broadband services and rate that are reasonably comparable between rural and urban areas.

I am authorized to state that Commissioner Landis of Indiana joins in this separate statement as I have joined with his. I have read and applaud as thoughtful and well worth contemplating the separate statements of my fellow state members, Commissioner Cawley and Chairman Baum.