

**STATEMENT OF
COMMISSIONER GEOFFREY STARKS
DISSENTING**

Re: *Universal Service Contribution Methodology*, WC Docket No. 06-122.

The FCC’s Universal Service programs are among the most significant “tools in the toolkit” possessed by the federal government to ensure that all Americans have access to voice and broadband services comparable to their fellow citizens. Without these communications services, we risk leaving behind millions of Americans as our country transitions to a fully connected society. The Universal Service Fund helps to address internet inequality by enabling service providers to build out or improve their broadband offerings in the areas that need it most. It also ensures that schools throughout the country have high-speed broadband connections so that students everywhere can access digital content and educational methods enabled by broadband. Universal Service also provides, through the Lifeline program, a critical connection for our most vulnerable—to emergency services in times of need, to jobs, and to family. Universal Service also helps rural communities realize the potential of telemedicine. Considering both the success of these programs and the Commission’s statutory mandate from Congress, a cap on the Universal Service program’s overall budget is not the right approach. That’s why I dissent here.

Congress charged the FCC to base its policies for the preservation and advancement of universal service on several principles including the following: (1) that “consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information services ... that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas” and (2) that “elementary and secondary schools and classrooms, health care providers, and libraries should have access to advanced telecommunications services...”¹ Congress also directed the FCC to “enhance, to the extent technically feasible and economically reasonable, access to advanced telecommunications and information services” for schools and libraries, and mandated that “a telecommunications carrier shall, upon receiving a bona fide request, provide telecommunications services which are necessary for the provision of health care services in a State ... to any public or nonprofit health care provider that serves persons who reside in rural areas in that State at rates that are reasonably comparable to rates charged for similar services in urban areas in that State.”²

The FCC carried out these and other similar Congressional directives by creating the four Universal Service programs – each meeting a separate need and working toward distinct goals. The Chairman’s proposal to arbitrarily cap all of the Universal Service programs flies in the face of Congress’s direction to the FCC and of all of the FCC’s efforts to use these programs as tools to provide comparable access to communications services. The proposal would pit deserving beneficiaries—anchor institutions, students, patients, and Americans who lack broadband— against one another in a fight for Universal Service funds.

This would be a terrible result. It would threaten connectivity for the nation’s students. It would restrict the ability of the Rural Health Care program to enable rural clinics to deliver services in areas that have no other options for patients to get health care services in their communities. It would impinge on the reach of the Commission’s Lifeline program, the only Federal program designed to address the affordability of communications services for low-income consumers. And, it would curtail the Commission’s ability to address the problem of internet inequality.

¹ See 47 USC § 254(b)(3); 47 USC §254(b)(6).

² See 47 U.S.C. § 254(h)(2)(A); 47 U.S.C. § 254(h)(1)(A), *see also* 47 U.S.C § 254(h)(1)(B).

In particular, the NPRM proposes to combine the E-Rate and the Rural Health Care programs under one cap. That raises an alarm for me, and would have the effect of immediately lowering one program's budget if the other is oversubscribed.³ I believe that kind of a budget cut runs counter to the FCC's statutory obligations.

Furthermore, the cap is arbitrary because it has no relation to the actual nature of the internet inequality problem in this country. How can we cap the amount of money needed to support broadband when we don't even know the number and locations of the Americans that still need to be connected? As I have outlined in another statement, the FCC's data troubles raise serious questions about whether the agency understands the problem it seeks to solve. Instead of imposing an arbitrary cap, the FCC should be improving its data collection and analysis capabilities so it can understand the true nature of the problem and measure its progress. In short, the FCC should be focused on mapping not capping.

For all of these reasons, I dissent.

While I disagree with the approach in this NPRM, I certainly appreciate the efforts of the WCB and OEA staff who prepared this item.

³ See e.g. *Promoting Telehealth in Rural America*, Report and Order, 33 FCC Rcd. at 6574. (raising the annual Rural Health Care Program Funding Cap from \$400 million to \$571 million).