

**STATEMENT OF  
COMMISSIONER MICHAEL J. COPPS**

*Re: Federal-State Joint Board on Universal Service*

I am pleased that the Commission is taking interim steps toward ensuring that every carrier contributes on an equitable and nondiscriminatory basis to universal service. Without today's action, consumers of long-distance services would have seen a significant increase on their bills as of April 1.

Notwithstanding the actions we take today, we must continue to look for long-term solutions that will put the fund on a solid footing to preserve and advance universal service. In the abstract, I find much to recommend a revenue-based system. It is undoubtedly equitable and nondiscriminatory for those who use the network more to contribute more to further the goals of universal service. That being said, I am fully cognizant of the pressures on our revenue-based system that are detailed in our decision today. For that reason, I am willing to consider changing our methodology for assessing carrier contributions to the universal service fund. Before I would agree to any paradigm shift in our methodology and the attendant administrative costs, however, I want to be certain that our methodology meets the statutory requirements and is administratively workable.

I also urge the Commission to address expeditiously the issue of broadband providers' contribution to universal service. I am disappointed that the current disparity under which DSL providers contribute and cable modem providers do not will continue for an indefinite period of time. When the Commission finally addresses this issue, I hope we will do so in a manner that does not narrow the contribution base and undermine the sufficiency of the fund. We must also work to avoid a system that opens the door to regulatory arbitrage or distortions in the market. I would also stress my belief that broadband will satisfy the statutory criteria for inclusion in the list of supported services in the near future.

As we move forward with this contribution methodology proceeding, let us also recognize that taking action on the contribution side is only half of the equation. The Commission and the Federal-State Joint Board on Universal Service must also address distribution issues if we are to confront all of the pressures on the fund. That means we must complete such proceedings as the current one on portability of universal service in markets with competition.

Finally, I hope we will work closely with our state colleagues as partners on these universal service issues. The statute makes clear that Federal and State governments each have a significant role to play in preserving and advancing universal service. It is only through a cooperative effort that we will meet our statutory obligation to ensure that all Americans, no matter who they are or where they live, have access to reasonably comparable services at reasonably comparable rates. Each and every American should

have access to the best, most accessible, and cost-effective communications system in the world. In this modern era, that is a fundamental right.