

STATEMENT OF COMMISSIONER JONATHAN S. ADELSTEIN

Through Section 254 of the Communications Act, Congress affirmed the broad principle that “consumers in all regions of the nation ... should have access to telecommunications and information services that are reasonably comparable to those available in urban areas and at rates that are reasonably comparable to rates charged for similar services in urban areas.” With this declaration, Congress reaffirmed universal service as one of the bedrock principles of U.S. telecommunications policy.

Three years ago, the Commission adopted the *Rural Task Force Order* and reiterated that “one size does not fit all” when considering universal service support mechanisms that are appropriate for rural carriers.¹ Based on the enormous effort and valuable contributions of the Rural Task Force, the Commission adopted a modified embedded cost mechanism, concluding that this approach would preserve and advance universal service, consistent with the goals and principles of Section 254. As we move forward with this proceeding, I am mindful of the Rural Task Force’s reservations about using the FCC’s Synthesis Model to calculate support for rural carriers.² As I stated at the time of the Commission’s Referral Order, the use of forward-looking cost models to calculate support for rural telephone companies gives me great pause. Given the significant questions documented by the Rural Task Force, I have serious concerns about this approach.

Our choices in this proceeding will have a dramatic affect on the ability of communities and consumers in Rural America to thrive and grow with the rest of the country. History has shown that many rural consumers would be left behind if it weren’t for the support made available through our universal service policies. If we take seriously the notion that universal service encompasses an “evolving level” of services and if we are to make real our aspiration that broadband and advanced services be widely available throughout the country, we must ensure that universal service support remains “specific, predictable, and sufficient.”

I look forward to working closely with my colleagues on the Joint Board as we address these critical issues.

¹ *Federal-State Joint Board on Universal Service, Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers*, Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, Report and Order in CC Docket No. 00-256, 16 FCC Rcd 11244, 11249, para. 4 (2001) (Rural Task Force Order).

² *Federal-State Joint Board on Universal Service, Rural Task Force Recommendation to the Federal-State Joint Board on Universal Service*, at 20 (rel. Sept. 29, 2000) (Rural Task Force Recommendation).