

**STATEMENT OF  
COMMISSIONER ROBERT M. McDOWELL**

*Re: High-Cost Universal Service Support; Federal-State Joint Board on Universal Service, WC Docket No. 05-337, CC Docket No. 96-45.*

The Commission has for too long avoided answering the fundamental questions raised on remand by the United States Court of Appeals for the Tenth Circuit (Tenth Circuit) regarding the high-cost universal service support mechanism for non-rural carriers. I was therefore pleased when the Commission committed to release a notice of inquiry no later than April 8, 2009, issue a further NPRM no later than December 15, 2009, and release a final order that responds to the remand no later than April 16, 2010.

With this Notice of Inquiry we have taken the first step towards fulfilling our commitment. I have consistently stated that, while the Universal Service system has been instrumental in keeping Americans connected and improving their quality of life, this system is in dire need of comprehensive reform. I have maintained that we must follow five principles when considering reforms to the Universal Service Fund. We must: (1) slow the growth of the Fund; (2) permanently broaden the base of contributors; (3) reduce the contribution burden for all, if possible; (4) ensure competitive neutrality; and (5) eliminate waste, fraud and abuse. I will remain mindful of these principles as we consider the record in this proceeding.

I look forward to working with my colleagues to satisfactorily resolve the questions posed to us by the Tenth Circuit and to continuing our work towards fundamental reform of the intercarrier compensation and Universal Service systems.