

SUBCOMMITTEE ON TELECOMMUNICATIONS AND THE INTERNET HEARING ENTITLED, "THE FUTURE OF UNIVERSAL SERVICE: TO WHOM, BY WHOM, FOR WHAT, AND HOW MUCH?"

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June 24, 2008

Today's hearing initiates a discussion about universal service in telecommunications.

I look forward to this dialogue because I strongly believe universal service is a fundamentally American value. Universal service opens the door of opportunity, without regard to one's address or economic status. It broadens educational opportunities and makes advances in health care widely available. It allows those with disabilities a greater chance to be fully vested members of society. It allows everyone to take part in the national dialogue that strengthens our democracy, whether one lives on a reservation, in the inner city, or in the Great Plains.

I want to thank our panel members for helping us understand the real benefits of a robust and effective universal service policy.

I believe that it is both wise and proper that we start this examination of universal service by focusing on core principles. I would offer the following:

Universal service is about consumers, not carriers. As we delve deeper into the intricacies of universal service, "What is best for consumers?" should always be the central question.

Broadband is the communications platform of the future. Any successful universal service program for the future must account for this reality.

Universal

service is about access and affordability. A proper universal service program should ensure access and affordability in places and situations where market forces cannot or do not.

Properly targeting universal service support must ensure consistency, efficiency, and fairness.

Because

everyone benefits from universal service, everyone should participate. Spreading the costs of the universal service program as widely as possible reduces the impact on each individual.

The

program should be forward-looking and flexible enough to accommodate new technologies and service providers in a sensible way, so that we can create incentives for innovation and better service at lower prices.

A critical examination of universal service must examine regulatory disparities between different types of providers. If all types of providers are going to participate, that participation should be on as equal terms as possible. Similarly, we should also examine whether the benefits of universal service are fairly distributed.

Fundamental changes to universal service will mean transition. It is important that we not allow transition issues, however, to bury the fundamental changes we seek.

Finally Congress, not the FCC, is better suited to make the tough political choices on how best to reform the system.

By

focusing on consumers and principles, rather than winners and losers, we stand a greater chance of creating a viable, successful universal service mechanism for the future. I welcome this discussion and look forward to working with my colleagues.

Prepared by the Committee on Energy and Commerce

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