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March 25, 2010

Hon. Julius Genachowski
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Federal Communications Commission
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Washington, DC 20554

David Honig
President and Executive Director
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Re: Federal-State Joint Board on Universal Service, High Cost Universal Service Support (CC Docket No. 96-45 and WC Docket No. 05-337)

Dear Chairman Genachowski:

As you may be aware through our numerous filings in these dockets, the Minority Media and Telecommunications Council ("MMTC") and a broad coalition of organizations have long advocated for Commission action to bring universal service high cost loop support to Puerto Rico through an insular mechanism. We are deeply concerned that the residents of Puerto Rico still do not enjoy the same basic telecommunications services that their fellow citizens in other U.S. jurisdictions enjoy. For more than fourteen years, the FCC has not acted to implement a Congressional mandate in the 1996 Act to adopt high cost universal service funding for insular areas. Correcting this gap in the Commission's universal service policies is very important to the people of Puerto Rico.

We will be watching as the Commission is poised to act on the proposed insular mechanism by April 16, 2010, pursuant to its commitment to the U.S. Court of Appeals for the D.C. Circuit. But as this deadline approaches, we request assurance that effective relief will be provided to Puerto Rico, as required by clear Congressional directive in 1996 Act. Adoption of an insular universal service support mechanism that fails to distribute "sufficient" universal service support to Puerto Rico to improve telecommunications services would merely be a pyrrhic victory and therefore, unacceptable.

This support remains critical to Puerto Rico as many in Puerto Rico still lack access to basic telephone and Internet services that the rest of the U.S. is able to take for granted. The current telephone penetration rate in Puerto Rico is significantly lower than the national average (98.2%) and far below the rate in New Mexico (95.7%), the mainland state with the lowest rate. Census studies have consistently measured

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telephone penetration in Puerto Rico at somewhere between 73% and 80% for the last few years, although inexplicably raising the number to 90% in the most recent report. Nevertheless, even this most recent number – while anomalous – is still well below the penetration rate in all U.S. states. A similar digital divide persists for broadband deployment: while the National Broadband Plan found that 95% of the population living in mainland states has access to wired broadband service at speeds above 4Mbps, access to wired broadband in Puerto Rico is much lower. In fact, the Wireline Bureau's report released in February 2010 reveals that only 24% of households in Puerto Rico have high-speed Internet access connections, defined at greater than 200kbps in one direction, compared with 60% across the United States.

Maintaining and updating wireline telephone infrastructure is crucial to the expansion of affordable broadband access in Puerto Rico, which in turn is critical to Puerto Rico's economy and its people. Low telephone and broadband penetration rates translate into lagging economic and educational development and lack of access to basic health care and emergency services. Unless the Commission addresses this shortcoming in universal service implementation, we cannot overstate the continuing detrimental effect on many of Puerto Rico's citizens – 44.8% of whom currently fall below the poverty line, according to the Census Bureau's American Community Survey. These citizens will continue to be placed at an educational, healthcare, social and economic disadvantage relative to other Americans.

Congress addressed such inequities in the 1996 Act by directing the Commission to adopt universal service funding policies to ensure that consumers in "rural, *insular*, and high cost areas" have access to telecommunications and information services (1) that are reasonably comparable to the services provided in urban areas and (2) that are available at rates that are reasonably comparable to the rates charged in urban areas, Telecommunications Act of 1996, P.L. 104-104, § 254(b)(3) (emphasis added). To date, the Commission has responded to the Congressional directive to fund rural areas and certain high cost areas, but has not yet adopted a funding mechanism to address the unique needs of non-rural insular areas like Puerto Rico. Thus, the provision of effective relief to Puerto Rico through an insular universal service high cost loop support mechanism is long overdue.

Sincerely,



David Honig
President and Executive Director

cc: Hon. Michael J. Copps
Hon. Robert McDowell
Hon. Mignon Clyburn
Hon. Meredith Attwell Baker
Edward Lazarus, Esq.