

**STATEMENT OF
COMMISSIONER JESSICA ROSENWORCEL**

Re: *Connect America Fund*, WC Docket No. 10-90, *High-Cost Universal Service Support*, WC Docket No. 05-337.

A little over a year ago, the Commission took historic steps to update its high-cost universal service fund and intercarrier compensation system. I commend my colleagues for this effort. They refocused the fund from last century's technology on to the broadband and wireless communications challenges of this century; they put it on a budget; they increased accountability throughout.

But as I have said before, I worry that our reforms to the high-cost universal service system are extremely complex. I fear that this complexity can deny carriers dependent on them the certainty they need to confidently invest in their network infrastructure. So when opportunities arise to simplify our rules in a manner that is fiscally sound, good for consumers and bound to inspire investment—we should seize them.

Today, we have done just that. This order makes some adjustments to the universal service reforms for rural carriers that I recommended some time ago. Specifically, this order combines the two separate capital and operating expense benchmarks into one benchmark to simplify the regression analysis and provide carriers with flexibility to meet our new limits. We also direct the Wireline Competition Bureau to take a hard look at keeping these benchmarks in place for a longer period of time, instead of resetting them annually. I think these kind of adjustments will help ensure a more “predictable” and “sufficient” system—one that provides carriers with more confidence to invest in broadband infrastructure. So I commend the Chairman and my colleagues for approving this order and putting these changes in place.

Today's decision will help promote confidence in broadband investment for carriers serving rural communities. Going forward, I believe we need to do more of the same by distributing incremental support from the first phase of the Connect America Fund—as soon as possible.