

**STATEMENT OF  
COMMISSIONER JESSICA ROSENWORCEL**

Re: *Connect America Fund Implementation Report* (June 27, 2013)

More than a year ago, the Commission took historic steps to update its high-cost universal service fund and intercarrier compensation system. Though it predated my arrival in these halls, I commend my colleagues—past and present—for their effort. They refocused the high-cost universal service system from last century’s technology on the broadband and wireless challenges of this century. They put it on a budget. And they increased accountability throughout.

But as I’ve 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 rural consumers, and bound to inspire investment—we should seize them.

Recently, we have done just that. We did it when we adopted changes to our regression model to provide rate-of-return carriers with additional flexibility to meet our new limits. We did it when we adjusted our rules to distribute a second round of incremental support from the first phase of the Connection America Fund for price cap carriers. We should be willing to make further changes when doing so simplifies our rules, does not break our budget, and brings better service and more investment to rural communities.

Thank you to the Wireline Competition Bureau and the Wireless Telecommunications Bureau for their continuous work on the hard slog of high-cost reform, for their dedication to keeping rural communities connected, and for this helpful summary of their work to date.