

**STATEMENT OF COMMISSIONER AJIT PAI
ON THE STATUS OF UNIVERSAL SERVICE REFORM IMPLEMENTATION**

November 14, 2013

I would like to thank the staff of the Wireline Competition Bureau, the Wireless Telecommunications Bureau, and the Office of Native Affairs and Policy for all of their hard work implementing the historic *Universal Service Transformation Order*. That work has been plentiful. By my count, the *Transformation Order* delegated decision-making authority over universal service issues to the Bureaus 22 separate times. You've met the challenge by being prolific over the past two years—no small feat given the complexity of these issues.

But it's not just quantity. I've also been impressed by the quality of your efforts implementing Phase II of the Connect America Fund. The high caliber of your work is much appreciated, and I am glad the Commission recognizes it today.

Turning to reforms impacting rate-of-return carriers, I remain concerned about the impact of the quantile regression analysis (QRA) benchmarks on broadband deployment. I am pleased both that the Bureau has suspended the benchmarks for Alaskan carriers and that the Commission has made some improvements to those benchmarks for other carriers over the course of the past year. But I continue to believe that the QRA benchmarks are chilling the build-out of next-generation networks in rural America. I hope that under Chairman Wheeler's leadership, the Commission will take a fresh look at this problem and adopt additional reforms to provide rural carriers with predictable universal service support in a fiscally responsible manner.