

**STATEMENT OF
COMMISSIONER MICHAEL O’RIELLY**

Re: *Connect America Fund*, WC Docket No. 10-90

With the Connect America Fund Phase II auction finally completed, this item takes a logical and appropriate step to end legacy frozen support in areas that were subject to winning auction bids. As a strong supporter of a market-oriented, multi-round reverse auction approach to stretch scarce Universal Service dollars, the rules we adopt today will provide needed certainty and clarity in implementing the phasedown of support funding.

While I support the item, we probably could have done more to bring our existing definition of “unsubsidized competitor” in line with the current marketplace for the purposes of maintaining legacy support. Continuing voice legacy support in areas where competitors provide service using another technology seems backwards-looking and troubling given how many Americans still lack access to broadband. I certainly appreciate the Chairman’s willingness to limit this definition so that it only applies within the context of the high-cost program. On a global scale, we must recognize that in the eyes of many consumers, fixed and mobile services of similar functionality can be substitutes for each other and that the Commission should be working to ensure that our rules are technology-neutral.

Separately, while I agree with the item’s decision to decline adopting a new voice support funding mechanism, it doesn’t strike me as particularly fair to maintain price cap carriers’ unfunded mandate with respect to their high-cost and extremely high-cost areas. It is incumbent on us to ensure that price cap carriers’ obligations are not indefinite and that these unfunded areas become subject to auction as soon as possible.

Speaking of future USF auctions, the completion of the CAF II auction and ensuing transition of support is by no means the end of the road in the Commission’s efforts to bring broadband to unserved Americans. Notwithstanding the significant number of locations with winning bids, approximately nine million Americans remain without *any* 10/1 Mbps service, at least according to our latest report.¹ With the culmination of the CAF II Auction, I am eager to finally seek solutions via the long-awaited Remote Areas Fund auction and work with my colleagues to connect those most difficult to serve.

¹ *Communications Marketplace Report et al.*, GN Docket No. 18-23 et al., Report, FCC 18-181, para. 187, Fig. D-3 (2018).