

**STATEMENT OF
CHAIRWOMAN JESSICA ROSENWORCEL**

Re: *Updating the Inter-carrier Compensation Regime to Eliminate Access Arbitrage*, WC Docket No. 18-155, Further Notice of Proposed Rulemaking (July 14, 2022).

Historically, our phone networks depended on a complex system of subsidies that kept prices low for consumers and helped ensure service in rural areas. It was really hard to understand. In fact, it would be kind to call this system Byzantine. So in the Telecommunications Act of 1996 Congress directed this agency to modernize it. This required making implicit subsidies explicit, updating the compensation scheme for the exchange of network traffic, and developing the current universal service high-cost program.

A lot of work went into this effort. But still, there are aspects of this system that would benefit from further update. That's because we still have some companies that game it by inflating traffic to grab revenues that were originally designed to support service in remote areas. This rulemaking is designed to shut down the loopholes these companies are exploiting. That's because we want to make this system more simple, more fair, and more effective.

Thank you to the staff responsible for this rulemaking, including Pam Arluk, Susan Bahr, Allison Baker, Ahuva Battams, Lynne Engledow, Trent Harkrader, Heather Hendrickson, Albert Lewis, Jordan Reth, Zach Ross, Marvin Sacks, Michelle Sclater, and Gil Strobel of the Wireline Competition Bureau; Stacy Jordan, Eugene Kiselev, Richard Kwiatkowski, Eric Ralph, and Shane Taylor of the Office of Economics and Analytics; Anthony DeLaurentis, Lisa Griffin, and Rosemary McEnery of the Enforcement Bureau; and Sarah Citrin, Jacob Lewis, Rick Mallen, Linda Oliver, Bill Richardson, William Scher, and Derek Yeo of the Office of General Counsel.