

**STATEMENT OF  
COMMISSIONER JESSICA ROSENWORCEL**

Re: *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing an Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Mobility Fund*, WC Docket Nos. 10-90, 07-35, 05-337, 03-109; GN Docket No. 09-51; CC Docket Nos. 01-92, 96-45; WT Docket No. 10-208

Last year, the Commission took historic steps to update its high-cost universal service fund and intercarrier compensation system. It did so to refocus these longstanding policies from the communications challenge of the last century—voice telephony—to the broadband and wireless networks so essential for 21<sup>st</sup> century economic and civic life. In doing so, it also put the high-cost fund on a budget and required greater accountability from fund recipients. These are good developments.

Today, we make adjustments to our financial reporting obligations for privately-held rate of return companies and provide further guidance and clarification on our standard for requests for waiver of our universal service reforms, which I fully support. However, this agency's reforms to the high-cost universal service system are extremely complex. I fear that this complexity can deny rural 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 investment, and good for rural consumers—I think we should seize them.

To this end, I look forward to working with my colleagues at the Commission to act quickly on two fronts. First, I believe we should combine 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. Second, I believe we need to take a hard look at keeping our benchmarks in place for a longer period of time, instead of resetting them annually. I think this would help ensure that we have in place a more predictable system that provides carriers with more confidence to invest in broadband infrastructure.