

**STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN**

Re: *Connect America Fund*, WC Docket No. 10-90; *ETC Annual Reports and Certifications*, WC Docket No. 14-58.

Achieving universal broadband will not be easy. Although the private sector has done a commendable job deploying broadband throughout most of this nation, millions of Americans still lack access. But just as this country accepted the challenge and took on the responsibility of providing electricity and telephone service to rural and high cost areas, we will not leave behind those Americans who today find themselves on the wrong side of the digital divide. This is the very essence of our universal service charge: when private sector efforts fall short, we act; because, absent a governmental role, too many communities will remain without.

The FCC's *2011 USF/ICC Transformation Order* adopted a framework to connect unserved communities. The annual budget for areas served by price cap companies is \$1.8 billion a year, and the FCC wisely decided that areas eligible for competitive bidding will receive support for 10 years.

The parameters we adopt today for rural broadband experiments should provide the Commission with valuable data to adopt final rules for the competitive bidding process. In many ways, this is uncharted territory but I believe this is a wise course and is reflective of good governance to conduct the experiments and collect data. The data will help determine the best ways to provide as many Americans as possible with access to affordable, robust networks, while maximizing each dollar of federal universal service support. These experiments will allocate the majority of funds on projects that will deploy networks capable of providing 100 Mbps of capacity, while offering service plans that provide 25 Mbps of capacity. Such connectivity could be life changing.

I am especially pleased that proposals should identify whether entities will offer a low-income broadband plan as part of their experiments and the item makes clear, that once designated as an eligible telecommunications carrier, or ETC, the provider must offer Lifeline service.

I also appreciate that the Commission expressly recognizes the need to work with our state partners to connect more Americans, for universal service is a federal-state partnership. That \$1.8 billion annual budget, as sizable as it may be, is clearly not enough to connect all of those currently without access to broadband. We must take steps to leverage non-federal government funding opportunities with public-private and public-public partnerships, and we must reward government entities that commit to match federal universal service funding.

I believe that incenting states to match federal funding is a win-win, which will connect more Americans, ensure the most efficient use of our federal resources, and enable us to fully embrace the federal-state partnership envisioned by Congress in the Communications Act.

While I would have preferred to include a bidding credit for states that would commit a match tied to federal funding, the record in response to the January Further Notice -- while supportive of the concept -- did not provide sufficient details to do so.

I am pleased, however, that the item seeks comment, on how to work with states, and encourage matching of non-federal funding with bidding credits or other incentives in the competitive bidding process. All stakeholders should act upon this call and submit comments with specific recommendations on whether and how we should do so.

Only by working together will we be able to make the greatest strides towards our goal of providing ubiquitous, affordable, universal broadband to all, and, once again, demonstrate that meeting the critical communications needs of our nation is job one.

I want to thank the dedicated staff of the Wireline Competition Bureau and the Office of Strategic Planning & Policy Analysis for their work on this item, and wish to extend a special congratulations to Carol Matthey to recognize her first Commission meeting as Acting Chief of the Wireline Competition Bureau.