

STATEMENT OF COMMISSIONER MICHAEL O'RIELLY

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

When the Commission adopted the *Rate-of-Return Reform Order* earlier this year, nobody could predict how many carriers would choose the voluntary path to model-based support. The Commission recognized the benefits of providing a defined amount of funding coupled with concrete deployment obligations and accountability requirements. Despite the additional certainty that the model option could offer, however, many carriers were reluctant to move away from the more familiar legacy structure, which also was reformed to target broadband deployment in unserved areas. In my meetings around the country with small carriers, I heard opt-in estimates ranging from a handful to several dozen providers.

When so many providers ultimately opted in, that created new challenges, as the Commission needed to decide how to handle oversubscription. But companies and their associations impressed upon the Commission the importance of implementing the model option in a timely manner. Fortunately, given the ideas put forward by commenters, the hard work and creative thinking of Commission staff, and the willingness of my colleagues to find consensus, we were able to come to a reasonable resolution.

The Commission allocates the available budget, including the additional \$50 million per year that was previously contemplated, in a way that takes into account deployment levels, while trying to maximize the number of carriers that can continue down the model path they had previously elected. We also seek comment on whether to provide further funding, which may be warranted to extend broadband to additional unserved consumers.

At the same time, I remain cognizant of the issues that have been raised in the record to ensure that the legacy option remains a viable path for carriers and their consumers. Indeed, as we continue to consider how to efficiently and effectively promote broadband deployment in this country, we need to make policy decisions in a holistic manner. We should carefully allocate any available funding in a way that maximizes coverage to unserved consumers regardless of the particular program or path.