

**STATEMENT OF
COMMISSIONER BRENDAN CARR**

Re: *Connect America Fund*, WC Docket No. 10-90; *ETC Annual Reports and Certifications*, WC Docket No. 14-58; *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135; *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92

In my seven months on the Commission, I have had the opportunity to meet with rural broadband providers around the country, from Mississippi to Texas to Colorado. These providers and others like them – many of which are small or family-owned businesses – are doing yeoman’s work each day to bring more broadband to more Americans. And this isn’t an easy task, or an easy business case to make work. But thanks to support from the FCC’s Universal Service Fund, rate-of-return carriers are deploying networks in places like the Nebraska Sandhills, which has more cattle than people, or the Badlands of South Dakota. Their work is vitally important to closing the digital divide and ensuring that everyone has access to the opportunities that broadband enables.

That is why I am glad to support this item, which includes several reforms to ensure high-cost funding for rate-of-return carriers is predictable and sufficient. This includes directing USAC to continue forecasting high-cost demand at its current amount, as well as proposing to establish a minimum threshold support amount for legacy providers that would not be subject to a budget cap. We rightly seek comment on what the minimum threshold support amount should be, and leave all options on the table when it comes to setting that amount. I also support the proposal to adjust the high-cost budget for inflation, which has not been done in the past and is a much-needed step to bring the high-cost program into parity with the other universal service programs. Finally, I am pleased that the Notice asks about opening up new model offers.

As the FCC continues to think about ways to incentivize greater broadband deployment, we must make sure rural communities are not left behind. The item we adopt today is a step in the right direction, and it has my support.