

**STATEMENT OF
COMMISSIONER MICHAEL O'RIELLY**

Re: *E-Rate Program Amortization Requirement*, WC Docket No. 19-2; *Modernizing the E-Rate Program for Schools and Libraries*, WC Docket No. 13-184.

This item considers the limited question of whether the Commission ought to eliminate E-Rate applicants' requirement to amortize large upfront, non-recurring costs over multiple years. While I would have been interested in delving into broader E-Rate reform ideas, I am open to examining whether the proposal would improve administration of the program and look forward to reviewing the record on this matter.

A related but equally significant question is whether the current universe of eligible special construction costs—which are subject to our amortization policy—ought to include self-provisioned networks. As I have expressed in the past, spending E-Rate funds on applicant-constructed broadband networks can be a recipe for wasteful overbuilding, especially given the overly broad parameters for self-provisioning adopted by the previous Commission. It would make sense, in my opinion, for the Commission to review the impact of the 2014 rules as they pertain to self-construction, to ensure ratepayers are fully protected and that broadband investment is not being undermined. Further, we should consider examining the effects of the 2014 order's dark fiber policy and the track record of E-Rate applicants as network operators. I look forward to working with my colleagues on these matters in due course.