

**STATEMENT OF
COMMISSIONER MICHAEL O'RIELLY**

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

Today, the Commission fulfills one of its remaining commitments to expand universal service for Alaskan consumers by adopting broadband buildout and performance requirements for the state's price cap carrier, Alaska Communications Systems (ACS). In doing so, the Commission endeavors to address the unique challenges of serving Alaska, while still preserving and adhering to its fundamental universal service principles and policies. Specifically, the item maximizes the number of locations that will be served while ensuring that funding is directed to locations that are truly high-cost, including by implementing a certification process.

As with most compromises, there are a couple aspects that I would have handled differently. While the Commission decided, in this particular instance, to provide flexibility to include partially served areas, this should be seen as a one-time exception given the unparalleled size and terrain of Alaskan census blocks. In addition, the Commission should have conducted a more fulsome forbearance analysis, even though it has already provided similar relief to other carriers. Taken as a whole, however, the reforms adopted today will ensure demonstrable progress in serving Alaskan consumers, while including appropriate oversight, accountability, and targeting of ratepayer funding. ACS should fully be on notice that the Commission expects USF dollars to be used wisely and efficiently for broadband expansion, and expects the company's commitments to be honored in a timely manner.

Finally, I appreciate that my colleagues were willing to consider my views and that we were generally able to find consensus on this order. I hope that we will continue to work together and find common ground on the remaining high-cost components, including the Mobility Fund, the Remote Areas Fund, and the Connect America Fund Phase II reverse auction. Working together, we can achieve more thoughtful and sustainable outcomes.