

**STATEMENT OF
COMMISSIONER BRENDAN CARR**

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

Americans around the country want better, faster, and cheaper communications services. And by getting the government out of the way, the FCC's policies have been helping to deliver those results. Internet speeds in the U.S. are up by 40 percent, more fiber broadband was built last year than any other year in history, and prices for communications services are down.

But in one case, FCC rules are pushing the market in the wrong direction—they are keeping prices artificially high. The rate floor requirement, which the Commission adopted in 2011, requires rural carriers who receive universal service support to charge rates above a minimum set by the FCC or risk seeing their support reduced. For the last two years, the rate floor has been frozen at \$18.00, but, without further action, FCC rules will increase that rate by more than \$8.00 on July 1st. At that time, when Americans are settling in to celebrate another Independence Day, it would be quite jarring to learn that Washington decided, in effect, to increase their phone bills by nearly 50 percent. It's a price hike that would have a big impact in small towns and communities across the country. In fact, we're already seeing it. In Georgia alone, carriers who chose to charge prices below the rate floor lost nearly \$450,000 in universal service support last year.

So today, we eliminate a rule that has effectively required providers to keep their rates artificially high. I am glad we are taking this step to help encourage access to affordable communications services across the country.

Thank you to the staff of the Wireline Competition Bureau for your work on this item. It has my support.