

**STATEMENT OF
COMMISSIONER MICHAEL O'RIELLY**

Re: *Joint Application of W. Mansfield Jennings Limited Partnership and Hargray Communications Group, Inc., for Consent to the Transfer of Control of ComSouth Corporation Pursuant to Section 214 of the Communications Act of 1934, WC Docket No. 18-52*

I appreciate the opportunity to consider this item at the Commission level, and I appreciate the cooperation of my colleagues, especially the Chairman for allowing Commissioners to vote on the matter and Commissioner Carr for supporting my request. This process demonstrates that a defined, balanced delegation process can work, and I hope everyone will consider my previous proposal on the subject to memorialize this structure into our rules.

Substantively, I have repeatedly discussed over the years the need to remove unnecessary regulatory barriers to the *voluntary* consolidation of exchanges or study areas in rural America. As telecommunications and regulatory landscapes have changed, we have heard that it can make economic sense for some rural carriers to increase their scale and diversify their operations through the acquisition of other companies or exchanges. In some instances, such transactions could also reduce reliance on universal service support and/or improve the economic case to expand broadband to additional unserved areas.

One of those barriers has been a lack of clarity regarding the amount and type of federal high-cost universal service support that would be available if one kind of provider buys all or part of another provider's service area. I have been pushing for the Commission to find ways to remove the "parent trap" barrier, having just raised it as part of the recently adopted rate-of-return item, and there are additional combinations that raise the same general issue of whether an area will be limited to a certain type or amount of support.

While the Commission has previously adopted rules addressing the transfer of exchanges among various categories of providers and further clarified those rules earlier this year, some categories were not addressed. Moreover, the entire structure was less than clear-cut. With this order, applicants will now have additional clarity regarding the purchase of A-CAM study areas. I hope that the Commission will soon address any remaining scenarios so that companies will have confidence to move forward with additional deals, subject to the Commission's normal transactions process.

I vote to approve.