

**STATEMENT OF COMMISSIONER MICHAEL O'RIELLY  
APPROVING IN PART, CONCURRING IN PART**

Re: *Technology Transitions*, GN Docket No. 13-5; *AT&T Petition to Launch a Proceeding Concerning the TDM-to-IP Transition*, GN Docket No. 12-353; *Connect America Fund*, WC Docket No. 10-90; *Structure and Practices of the Video Relay Service Program*, CG Docket No. 10-51; *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket No. 03-123; *Numbering Policies for Modern Communications*, WC Docket No. 13-97.

Today, the Commission is initiating a host of trials, experiments, research, testbeds, and data initiatives intended to help understand some of the implications of moving to an all IP world. While much of the discussion up until now has focused on “service-based” trials, where providers transition consumers from legacy voice technologies to modern ones, this item does much more. It launches new universal service programs. I commend the effort to tackle so many important issues, and I appreciate the tireless efforts of Commission staff throughout the process to answer my questions and accommodate my suggestions. As a result of their hard work, I approve the vast majority of this item.

Rather than walk line by line through the item, I will highlight my main thoughts on the two major parts.

To start, I approve the initiation of the proceeding to conduct service-based trials. Moving to an all IP world raises a number of questions and I hope that the trials will provide an opportunity to answer some of those questions.

I thank the Chairman that this order is also consistent with my stated criteria. It makes clear that the trials: 1) will not interfere with the natural conversions that have been occurring and will continue to occur outside of the trials; 2) will not interfere with or delay the work of the Commission; and 3) will not be binding on what is happening outside of the trials or on future decisions. The item also includes, at my suggestion, a one-year sunset date on trial initiations to ensure that these trials will be timely and relevant.

The layers of conditions and presumptions that the Commission establishes for a provider to gain approval to move forward with a service trial are numerous and complex and not what I would have written if I had the pen. I worry that with so many conditions, we are reducing the chances of companies filing proposals. If few show up to do trials, how does that help inform us? Also, many of the conditions or presumptions—such as those concerning cybersecurity—appear not to have a basis in the statute or existing Commission rules. Others seem to expand the scope of existing Commission rules.

Nevertheless, trial participation is voluntary and participants will have the opportunity to seek waivers and rebut the presumptions. I look forward to reviewing the proposals that are filed and will give thorough consideration to any requests for relief.

With respect to the section of the item that establishes rural broadband experiments, I can only concur. To be clear, I support universal service and want to ensure that all Americans have access to modern communications networks. But, as contemplated, I am concerned that these new experiments have the potential to divert universal service funding and distract the Commission from completing universal service reforms already adopted.

In 2011, the Commission unanimously voted to modernize the high-cost program so that it supports broadband-capable networks. Over two years later, the Commission still has some work to do, including implementing a Connect America Fund in rate-of-return areas, Connect America Phase II in price cap areas, the Remote Areas Fund, and Mobility Fund Phase II.

I am pleased that the order makes clear that the experiments will not delay universal service reforms established in the 2011 order. Indeed, the item commits to implementing key parts of Connect America Phase II and to addressing the challenges of providing service to remote areas by the end of this year.

While experiments could be useful to help understand whether additional providers will be interested in serving rural America—particularly in the event that a current incumbent provider chooses not to participate in the universal service program going forward—I wonder whether the experiments will instead become an opportunity to use Connect America dollars, that were intended to maximize voice and broadband coverage throughout rural and remote parts of the nation, for other policy priorities.

I am also concerned over the appearance that the Commission over-collects funding from ratepayers and then uses the reserved funding to launch pilot programs or experiments. Instead of finding new ways to spend the reserves we build up, we should determine what our universal service programs cost and set our collections accordingly so that ratepayers are not overburdened. Moreover, if programs are not operating as intended, then we should amend them through the established notice and comment rulemaking process, rather than create new pilot programs or experiments.

Moreover, I must register my opposition the use of section 706 as authority to implement the item. My thoughts about that provision are well known, and its use here is unnecessary.

Once again I thank the staff, including Jonathan Sallet, Daniel Alvarez, Stephanie Weiner, and the staff in the Bureaus, Offices, and Task Force for their helpful briefings, thorough responses, and unfailing sense of humor throughout this process.