

**STATEMENT OF  
COMMISSIONER MICHAEL O'RIELLY**

**Re:     *Connect America Fund, WC Docket No. 10-90; Universal Service Reform – Mobility Fund, WT Docket No. 10-208***

When the Commission established rules for the Mobility Fund Phase II earlier this year, I worked with my colleagues to include a challenge process to confirm which areas should be eligible for funding. Decisions premised on inaccurate data or faulty assumptions could result in either wasteful overbuilding or a loss of service for consumers. Therefore, we sought comment on a challenge process to ensure that these vital decisions would be based on the best possible data without overburdening participants or staff or creating undue delays.

The order before us today appears to have struck an appropriate balance on all counts. While this process will involve a new data collection, which is not something to be undertaken lightly, the order attempts to standardize and streamline the requirements, which is intended to make the process more efficient and expeditious overall. In addition, the order seems to set reasonable parameters to maximize coverage while targeting areas that are truly unserved. In each of the high-cost programs, the Commission has worked hard to find the sweet spot that will ensure that our scarce ratepayer funds are used where they are needed most. Consistent with our prior decisions, we have decided to direct this funding to the higher-cost unserved areas that are less likely to be served through market forces. Finally, in order for a challenge process to be successful, participants must have time to assemble the necessary filings. Therefore, I am pleased that the order has been revised to provide a longer timeline to gather and submit data.

I will vote to approve.