

ANDY BARR  
SIXTH DISTRICT, KENTUCKY  
COMMITTEE ON FINANCIAL SERVICES

SUBCOMMITTEE ON  
MONETARY POLICY AND TRADE  
CHAIRMAN

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS  
AND CONSUMER CREDIT

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1427 LONGWORTH HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
(202) 225-4706

1063

2709 OLD ROSEBUD ROAD, SUITE 100  
LEXINGTON, KY 40509  
(859) 219-1366

Congress of the United States  
House of Representatives  
Washington, DC 20515

December 1, 2017

The Honorable Ajit Pai  
Federal Communications Commission  
445 12<sup>th</sup> Street SW  
Washington, D.C. 20554

Dear Chairman Pai:

I write to urge the Federal Communications Commission (FCC) to take action to address the budget shortfall within the High-Cost Universal Service Fund (USF). As outlined in a letter sent by 160 Members of Congress last May, the lack of sufficient funding puts rural communities throughout the nation at a significant disadvantage, including areas that I represent in the Sixth District of Kentucky.

I applaud the efforts of the FCC to create the USF program to ensure that consumers in rural, high-cost areas have access to modern communication networks that are reasonably priced compared to urban areas. However, the budget shortfalls within the USF are undermining investment and consumer access to this type of rural broadband deployment.

Despite the appearance of surplus funds in the overall budget in prior years, the Rate of Return (ROR) carriers that benefit from High-Cost USF programs have been subject to strict and separate budget caps under actual cost recovery mechanisms and cost model support. That said, pending comprehensive FCC review or adjustment of the High-Cost USF budget instructions, I strongly urge the FCC to maintain level collections from telecommunications companies into the future. Should the collected sums exceed the spending obligations, the FCC should directly apply funds to help mitigate or neutralize the budget constraints applied to these smaller, rural operators.

While it is currently unclear how funds that exceed High-Cost USF spending may be obligated under existing budget instructions, the continued collection has the potential to help provide rural communities the experience and benefits of robust networks in areas that are sparsely populated and costly to serve.

Your consideration is greatly appreciated and I look forward to working with the FCC and my colleagues in Congress to ensure that the services our economy and the millions of rural Americans depend on are excluded from the "digital divide."

Sincerely,

Andy Barr  
Member of Congress



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

February 13, 2018

The Honorable Andy Barr  
U.S. House of Representatives  
1427 Longworth House Office Building  
Washington, D.C. 20515

Dear Congressman Barr:

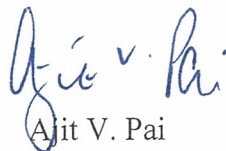
Thank you for your letter on the importance of connecting additional rural consumers in Kentucky to high-speed broadband. Your views are very important and will be entered into the record of our proceeding on the Connect America Fund and considered as part of the Commission's review.

In my first remarks to FCC staff as Chairman, I declared that my highest priority would be making sure every American who wants high-speed Internet access can get it. Rural Americans deserve the same digital access as those living in urban areas. A key way to reach this goal is by updating the high-cost universal service program to encourage cooperatives and other small, rural carriers to build more online infrastructure.

We need more deployment in sparsely populated rural areas if we're going to extend digital opportunity to all Americans. But I've heard from community leaders, Congress, and carriers that insufficient, unpredictable funding has kept them from reaching this goal. That is why I recently shared with my fellow commissioners an order that would promote more high-speed broadband deployment in rural areas. If adopted, it would provide over \$500 million in additional funding for cooperatives and small rural carriers. And it seeks public input on giving legacy rate-of-return carriers a new chance to elect model-based support. Increased funding will boost broadband deployment in rural America, and the accompanying reforms will put our high-cost system on a more efficient path, helping to ensure that every American can benefit from the digital revolution.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

  
Ajit V. Pai

P.S. Congressman, my condolences in advance on the Wildcats impending loss to the Kansas Jayhawks during March Madness! Hope that we have a chance to get together sometime.