

United States Senate

July 10, 2019

447

Chairman Ajit Pai
Federal Communications Commission
445 12th Street SW
Washington, D.C. 20554

Dear Chairman Pai,


Expanding broadband connectivity and access is a priority that I know we both share. This can be done with a mix of reducing burdensome regulation and targeted federal investment. I want to first thank you for your efforts to reduce regulation, which has helped contribute to a surge in broadband investment, moving Montana from 31% unserved in 2016 to 14% unserved in 2019. However, I am troubled by reports of duplicative federal investment from the Universal Service Program for Schools and Libraries (E-rate) that has led to wasteful overbuilding of broadband infrastructure. Overbuilding existing networks leads to less broadband deployment to those who need it most and abuses taxpayer resources. I encourage the Federal Communications Commission to take actions to reduce government-funded overbuilding, specifically in the E-rate program.

E-rate is an important program that helps connect unserved schools and libraries so that our educational institutions can better serve their communities. However, reports of overbuilding from around the U.S., Montana, and most recently Texas, highlight a need to reform the program. Overbuilding occurs when federal funds from programs like E-rate are given to providers or non-profits to duplicate existing networks that a different provider installed using federal funds from other programs. What this means is that instead of using our limited federal resources to connect completely unserved schools, we are instead using them to overbuild already existing networks. This is a complete abuse of federal funds, which leads to less connectivity and hurts our rural schools and communities.

I have long worked to reduce overbuilding and prioritize unserved rural areas, including last congress introducing the *RURAL Broadband Act* to help prevent abuse in the Department of Agriculture's Rural Utility Services program. I hope that we can work together to reduce overbuilding in the E-rate program and throughout the federal government so that our unserved communities can better educate their students and contribute to the global economy.

Thank you for your attention to this matter. I look forward to continuing to work with you to bridge rural broadband gap and finally connect our most unserved areas.

Sincerely,


STEVE DAINES
United States Senator



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

October 15, 2019

The Honorable Steve Daines
United States Senate
320 Hart Senate Office Building
Washington, DC 20510

Dear Senator Daines:

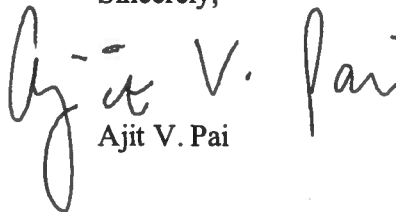
Thank you for your letter regarding the Federal Communications Commission's E-Rate program. I agree that an effective and efficient E-Rate program—one that promotes better connectivity for students and library patrons alike—can be a powerful tool to help bridge the digital divide. And I appreciate your support for the regulatory modernization we've introduced in order to bridge that divide in rural states like Montana.

With respect to the concern you expressed regarding overbuilding, several Texas carriers filed a petition for rulemaking urging the Commission to prohibit the use of E-Rate funds for special construction of fiber networks that overbuild existing fiber networks. The Commission's Wireline Competition Bureau sought comment on this petition, and the comment cycle has been completed. Commission staff is carefully reviewing the record.

In addition, I want to note that the FCC is seeking to create a Digital Opportunity Data Collection in order to generate more granular and more accurate broadband maps. As part of this effort, we sought comment on how the maps and datasets can be used to avoid duplicative funding in the E-Rate program. I can assure you that we will take into consideration the issues and concerns presented by all stakeholders each in these proceedings.

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

Sincerely,


Ajit V. Pai