

Congress of the United States
Washington, DC 20515

Received & Inspected
JUN 4 - 2019
FCC Mallroom

May 28, 2019

The Honorable Ajit V. Pai, Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

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Dear Chairman Pai,

We write to express our serious concerns regarding your proposal to implement an overall cap on the four Universal Service Fund (USF) programs. These programs include the Connect America Fund (formerly known as High-Cost), Rural Health Care, Lifeline, and E-Rate, all of which are important programs that benefit schoolchildren, rural hospitals, and many rural and low-income Americans. It has come to our attention that this proposal has been subject to a vote by the Federal Communications Commission without the benefit of public scrutiny.

In this era of increased reliance on internet connectivity for all aspects of our lives such as applying for benefits, receiving healthcare, securing a loan, completing homework assignments, and applying for jobs, it is imperative that we continue to foster connectivity for all Americans. The USF programs have helped many underserved communities by expanding opportunities to compete in our continually evolving and complex digital world.

The law and the goals of the individual USF programs will not be served if these programs are forced to compete over funding. While we understand that there are existing caps on some programs, a proposal to place an overall budget cap across all four programs could open up a Pandora's box of unintended consequences. This would potentially have disastrous effects on these programs and the communities they serve, which makes little sense at a time when there are greater demands for connectivity than ever before.

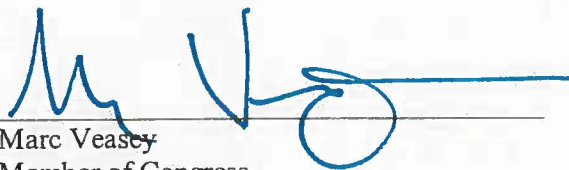
This proposal could hit low-income households, in both urban and rural areas, especially hard. FCC data shows that many low-income Americans struggle to afford basic phone service and internet connectivity. Many of these individuals rely on the Lifeline program for connectivity. Establishing an overall cap for these programs could crowd out funding for the Lifeline program or be used to justify further decreases in funding. This would be poor policy for a program that is already underutilized. Further, this could leave behind the many low-income individuals and people of color that use Lifeline service to complete school assignments, job applications, and compete in our increasingly technology reliant world. Nor does a proposal to cap the program do anything to assist the many homeless LGBTQ youth, who rely on Lifeline to connect with their families, apply for jobs, and find a safe place to live. Without the services provided by the Lifeline program these vulnerable young individuals will have a harder time pulling themselves out


of poverty.¹ It is for these reasons that so many were outspoken against the FCC's 2017 proposed cuts to the Lifeline program.

Finally, the proposal that the E-rate and Rural Health Care programs should be under a single sub-cap and forced to compete for funding should be rejected. The E-rate is the only federal source of broadband support connecting our schools and libraries in every congressional district in the nation. A combined cap would force the program that connects our schools and the program that connects our rural hospitals to scrounge over limited funds, creating great uncertainty for schools, libraries, health centers and the providers year to year. A combined cap would also hamstring these anchor institutions from helping close the "homework gap" for students or provide innovative telehealth services to patients. Put simply, combining these programs is flatly inconsistent with the goals and purpose of universal service.

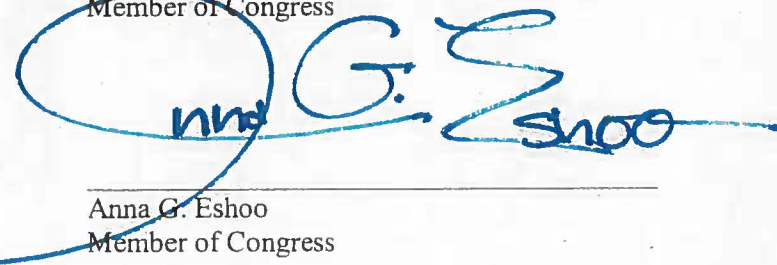
As our reliance on the internet and technology continue to grow, we strongly encourage you to abandon placing an overall cap on the USF or combining any of these crucial programs.

Sincerely,


Marc Veasey
Member of Congress


Frank Pallone
Member of Congress

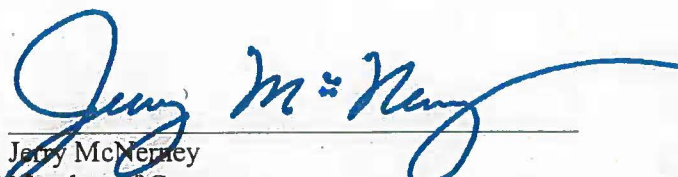

Bobby L. Rush
Member of Congress


Anna G. Eshoo
Member of Congress

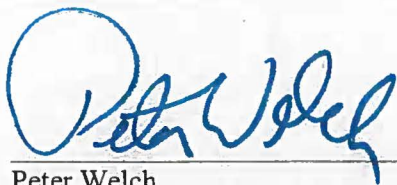

Jan P. Schakowsky
Member of Congress


G. K. Butterfield
Member of Congress

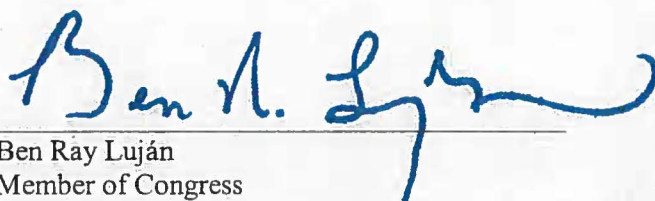

Kathy Castor
Member of Congress


Jerry McNerney
Member of Congress

¹ <https://www.associate.com/commentary/2018/6/20/discounted-phones-save-lives-homeless-lgbt-teens-now-they-might-be-taken-away>



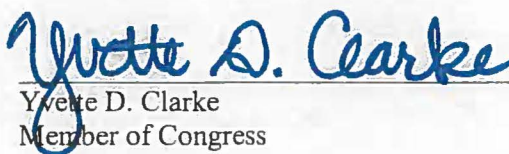
Peter Welch
Member of Congress



Ben Ray Luján
Member of Congress



Paul Tonko
Member of Congress



Yvette D. Clarke
Member of Congress



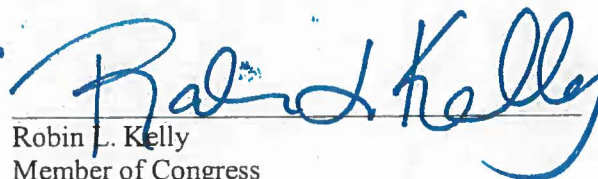
Dave Loebsack
Member of Congress



Tony Cárdenas
Member of Congress



Ann McLane Kuster
Member of Congress



Robin L. Kelly
Member of Congress



A. Donald McEachin
Member of Congress



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

August 21, 2019

The Honorable A. Donald McEachin
U.S. House of Representatives
314 Cannon House Office Building
Washington, DC 20515

Dear Congressman McEachin:

Thank you for your letter regarding the proposal to establish a cap on the Universal Service Fund (USF) and ways it could enable the Commission to evaluate the financial aspects of the four USF programs in a more holistic way.

In May, the Commission released a Notice of Proposed Rulemaking (NPRM) seeking comment on possible changes to the budget structures of the four universal service programs, and to promote efficiency, fairness, and sustainability. We initiated this proceeding mindful of our obligation to safeguard the USF funds ultimately paid by consumers, and to ensure that these important programs are funded appropriately. Each of the USF programs are currently capped or operating under a targeted budget. And I believe an overall cap could help limit the overall contributions burden and will provide regulatory and financial certainty to both recipients of and contributors to the Fund. I note that the NPRM seeks comment on a proposed overall annual budget of \$11.42 billion, which is more than \$3 billion above current USF program disbursements, and would be adjusted for inflation. Your letter will be entered into the record of the proceeding and considered as part of the Commission's review.

Please let me know if I can be of any further assistance.

Sincerely,

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Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
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August 21, 2019

The Honorable Ann McLane Kuster
U.S. House of Representatives
320 Cannon House Office Building
Washington, DC 20515

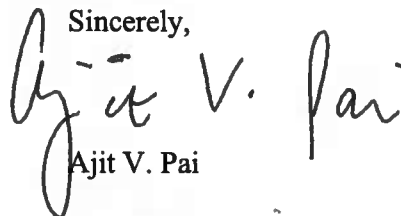
Dear Congresswoman Kuster:

Thank you for your letter regarding the proposal to establish a cap on the Universal Service Fund (USF) and ways it could enable the Commission to evaluate the financial aspects of the four USF programs in a more holistic way.

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Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
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August 21, 2019

The Honorable Anna G. Eshoo
U.S. House of Representatives
202 Cannon House Office Building
Washington, DC 20515

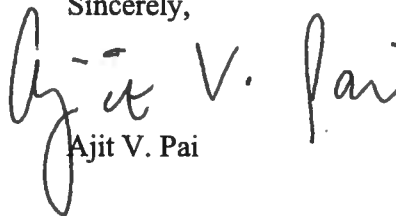
Dear Congresswoman Eshoo:

Thank you for your letter regarding the proposal to establish a cap on the Universal Service Fund (USF) and ways it could enable the Commission to evaluate the financial aspects of the four USF programs in a more holistic way.

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Ajit V. Pai



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FEDERAL COMMUNICATIONS COMMISSION
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August 21, 2019

The Honorable Ben Ray Luján
U.S. House of Representatives
2231 Rayburn House Office Building
Washington, DC 20515

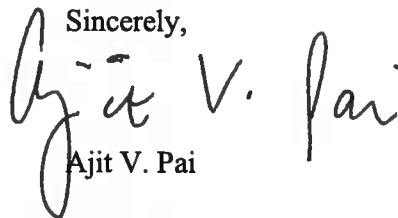
Dear Congressman Luján:

Thank you for your letter regarding the proposal to establish a cap on the Universal Service Fund (USF) and ways it could enable the Commission to evaluate the financial aspects of the four USF programs in a more holistic way.

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FEDERAL COMMUNICATIONS COMMISSION
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August 21, 2019

The Honorable Bobby L. Rush
U.S. House of Representatives
2188 Rayburn House Office Building
Washington, DC 20515

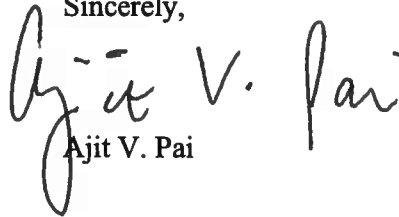
Dear Congressman Rush:

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Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
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August 21, 2019

The Honorable Dave Loebsack
U.S. House of Representatives
1211 Longworth House Office Building
Washington, DC 20515

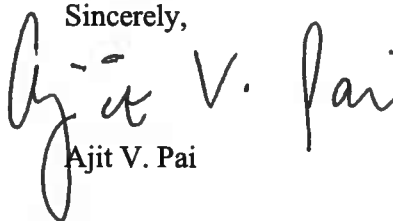
Dear Congressman Loebsack:

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Ajit V. Pai



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WASHINGTON

OFFICE OF
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August 21, 2019

The Honorable Frank Pallone
U.S. House of Representatives
237 Cannon House Office Building
Washington, DC 20515

Dear Congressman Pallone:

Thank you for your letter regarding the proposal to establish a cap on the Universal Service Fund (USF) and ways it could enable the Commission to evaluate the financial aspects of the four USF programs in a more holistic way.

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FEDERAL COMMUNICATIONS COMMISSION
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August 21, 2019

The Honorable G.K. Butterfield
U.S. House of Representatives
2080 Rayburn House Office Building
Washington, DC 20515

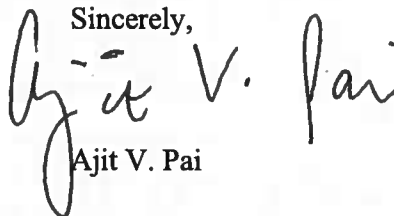
Dear Congressman Butterfield:

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Ajit V. Pai



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August 21, 2019

The Honorable Jan Schakowsky
U.S. House of Representatives
2367 Rayburn House Office Building
Washington, DC 20515

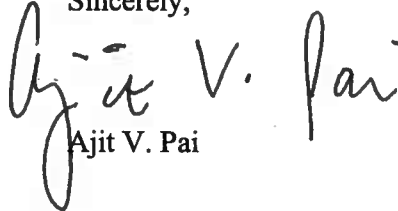
Dear Congresswoman Schakowsky:

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August 21, 2019

The Honorable Jerry McNerney
U.S. House of Representatives
2265 Rayburn House Office Building
Washington, DC 20515

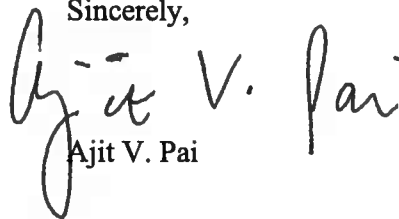
Dear Congressman McNerney:

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Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
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OFFICE OF
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August 21, 2019

The Honorable Kathy Castor
U.S. House of Representatives
2052 Rayburn House Office Building
Washington, DC 20515

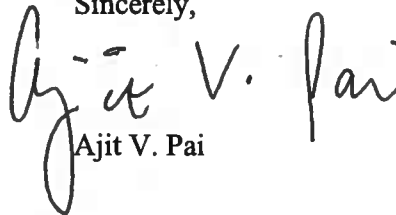
Dear Congresswoman Castor:

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Ajit V. Pai



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THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

August 21, 2019

The Honorable Marc Veasey
U.S. House of Representatives
1519 Longworth House Office Building
Washington, DC 20515

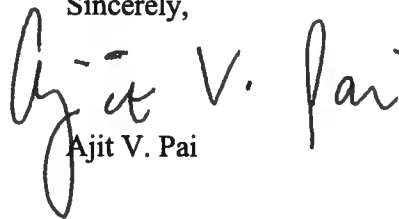
Dear Congressman Veasey:

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FEDERAL COMMUNICATIONS COMMISSION
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OFFICE OF
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August 21, 2019

The Honorable Paul Tonko
U.S. House of Representatives
2463 Rayburn House Office Building
Washington, DC 20515

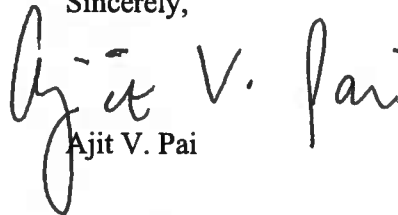
Dear Congressman Tonko:

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OFFICE OF
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August 21, 2019

The Honorable Peter Welch
U.S. House of Representatives
2303 Rayburn House Office Building
Washington, DC 20515

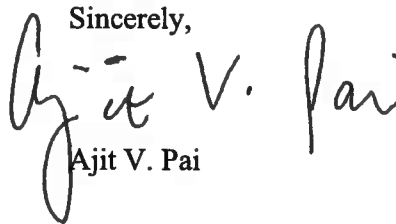
Dear Congressman Welch:

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Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
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OFFICE OF
THE CHAIRMAN

August 21, 2019

The Honorable Robin Kelly
U.S. House of Representatives
1239 Longworth House Office Building
Washington, DC 20515

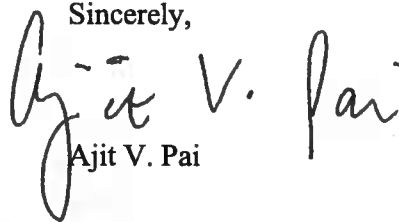
Dear Congresswoman Kelly:

Thank you for your letter regarding the proposal to establish a cap on the Universal Service Fund (USF) and ways it could enable the Commission to evaluate the financial aspects of the four USF programs in a more holistic way.

In May, the Commission released a Notice of Proposed Rulemaking (NPRM) seeking comment on possible changes to the budget structures of the four universal service programs, and to promote efficiency, fairness, and sustainability. We initiated this proceeding mindful of our obligation to safeguard the USF funds ultimately paid by consumers, and to ensure that these important programs are funded appropriately. Each of the USF programs are currently capped or operating under a targeted budget. And I believe an overall cap could help limit the overall contributions burden and will provide regulatory and financial certainty to both recipients of and contributors to the Fund. I note that the NPRM seeks comment on a proposed overall annual budget of \$11.42 billion, which is more than \$3 billion above current USF program disbursements, and would be adjusted for inflation. Your letter will be entered into the record of the proceeding and considered as part of the Commission's review.

Please let me know if I can be of any further assistance.

Sincerely,


Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

August 21, 2019

The Honorable Tony Cárdenas
U.S. House of Representatives
2438 Rayburn House Office Building
Washington, DC 20515

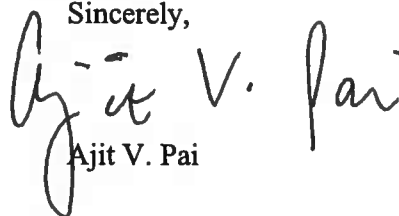
Dear Congressman Cárdenas:

Thank you for your letter regarding the proposal to establish a cap on the Universal Service Fund (USF) and ways it could enable the Commission to evaluate the financial aspects of the four USF programs in a more holistic way.

In May, the Commission released a Notice of Proposed Rulemaking (NPRM) seeking comment on possible changes to the budget structures of the four universal service programs, and to promote efficiency, fairness, and sustainability. We initiated this proceeding mindful of our obligation to safeguard the USF funds ultimately paid by consumers, and to ensure that these important programs are funded appropriately. Each of the USF programs are currently capped or operating under a targeted budget. And I believe an overall cap could help limit the overall contributions burden and will provide regulatory and financial certainty to both recipients of and contributors to the Fund. I note that the NPRM seeks comment on a proposed overall annual budget of \$11.42 billion, which is more than \$3 billion above current USF program disbursements, and would be adjusted for inflation. Your letter will be entered into the record of the proceeding and considered as part of the Commission's review.

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Sincerely,


Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

August 21, 2019

The Honorable Yvette D. Clarke
U.S. House of Representatives
2058 Rayburn House Office Building
Washington, DC 20515

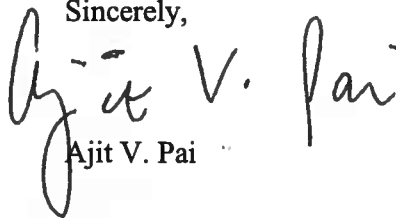
Dear Congresswoman Clarke:

Thank you for your letter regarding the proposal to establish a cap on the Universal Service Fund (USF) and ways it could enable the Commission to evaluate the financial aspects of the four USF programs in a more holistic way.

In May, the Commission released a Notice of Proposed Rulemaking (NPRM) seeking comment on possible changes to the budget structures of the four universal service programs, and to promote efficiency, fairness, and sustainability. We initiated this proceeding mindful of our obligation to safeguard the USF funds ultimately paid by consumers, and to ensure that these important programs are funded appropriately. Each of the USF programs are currently capped or operating under a targeted budget. And I believe an overall cap could help limit the overall contributions burden and will provide regulatory and financial certainty to both recipients of and contributors to the Fund. I note that the NPRM seeks comment on a proposed overall annual budget of \$11.42 billion, which is more than \$3 billion above current USF program disbursements, and would be adjusted for inflation. Your letter will be entered into the record of the proceeding and considered as part of the Commission's review.

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