

Congress of the United States
Washington, DC 20515

753

September 15, 2017

The Honorable Ajit V. Pai
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Chairman Pai:

We write seeking your assurance that the Federal Communications Commission's plan to transfer the Universal Service Fund (USF) to the Department of the Treasury (Treasury) will not permit USF monies to be spent for other federal programs. The programs supported by USF have connected millions of Americans and should not be spent on other debts.

The principle of universal service embodied by the USF is one of the core principles of the Communications Act. Through the four discrete USF programs, the FCC has been able to build out broadband in rural and tribal areas, help connect schools and libraries, improve health care, and extend a communications lifeline to struggling Americans.

According to reports, the FCC is planning to move the USF to the Treasury. We have heard concerns from constituents that this move could allow USF funds to be used for other purposes, which could make it more difficult to bridge the digital divide.

Before the FCC moves forward with its plan, we ask you to please commit that it would be impermissible for USF monies to be spent for other purposes if the USF is moved to the Treasury. Such an assurance is important for the millions of Americans whose connection depends on the USF.

We appreciate your attention to this important matter and look forward to your prompt response.

Sincerely,



PETER WELCH
Member of Congress



MIKE DOYLE
Member of Congress



ANNA ESHOO
Member of Congress



G.K. BUTTERFIELD
Member of Congress

A handwritten signature in blue ink that reads "Dave Loebsack". The signature is fluid and cursive, with the first name "Dave" and last name "Loebsack" clearly legible.

DAVID LOEBSACK
Member of Congress

A handwritten signature in blue ink that reads "Doris Matsui". The signature is written in a cursive style, with "Doris" and "Matsui" being the first and last names respectively.

DORIS MATSUI
Member of Congress

A handwritten signature in blue ink that reads "Jerry McNerney". The signature is highly stylized and cursive, with a long, sweeping line extending from the end of the last name.

JERRY MCNERNEY
Member of Congress



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

October 24, 2017

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

Dear Congressman Butterfield:

Thank you for your letter concerning the planned transfer of Universal Service Fund (USF) monies from a private bank to the Department of Treasury. As you are aware, I am fully committed to bridging the digital divide, and the USF is an essential component of our strategy for accomplishing that goal. Consequently, I support transferring USF accounts to the United States Treasury for the simple reason that we must take all appropriate measures to secure the integrity of the USF's funding source and avoid any unnecessary risks to the program.

As the Government Accountability Office (GAO) determined, the United States Treasury is the appropriate depository for USF accounts. GAO's report (GAO-17-538) specifically stated that USAC's banking practices for the USF result in oversight and accountability risks. The report favored our planned approach, which was first discussed by GAO in its 2005 report where it advised the Commission to label universal service monies as federal funds. At that time, GAO noted that the USF should be handled in a way consistent with existing law (*see* Miscellaneous Receipts Statute, 31 U.S.C. § 3302). The Office of Management and Budget (OMB) later agreed with this determination in a 2014 communication with the FCC.

In your letter, you mention a concern from some that moving USF funds to the Treasury could allow them to be used for other purposes. I understand and appreciate your concern about the future of the USF. Please be assured that I would never condone any actions that undermine the USF's financial stability. It would be impermissible for USF monies to be spent for any purpose other than universal service. The entity holding USF funds has no effect on the Fund's status as a permanent, indefinite appropriation.

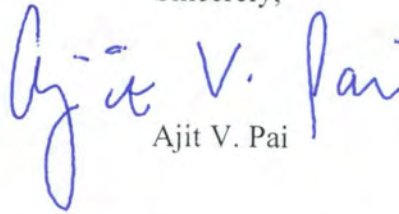
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I will continue to do everything within my power and authority to support this essential program while ensuring that it operates in an efficient manner. I am pleased that we are making

Page 2—The Honorable G.K. Butterfield

progress in effectuating the transfer to Treasury supported by GAO throughout the past decade and I look forward to completing this task within the next year.

Sincerely,

A handwritten signature in blue ink that reads "Ajit V. Pai". The signature is written in a cursive style with a large, looping initial "A".

Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

October 24, 2017

The Honorable Mike Doyle
U.S. House of Representatives
239 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Doyle:

Thank you for your letter concerning the planned transfer of Universal Service Fund (USF) monies from a private bank to the Department of Treasury. As you are aware, I am fully committed to bridging the digital divide, and the USF is an essential component of our strategy for accomplishing that goal. Consequently, I support transferring USF accounts to the United States Treasury for the simple reason that we must take all appropriate measures to secure the integrity of the USF's funding source and avoid any unnecessary risks to the program.

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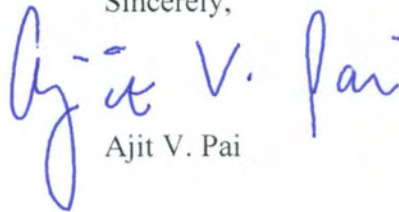
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I will continue to do everything within my power and authority to support this essential program while ensuring that it operates in an efficient manner. I am pleased that we are making

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Sincerely,

Ajit V. Pai

Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

October 24, 2017

The Honorable Anna G. Eshoo
U.S. House of Representatives
241 Cannon House Office Building
Washington, D.C. 20515

Dear Congresswoman Eshoo:

Thank you for your letter concerning the planned transfer of Universal Service Fund (USF) monies from a private bank to the Department of Treasury. As you are aware, I am fully committed to bridging the digital divide, and the USF is an essential component of our strategy for accomplishing that goal. Consequently, I support transferring USF accounts to the United States Treasury for the simple reason that we must take all appropriate measures to secure the integrity of the USF's funding source and avoid any unnecessary risks to the program.

As the Government Accountability Office (GAO) determined, the United States Treasury is the appropriate depository for USF accounts. GAO's report (GAO-17-538) specifically stated that USAC's banking practices for the USF result in oversight and accountability risks. The report favored our planned approach, which was first discussed by GAO in its 2005 report where it advised the Commission to label universal service monies as federal funds. At that time, GAO noted that the USF should be handled in a way consistent with existing law (*see* Miscellaneous Receipts Statute, 31 U.S.C. § 3302). The Office of Management and Budget (OMB) later agreed with this determination in a 2014 communication with the FCC.

In your letter, you mention a concern from some that moving USF funds to the Treasury could allow them to be used for other purposes. I understand and appreciate your concern about the future of the USF. Please be assured that I would never condone any actions that undermine the USF's financial stability. It would be impermissible for USF monies to be spent for any purpose other than universal service. The entity holding USF funds has no effect on the Fund's status as a permanent, indefinite appropriation.

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I will continue to do everything within my power and authority to support this essential program while ensuring that it operates in an efficient manner. I am pleased that we are making

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Sincerely,

Ajit V. Pai

Ajit V. Pai





FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

October 24, 2017

The Honorable Dave Loebsack
U.S. House of Representatives
1527 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Loebsack:

Thank you for your letter concerning the planned transfer of Universal Service Fund (USF) monies from a private bank to the Department of Treasury. As you are aware, I am fully committed to bridging the digital divide, and the USF is an essential component of our strategy for accomplishing that goal. Consequently, I support transferring USF accounts to the United States Treasury for the simple reason that we must take all appropriate measures to secure the integrity of the USF's funding source and avoid any unnecessary risks to the program.

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Sincerely,

Ajit V. Pai

Ajit V. Pai



2013



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

October 24, 2017

The Honorable Doris Matsui
U.S. House of Representatives
2311 Rayburn House Office Building
Washington, D.C. 20515

Dear Congresswoman Matsui:

Thank you for your letter concerning the planned transfer of Universal Service Fund (USF) monies from a private bank to the Department of Treasury. As you are aware, I am fully committed to bridging the digital divide, and the USF is an essential component of our strategy for accomplishing that goal. Consequently, I support transferring USF accounts to the United States Treasury for the simple reason that we must take all appropriate measures to secure the integrity of the USF's funding source and avoid any unnecessary risks to the program.

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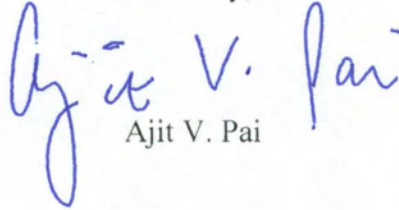
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Sincerely,

Ajit V. Pai

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

October 24, 2017

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

Dear Congressman McNerney:

Thank you for your letter concerning the planned transfer of Universal Service Fund (USF) monies from a private bank to the Department of Treasury. As you are aware, I am fully committed to bridging the digital divide, and the USF is an essential component of our strategy for accomplishing that goal. Consequently, I support transferring USF accounts to the United States Treasury for the simple reason that we must take all appropriate measures to secure the integrity of the USF's funding source and avoid any unnecessary risks to the program.

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

October 24, 2017

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

Dear Congressman Welch:

Thank you for your letter concerning the planned transfer of Universal Service Fund (USF) monies from a private bank to the Department of Treasury. As you are aware, I am fully committed to bridging the digital divide, and the USF is an essential component of our strategy for accomplishing that goal. Consequently, I support transferring USF accounts to the United States Treasury for the simple reason that we must take all appropriate measures to secure the integrity of the USF's funding source and avoid any unnecessary risks to the program.

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