



November 17, 2017

Via ECFS

Chairman Ajit Pai
Federal Communications Commission
445 12th Street, S.W.
8th Floor
Washington, D.C. 20554

Commissioner Mignon Clyburn
Federal Communications Commission
445 12th Street, S.W.
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Commissioner Michael O’Rielly
Federal Communications Commission
445 12th Street, S.W.
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Commissioner Brendan Carr
Federal Communications Commission
445 12th Street, S.W.
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Washington, D.C. 20554

Commissioner Jessica Rosenworcel
Federal Communications Commission
445 12th Street, S.W.
8th Floor
Washington, D.C. 20554

Dear Chairman Pai, Commissioner Clyburn, Commissioner O’Rielly, Commissioner Carr,
and Commissioner Rosenworcel:

As executives of broadband companies serving rural and small-town America, we are writing to express our shared concern about the economic divide in our country evident in the slower growth and progress in many of the economically distressed communities we serve. As Chairman Pai recently noted in his “Morning in Digital America” speech at the Ronald Reagan Presidential Library, “In recent years, 52% of new jobs and 57% of new businesses have been created in prosperous communities representing only 27% of our nation’s population. By contrast, about one in six Americans—52 million people—live in economically distressed communities that have been declining for years.” Likewise, we equally are concerned by the technology divide separating the digital “haves” in our nation from the “have-nots,” especially in our country’s rural areas.

We write today to ask the Federal Communications Commission to make it easier for us and other innovators to offer services that will bridge the digital divide in the communities we serve. Returning broadband service to the Title I light-touch framework that provided the foundation for the growth and success of the broadband-enabled Internet is essential to getting and keeping communities connected.

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Absent the right regulatory environment – one that includes a common-sense federal framework to shield providers and consumers alike from divergent and burdensome state and local requirements – a portion of our fellow citizens will remain unable to access many of the transformative opportunities and benefits broadband can bring. The Commission should, where necessary, adopt sensible regulations that provide incentives for companies to keep building and investing in areas that are unserved or underserved. The Commission also must target – and properly fund – Universal Service support to small towns and rural America. As providers on the front lines serving these customers, we have been saying for years that market-based, light-touch regulation will enable us to maximize private investment and public funding to ensure continued and expanded deployment of broadband infrastructure, including fiber-rich wireline networks and fifth generation (5G) fixed and mobile wireless.

The data on investment trends suggest that regulatory structures matter. Since the Commission reclassified broadband internet access service as a public utility-like service in 2015, broadband investment has been headed in the wrong direction. In 2016, capital expenditure for broadband providers was \$76 billion, down from \$77.9 billion in 2015 and \$78.4 billion in 2014. That’s \$2.4 billion lower in 2016 than in 2014, the year before the FCC adopted Title II utility-style regulations. As predicted, our nation’s broadband innovators as a whole have reacted to reclassification by investing less than we would have otherwise. This makes it even less likely that Americans living in economically distressed communities in rural America will get access in the near term to the modern broadband services they deserve and increasingly require.

Finally, because the Commission has repeatedly held that broadband is jurisdictionally – and self-evidently – an interstate service, it is important that states and localities not be allowed to impose common carrier-like regulations, including economic regulations, on broadband providers. Clarity from the Commission on this point is necessary to ensure providers are not burdened with multiple, and possibly conflicting, state and local requirements and Constitutionally-protected interstate commerce and competition can continue to thrive across our great nation.

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We strive every day to provide state-of-the-art broadband services to our nation’s rural communities and small towns, and we continue to stand ready to work with the Commission in shaping a new era of smart, common-sense and pro-consumer 21st century rules that will close, once and for all, the digital divide separating too many Americans. We appreciate the Commission’s thoughtful attention to this important effort.

Sincerely,

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