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COMMITTEES:
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Congress of the United States
House of Representatives
Washington, DC 20515-5400


May 8, 2018

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

Re: **Uniendo a Puerto Rico Fund**

Dear Mr. Chairman:

Thank you for your recent visit to Puerto Rico to meet with local leaders and communications service providers and review the status of communications restoration efforts after the devastating 2017 hurricane season. Puerto Rico appreciates your commitment to think creatively to help restore communications networks in the aftermath of the unprecedented destruction caused by Hurricanes Irma and Maria.



I write in connection with your proposal to create a \$750 million *Uniendo a Puerto Rico Fund* ("Fund"). While I understand that at this point the Fund is a proposal, I have some concerns regarding the level of new funding that the Fund would include. Specifically, during the roundtable conducted in Puerto Rico on March 7, 2018, FCC staff mentioned that the Fund would include ten years of frozen high cost wireline support and three years of frozen high cost wireless support.

According to the Federal-State Joint Board Monitoring Reports, Puerto Rico receives approximately \$115 million per year in frozen high cost support, of which approximately \$36 million is for wireline networks and \$79 million for wireless networks. Ten years of wireline support and three years of wireless support is approximately \$597 million. Thus, out of the \$750 million proposed in the Fund, \$597 million (80 percent) would be repurposed funding and \$153 million (20 percent) would be new funding.

If 80 percent of the Fund consists of funds that Puerto Rico already receives, the proposal will likely fail in having the intended effect. Ideally all, or at least most, of the Fund would consist of new funding to provide Puerto Rico a meaningful opportunity to restore service, rebuilt its networks in a manner that are better suited

to withstand future storms and hurricanes, and expand service. As you move forward with the Fund proposal, I urge you to take the steps necessary to maximize the levels of new funding in this proposal.

Thank you for your attention to this critical issue. If my office can be of assistance, please do not hesitate to let me know.

Sincerely,



Jennifer González Colón
Member of Congress



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

November 13, 2018

The Honorable Jennifer González Colón
U.S. House of Representatives
1529 Longworth House Office Building
Washington, D.C. 20515

Dear Congresswoman González Colón:

Thank you for your letter regarding the communications restoration efforts in Puerto Rico after Hurricane Irma and Hurricane Maria devastated the island. I'm grateful for your advocacy on this issue as well as the hospitality and insights you shared during my visit to Puerto Rico earlier this year.

Ever since the 2017 hurricane season, our energies have been focused on responding to the aftermath of the storms—namely, ensuring the recovery and strengthening of communications networks. My proposal this past March to create the Uniendo a Puerto Rico Fund was the centerpiece of this approach, and I'm glad my colleagues joined me in approving it in an Order earlier this year.

In the near term, the Order provides more than \$51.2 million in additional funding this year to make sure network recovery continues in Puerto Rico. That's in addition to the \$67 million in advanced funding provided in 2017, which the Commission decided in the Order will not be recovered from future universal service support payments. The Order allows existing providers who have been serving the islands but were not previously getting universal service funds to access this funding once they obtain an Eligible Telecommunications Carrier designation. Including those providers who have been invested in the territories will promote competition and consumer choice.

But I recognize that this is a marathon, not a sprint. Rebuilding networks will require more support. In the Notice of Proposed Rulemaking accompanying the Order, we look toward the long term and consider \$700 million in funding to Puerto Rico to enhance connectivity and help future-proof the territories' networks. Making the right calls now will help ensure that funding is fiscally responsible and enables as many people as possible in the territories to benefit from fixed and mobile communications.

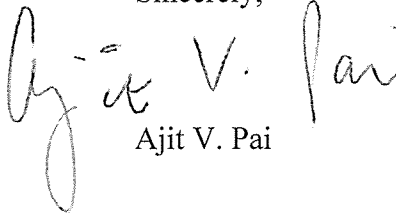
More specifically, we seek comment in the Notice on revisiting the existing spending mechanism established in 2014 to ensure there is sufficient support for the long-term rebuilding of the network and that such support is distributed in a cost-efficient manner. Each year, the high-cost fund directs \$36 million to fixed services in Puerto Rico and \$79.2 million to mobile services. However, none of the funding has ever been tied to specific, accountable build-out targets. Given the situation, we propose reconsidering the existing high-cost support mechanism and replacing it with a competitive mechanism that would allocate additional funding to a fixed network for a decade and a mobile network for three years and establish clear build-out

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obligations. The Fund would make available at least \$100 million in new funding for Puerto Rico to rebuild and restore communications networks damaged in last year's storms—with most of that new funding going to rebuilding the wireline networks. I appreciate that additional support beyond this \$100 million increase may well be necessary to rebuild, improve, and expand service in Puerto Rico. As such, I look forward to reviewing the record of this proceeding and discussing it with my colleagues.

I appreciate your leadership and, again, your hosting me earlier this year. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Ajit V. Pai". The signature is fluid and cursive, with the first name "Ajit" being the most prominent part.

Ajit V. Pai