

TOM EMMER  
6TH DISTRICT, MINNESOTA

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**Congress of the United States**  
**House of Representatives**  
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October 23, 2018

830

Received & Inspected

OCT 29 2018

FCC Mailroom

The Honorable Ajit Pai  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

Dear Chairman Pai:

I write to echo Chairman Thune and the South Dakota delegation's strong support for full funding of the High Cost program budget within the Universal Service Fund (USF). Minnesotans, South Dakotans, and Midwesterners alike benefit from this program's effort to ensure broadband services are comparable to urban areas. Decreased funding could put at risk this vital access.

Thank you for your recent effort to provide funding to those in the program. However, future funding is still critical. I have previously joined letters with colleagues expressing support for the USF, which includes predictable and long-term funding for those in rural areas.

Please prioritize addressing this budget shortfall. Deficient funding could affect both existing and future deployment of rural broadband. Minnesota stands to see millions in lost support for investments that have already been made, resulting in decreased broadband coverage and increased costs to consumers.

Thank you for your work in recent years to expand rural access and ensure every American can be connected. I look forward to working together to ensure the Minnesotans affected remain connected to our digital economy. Please contact Landon Zinda with my office at [Landon.Zinda@mail.house.gov](mailto:Landon.Zinda@mail.house.gov) if you require more information.

Sincerely,



Tom Emmer  
Member of Congress



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

November 30, 2018

The Honorable Tom Emmer  
U.S. House of Representatives  
315 Cannon House Office Building  
Washington, D.C. 20515

Dear Congressman Emmer:

Thank you for your letter on the importance of high-speed broadband access to rural Americans, including those in Minnesota. Closing the digital divide is our foremost mission as an agency, and I appreciate your recognition of our work thus far to foster deployment in the most remote corners of our country.

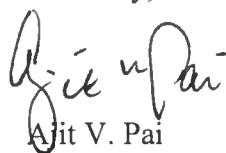
I agree with your concerns that budget limitations in the Universal Service Fund's high cost program for legacy rate-of-return providers could result in undue reductions in support for broadband deployment in Minnesota. Those cuts were the legacy of the last Administration's *2016 Rate-of-Return Reform Order* (from which I dissented in part as a Commissioner).

We started to address this problem in March, when the Commission dedicated an additional \$500 million to support small, rural carriers deploying broadband to the farthest reaches of America. And I expect that we will finish our work in December. I have now circulated to my colleagues a proposed order that would reform our high-cost program for small carriers to increase its efficiency, its sufficiency, and its predictability, all while ensuring rural Americans get the high-quality services they need and deserve.

*First*, we're promoting efficiency by offering rate-of-return carriers opportunity to opt in to model-based support, which would give them a guaranteed revenue stream for a decade in exchange for meeting specified buildout requirements. *Second*, we're ensuring support is sufficient by offering additional funding to carriers that currently receive model-based support and who agree to meet increased buildout requirements. We're also increasing funding for carriers who do not receive model-based support. *Third*, we're making the program more predictable by setting a new long-term budget for rate-of-return carriers who choose not to opt in to model-based support and ending arbitrary funding cuts. And *fourth*, we're increasing the target speeds for subsidized deployments from 10/1 Mbps to 25/3 Mbps. Long story short, we're making the Universal Service Fund a more effective means of closing the digital divide.

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

Sincerely,



Ajit V. Pai