

Congress of the United States
Washington, DC 20515

September 12, 2014

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The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20536

Dear Chairman Wheeler:

Broadband Internet access has become an essential part of the economic and social fabric in many rural communities, as a tool to build businesses, apply for jobs, enhance educational opportunities and connect to friends and relatives. With robust broadband service, even a small town can rely on its residents' talent and determination to compete with the world. Without it, the same community risks being left behind in today's technology-centric economy.

Phase II of the Connect America Fund ("CAF II") offers a tremendous opportunity to bring speedier, fiber-fed broadband connections to millions of Americans who wouldn't otherwise receive these benefits. Thanks to the Commission's well-publicized efforts, thousands of rural communities are now counting on CAF II. And because CAF II represents the final phase of Universal Service reform for these areas, its rules will effectively determine, for years to come, whether millions of rural residents will have a broadband connection or not. Indeed, the June 10 Further Notice of Proposed Rulemaking (FNPRM) has raised hopes further by more than doubling the promised download speeds from 4 Mbps to 10 Mbps.

We are writing today to emphasize how important it is to ensure that the final details of CAF II live up to its promise. We are concerned that if the Commission more than doubles the speed requirements without allowing the appropriate level of flexibility in other elements of CAF II, the program's overall mission could be endangered.

To the Commission's credit, the June 10 FNPRM identifies a number of constructive ideas that could help achieve the speedier network goals without exceeding the CAF II annual budget. First, the CAF II funding period must be extended from the current 5 years to 10 years to allow adequate time for the construction of the higher-capacity network. Next, the Commission must use the same 10 Mbps standard when identifying broadband availability from competitors, or else communities with just 4 Mbps will be left behind. The Commission also must establish network build-out parameters consistent with the goal of providing quality broadband service to as many people as possible within CAF's limited funding framework. As such, providers must

be given the flexibility to substitute extremely high cost locations with unserved locations in partially served census blocks.

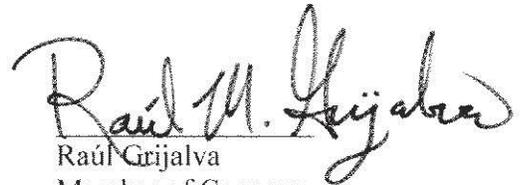
We also encourage you to be as precise as possible when targeting support to areas where broadband would not otherwise be available. In the “interim” CAF I phases, an entire census block could be disqualified if a competitive carrier claimed to serve even a small fraction of its customers, and many areas were disqualified based on the untested assertions of wireless ISPs with line of sight and capacity issues that made them a poor substitute for fiber-fed networks. Now that we are in the final phase, we hope the CAF II standards can reach those unserved customers, and also require competitive carriers to meet a reasonable standard of verification before depriving a community of CAF II support.

Despite years of federal efforts to overcome the digital divide, we still often hear from constituents seeking assistance to bring broadband service to their homes. The concerns they raise are a reminder of how challenging rural broadband policy can be, but also how important it is. In keeping with all relevant rules and regulations, we would greatly appreciate your attention to this matter, and we look forward to working with you.

Sincerely,



Ed Pastor
Member of Congress



Raúl Grijalva
Member of Congress



Ann Kirkpatrick
Member of Congress



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

September 19, 2014

The Honorable Ed Pastor
U.S. House of Representatives
2465 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Pastor:

Thank you for your letter regarding the implementation of certain aspects of Phase II of the Connect America Fund (CAF II). In your letter, you express concerns that the overall mission of the CAF II program could be endangered if the Commission increases the current broadband speed benchmark for program recipients to 10 Mbps downstream /1 Mbps upstream without allowing flexibility in other elements of the program, as well as suggest several proposals to provide such flexibility. Your views are very important and will be included in the record of the proceeding and considered as part of the Commission's review.

I agree with you that high-speed broadband access is an essential component for economic growth in rural communities. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the United States of the 21st century. We are focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experiences to rural America within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion.

In April, the Commission adopted a *Connect America Fund Phase II Report and Order* to move forward with Phase II of the Connect America Fund for price-cap carriers. In addition, in an associated *Further Notice of Proposed Rulemaking (FNPRM)*, the Commission sought comment on a number of the issues you raise, including revising the current broadband performance obligations to require minimum speeds of 10 Mbps downstream, and applying the same performance obligations to all recipients of Phase II support and to rate-of-return carriers. The *FNPRM* also seeks comment on a proposal to allow CAF II recipients more flexibility in meeting their performance obligations, such as the ability to substitute locations in partially-served census blocks for locations in the unserved census block for which it received support. The record on these issues just closed and is under consideration by Commission staff.

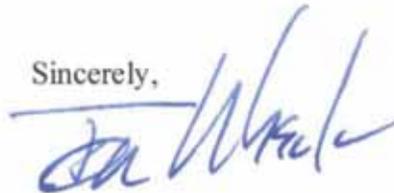
One final step in the process before we can complete CAF II, which your letter references, is that we must finalize the list of census blocks that are eligible for support. We recently initiated the CAF II challenge process and received a total of 178,335 challenges from parties challenging the served/unserved status of a census block. Commission staff is currently reviewing these challenges and will soon release a Public Notice giving parties 45 days to

comment on these challenges. We intend to make sure that a fair challenge process is conducted to ensure that all eligible unserved areas qualify for funding.

We expect a robust record on these topics and I welcome a dialogue with stakeholders about how best to accomplish our shared objectives. I look forward to working with you as we continue reforming and modernizing the universal service fund high-cost program – as well as other components of the Fund – to ensure that all Americans have access to robust voice and broadband services.

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

Sincerely,

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Tom Wheeler



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

September 19, 2014

The Honorable Raúl Grijalva
U.S. House of Representatives
1511 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Grijalva:

Thank you for your letter regarding the implementation of certain aspects of Phase II of the Connect America Fund (CAF II). In your letter, you express concerns that the overall mission of the CAF II program could be endangered if the Commission increases the current broadband speed benchmark for program recipients to 10 Mbps downstream /1 Mbps upstream without allowing flexibility in other elements of the program, as well as suggest several proposals to provide such flexibility. Your views are very important and will be included in the record of the proceeding and considered as part of the Commission's review.

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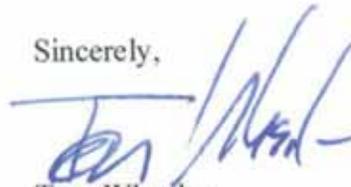
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Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

September 19, 2014

The Honorable Ann Kirkpatrick
U.S. House of Representatives
330 Cannon House Office Building
Washington, D.C. 20515

Dear Congresswoman Kirkpatrick:

Thank you for your letter regarding the implementation of certain aspects of Phase II of the Connect America Fund (CAF II). In your letter, you express concerns that the overall mission of the CAF II program could be endangered if the Commission increases the current broadband speed benchmark for program recipients to 10 Mbps downstream /1 Mbps upstream without allowing flexibility in other elements of the program, as well as suggest several proposals to provide such flexibility. Your views are very important and will be included in the record of the proceeding and considered as part of the Commission's review.

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