

Congress of the United States
Washington, DC 20510

September 10, 2014

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

962

Dear Chairman Wheeler:

As you recognize, access to broadband internet is essential to the continued economic and social vitality of rural communities, where it provides critical tools for citizens to start businesses, obtain a quality education and keep in touch with family and friends. Robust broadband service enables businesses in small towns and remote areas to compete in the global marketplace. Without it, the same communities risk being left behind in today's technology-centric economy.

Phase II of the Connect America Fund (CAF II) is an incredible opportunity to bring state-of-the-art high speed, fiber-fed broadband to millions of Americans, including thousands of Granite Staters, who wouldn't otherwise receive access to an increasingly essential communications network. Rural communities across the nation are counting on the Commission and CAF II to deliver broadband connections to residents that lack service and access to the expanding digital economy.

Unfortunately, the Universal Service Fund has failed New Hampshire. According to the most recent FCC statistics from 2012, New Hampshire residents contributed \$40.5 million to the USF while receiving only \$15.1 million in return. This is a return of 37 cents for every dollar we contribute, while many communities in the state remain unserved. We are writing today to emphasize how important it is to ensure that the final details of CAF II live up to its promise. While we applaud the Commission's proposal to increase download speeds to 10 Mbps, we also encourage the Commission to allow an appropriate level of flexibility in other elements of CAF II to ensure that the program's overall mission is not compromised by such a significant increase in speed requirements.

We encourage the Commission to build on a number of constructive ideas identified in the June 10 FNPRM that may bolster efforts to achieve a faster network without exceeding the CAF II budget. In particular, should the Commission increase speed requirements, we believe that the CAF II funding period should also be extended to allow adequate time for the construction of the higher-capacity network. We also urge the Commission to use the same download standard it will require of CAF II recipients when identifying broadband availability from competitors, as any discrepancy could leave behind communities that meet only the 4 Mbps standard. As the Commission moves forward on the implementation of CAF II, it must remain focused on the

The Honorable Tom Wheeler

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goal of expanding access to quality broadband connections while efficiently distributing its resources.

We encourage you to verify that the FCC is targeting support to unserved areas where broadband would not otherwise be available. Now that we are in the final phase, we hope the CAF II standards can reach those unserved customers, and also require alternative broadband providers to meet a reasonable standard of verification before depriving a community of CAF II support.

Despite the fact that high speed broadband is increasingly available in urban communities, we continue to hear from constituents in rural areas who seek assistance obtaining broadband service in their homes. CAF II represents an important step toward meeting the needs of these individuals and is an important opportunity to support rural economies in New Hampshire and across the nation.

Thank you for considering our concerns. We look forward to working with you.

Sincerely,



Jeanne Shaheen
United States Senator



Kelly A. Ayotte
United States Senator



Ann McLane Kuster
Member of Congress



Carol Shea-Porter
Member of Congress



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

October 1, 2014

The Honorable Kelly Ayotte
United States Senate
144 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Ayotte:

Thank you for your letter regarding implementation of certain aspects of Phase II of the Connect America Fund (CAF Phase II). I appreciate your views and will ensure your letter is 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 experience 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.

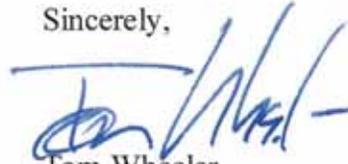
In April, the Commission adopted a *Connect America Fund Phase II Report and Order* to move forward with Phase II of the Connect America Fund for price-cap carriers. In addition, in an associated *Further Notice of Proposed Rulemaking (FNPRM)*, the Commission sought comment on a number of the issues 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.

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 Universal Service Fund – to ensure that all Americans have access to robust voice and broadband services.

Page 2—The Honorable Kelly Ayotte

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

Sincerely,



Tom Wheeler



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

October 1, 2014

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

Dear Representative Kuster:

Thank you for your letter regarding implementation of certain aspects of Phase II of the Connect America Fund (CAF Phase II). I appreciate your views and will ensure your letter is 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 experience 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.

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Page 2—The Honorable Ann Kuster

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Sincerely,

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Tom Wheeler



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

October 1, 2014

The Honorable Jeanne Shaheen
United States Senate
520 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Shaheen:

Thank you for your letter regarding implementation of certain aspects of Phase II of the Connect America Fund (CAF Phase II). I appreciate your views and will ensure your letter is 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 experience 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.

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Page 2—The Honorable Jeanne Shaheen

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Tom Wheeler



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

October 1, 2014

The Honorable Carol Shea-Porter
U.S. House of Representatives
1530 Longworth House Office Building
Washington, D.C. 20515

Dear Representative Shea-Porter:

Thank you for your letter regarding implementation of certain aspects of Phase II of the Connect America Fund (CAF Phase II). I appreciate your views and will ensure your letter is 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 experience 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.

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Page 2—The Honorable Carol Shea-Porter

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Tom Wheeler