



United States Senate
WASHINGTON, DC 20510-0905

Received & Inspected

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FCC Mail Room

BILL NELSON
FLORIDA

August 29, 2014

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The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: WC Docket No. 10-90; CAF II Further Notice of Proposed Rulemaking

Dear Chairman Wheeler:

I write today to request that the Commission consider certain changes to Phase II of the Connect America Fund (CAF II) that may create further incentives for broadband providers to expand service in rural and underserved areas.

Broadband Internet access service is a critical part of our economy. With access to affordable high-speed broadband services, businesses are able to attract talent and compete with companies around the world. Similarly, consumers are able to connect to a wide range of educational and employment opportunities. Conversely, those communities that do not have affordable, reliable broadband access are often left behind. Through this proceeding, I believe the Commission has an opportunity to continue to bridge the digital divide in underserved Florida communities, as well as those across America.

To that end, I request that the Commission consider certain changes that were identified in the Commission's June 10, 2014, Connect America Fund Phase II Further Notice of Proposed Rulemaking (FNPRM). First, the Commission should consider extending the CAF II funding period, within appropriate budget restraints, from the current 5 years to 10 years to allow adequate time and support for construction of higher-capacity networks. Second, the Commission should consider allowing carriers flexibility to substitute some extremely high cost areas with unserved locations in partially-served census blocks to meet deployment obligations. Finally, the Commission should consider metrics that will allow maximum precision when evaluating whether areas are "served" to ensure that all residents of a census block have access to broadband services.

Thank you in advance for your consideration of these comments, and for all of your continued efforts to bridge the digital divide.

Sincerely,

Bill Nelson



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

October 1, 2014

The Honorable Bill Nelson
United States Senate
716 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Nelson:

Thank you for your letter requesting the Commission to consider modifications to 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.

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.

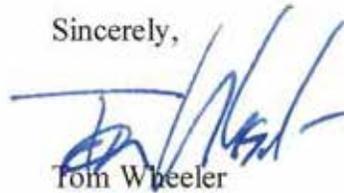
In April, the Commission adopted a *Connect America Fund Phase II Report and Order* to move forward with Phase II of the Connect America Fund for price-cap carriers. In addition, in an associated *Further Notice of Proposed Rulemaking (FNPRM)*, the Commission sought comment on a number of the issues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

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 we recently released 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 as to 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.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", is written over a horizontal line. The signature is stylized and cursive.

Tom Wheeler