Congress of the United States
Washington, DC 20510

October 7, 2014

1078

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Chairman Wheeler:

Rural communities depend on broadband Internet access for their economic and social needs. The Federal Communications Commission's (FCC) Phase II of the Connect America Fund (CAF II) would bring a faster fiber-based broadband to more than 8,500 households in Utah.

In implementing its CAF II objectives, we ask that the Commission allow flexibility in its build-out and funding requirements as it increases the broadband speed requirement from 4 Mbps to 10 Mbps. We also ask that you reconsider previously disqualified rural communities for CAF II support and ensure funding is targeted to underserved areas and not subsidizing areas where private investment already exists. Doing so will ensure that the Commission accomplishes its objectives.

As stated in the latest CAF II final notice of proposed rulemaking, increasing the broadband speed requirement to 10Mbps would increase the number of households in rural areas that could benefit under CAF II. It is commendable and advisable that the Commission achieve these goals without increasing the CAF II annual budget.

Finally, it is imperative that the Commission ensure that underserved communities are not wrongfully overlooked. Customers who were initially disqualified from broadband access based on untested assertions from providers with line of sight and capacity issues should be reconsidered for CAF II support. Now in its final phase, CAF II can still reach these customers.

By increasing the speed requirement, ensuring flexibility, and extending CAF II support to a wider rural community, the Commission will successfully accomplish its objectives and much of rural America will benefit.

Sincerely,

Senator Michael S. Lee

Senator Orrin G. Hatch

Representative Rob Bishop

Representative Jason Chaffetz

Representative Chris Stewart

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

October 24, 2014

The Honorable Rob Bishop
U.S. House of Representatives
123 Cannon House Office Building
Washington, D.C. 20515

Dear Representative Bishop:

Thank you for your letter requesting that the Commission consider proposals from broadband providers to permit some flexibility in the implementation of Phase II of the Connect America Fund (CAF II). Your views are very important and will be 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 experiences to rural areas of states such as Utah, within the confines of our Connect America budget, all while providing increased certainty and predictability for all carriers, and a climate for increased broadband expansion.

In April of this year, the Commission adopted a *Connect America Fund Phase II Report and Order* to move forward with Connect America 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. As you note, the *FNPRM* also seeks comment on a proposal to allow CAF II recipients more flexibility in meeting their performance obligations, including whether we should extend the term of support to longer than five years. Many price cap carriers have argued that building networks capable of providing 10 Mbps will take more time and more funding than meeting the current 4/1 Mbps speed requirement because it will require extending fiber farther into the network and deploying additional equipment. Other commenters argue that extending the CAF II term of support beyond five years will delay a competitive bidding process for the areas served by price cap carriers. The Commission's staff is reviewing the record and giving all of the arguments due consideration before we move forward with any decisions.

With respect to the points you raise on the importance of targeting CAF II support to unserved areas and not subsidizing areas where private investment already exists, the Commission has a responsibility to ensure that the funds we collect to support universal service programs are used in the most efficient and effective way possible. To that point, the *FNPRM*

proposes to exclude from eligibility those areas served by any provider offering voice and broadband services that meet the Commission's service obligations, regardless of whether the provider is subsidized or unsubsidized.

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,

Tom Wheeler

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

October 24, 2014

The Honorable Jason Chaffetz
U.S. House of Representatives
2464 Rayburn House Office Building
Washington, D.C. 20515

Dear Representative Chaffetz:

Thank you for your letter requesting that the Commission consider proposals from broadband providers to permit some flexibility in the implementation of Phase II of the Connect America Fund (CAF II). 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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October 24, 2014

The Honorable Orrin Hatch
United States Senate
104 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Hatch:

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United States Senate
316 Hart Senate Office Building
Washington, D.C. 20510

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