Congress of the United States

Washington, DC 20510

February 6, 2015

113

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

Dear Chairman Wheeler:

We write today to respectfully request that you reconsider the decision to link proposed reforms to high-cost loop support (HCLS) with new broadband speed requirements in the recent Report and Order (FCC 14-190). The Commission's decision will likely have harmful impacts for those living in rural areas and on Tribal lands in New Mexico.

You have previously discussed how broadband can overcome geographic isolation and bring a world of information and economic opportunity to those living in even the most remote communities. Yet there is a digital divide in many of those rural communities that can potentially benefit the most from opportunities for job creation, healthcare and education that broadband enables. The Commission thus has a role in ensuring that our nation's broadband infrastructure reaches as far and wide as possible.

Unfortunately, many of our constituents in New Mexico continue to live on the wrong side of the digital divide. According to the Commission's 2012 Broadband Progress Report, nearly half the New Mexicans living in rural areas lack fixed broadband access. The US Census Bureau notes that about one third of New Mexican households do not have Internet access at home. According to the National Broadband Map, New Mexico ranks 47th among states when it comes to the availability of download speeds greater than 3 megabits per second. One out of four New Mexicans does not have access to Internet speeds of 25 megabits per second.

As you know firsthand from your visits to the Pueblo of Acoma and other parts of Indian Country this year, the broadband challenge for those living on Tribal lands is even more concerning. The broadband deployment rate on Tribal lands is likely less than 10 percent. The Commission's Office of Native Affairs and Policy notes that anecdotal evidence suggests actual broadband usage rates may be as low as 5 to 8 percent in Indian Country compared to 65 percent nationwide. We thus appreciate your commitment to working with Tribes on a government-to-government basis and ensuring that their concerns are appropriately addressed in the Commission's efforts to expand broadband infrastructure.

We are deeply concerned, however, that the Commission's decision for high-cost loop support could hinder broadband expansion on Tribal lands and rural areas of New Mexico where the cost to provide high speed Internet service otherwise deters investment. Our understanding is that pending HCLS reforms could result in a loss of more than $1.75 million per year in funding for twelve broadband providers serving rural areas and Native American communities in New Mexico. This would likely hamper efforts to expand Internet access and upgrade broadband speeds across the state and on Tribal lands in particular.

We therefore urge you to consider concerns expressed by rural broadband providers facing potential HCLS reductions. In light of the decision to move forward with this proposal, we further ask that the Commission provide information on how it undertook outreach to Tribal governments prior to making this decision. Finally, we ask that you consider holding in abeyance your decision until you consult with Tribal governments about the effects of this policy on carriers serving tribal lands, as called for in a resolution recently adopted by the National Congress of American Indians.

Thank you for your consideration within your rules and regulations.

Sincerely,

Tom Udall
United States Senator

Stevan Pearce
United States Representative

Martin Heinrich
United States Senator

Ben Ray Luján
United States Representative

Michelle Lujan Grisham
United States Representative

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

March 16, 2015

The Honorable Martin Heinrich
United States Senate
702 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Heinrich:

Thank you for contacting me regarding your concerns about the potential impact of the reforms to the universal service program's high-cost loop support (HCLS) mechanism on those living on Tribal lands and in rural areas of New Mexico. Your views on this issue are very important, and I will ensure that your letter is included in the record of the proceeding and considered as part of the Commission's review.

As you note, I have personally seen the lack of communications services and infrastructure across Indian Country, which has created a history of isolation that has limited economic and educational opportunities. My trip last summer to the Pueblo of Acoma confirmed the persistent digital divide in this country with rural communities, and especially Native Americans, disproportionately bypassed by the Internet revolution. That is why expanding high-speed broadband connections to all corners of the country, including Tribal lands, is a top priority for the Commission.

The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America, including Tribal lands, 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 within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion.

As you note in your letter, in the recent *December 2014 Connect America Order*, the Commission revised the HCLS mechanism to distribute high-cost support more equitably among high-cost carriers to provide better incentives for carriers to curb waste, as it had proposed to do in April 2014. This is a near-term reform intended to help us get the most out of our USF dollars. This decision was built on an extensive record, including comments from rural carriers and their representatives, on the proposal and published Commission staff analysis of the effects of the revision.

We believe it is important to move forward with implementation of this mechanism to ensure that universal service funds are being used as cost effectively and efficiently as possible.

The National Congress of American Indians has filed a petition for reconsideration of the *December 2014 Connect America Order*, and we will give the petition full consideration. In the meantime, please be assured that we will closely monitor the effects of the interim HCLS mechanism on rate-of-return carriers, particularly those that serve Indian Country, and will revisit this issue in the event that it has unanticipated results. Meanwhile, I expect the Commission will continue to develop the record and act on long-term rate-of-return reform in the coming year, and I welcome consultation and dialogue with Tribal Nations and entities as we move forward to ensure that their voices are heard. The Commission's Office of Native Affairs and Policy (ONAP) is considering potential dates in 2015 when I can meet personally with the Tribally-owned rate-of-return carriers to discuss their concerns.

The Commission is strongly committed to working with Tribal Nations through meaningful and vigorous efforts on a regular basis. We are also committed to ensuring that Tribal concerns are appropriately considered and addressed as part of the Commission's broader efforts to improve broadband deployment throughout the United States. At the National Congress of American Indians 2014 Executive Council Winter conference, I emphasized the importance of establishing a reinvigorated Tribal consultation process that addresses many goals, including: (1) improving access to world class broadband infrastructure; (2) access to spectrum and wireless infrastructure; and (3) ensuring a diversity of media ownership voices in Indian Country. I also stressed the need for Tribal community planners and policy representatives to build relationships with the ONAP. ONAP has developed and manages a comprehensive plan to strengthen the Commission's consultation and training efforts in all regions of the country. This includes Commission-hosted regional Tribal training and consultation workshops and participation in many Indian Country outreach events. In 2014, for example, ONAP hosted five regional consultation workshops.

In addition, last October, the Commission took steps to reinvigorate the FCC-Native Nations Broadband Task Force, with the appointment of 31 members representing 20 Tribal Nations, including three from New Mexico, and 11 Bureaus and Offices within the Commission. The Task Force, comprised of elected and appointed leaders from federally-recognized Tribal governments or governmental entities and senior staff from across the Commission, acts as a consultative sounding board for Commission proposals and develops additional recommendations for broadband deployment and adoption. The voices of this Task Force are important to our efforts to close broadband gaps on Tribal lands and ensure that the concerns of Tribal governments are considered at the Commission. I look forward to their contributions as we work together to bring world class connectivity to Tribal Nations.

Finally, the Commission, with ONAP's leadership, plans to build upon its ongoing consultative relationship with the Tribal Nations who own and operate rate-of-return carriers. Upon ONAP's creation in 2010, the very first meeting in which ONAP staff participated in Indian Country was the National Tribal Telecommunications Association (NTTA) conference on the Gila River Indian Community in Arizona. NTTA's primary members are the eight Tribally-owned rate-of-return carriers. In each year since 2010, ONAP has actively engaged with NTTA

both in Indian Country and at the Commission. Most recently, in the summer of 2014, ONAP met with NTTA in Flagstaff, Arizona, at the offices of Hopi Telecommunications. As we move forward in 2015, the Commission plans to continue to engage and consult with Tribal Nations, NTTA, and others in Indian Country on long-term reform of rate-of-return support.

I recognize that the challenges before us are great, but the rewards could be even greater. By working together, we will seize upon technological opportunities to improve lives across Indian Country. 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

March 16, 2015

The Honorable Ben Ray Luján
U.S. House of Representatives
2446 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Luján:

Thank you for contacting me regarding your concerns about the potential impact of the reforms to the universal service program's high-cost loop support (HCLS) mechanism on those living on Tribal lands and in rural areas of New Mexico. Your views on this issue are very important, and I will ensure that your letter is included in the record of the proceeding and considered as part of the Commission's review.

As you note, I have personally seen the lack of communications services and infrastructure across Indian Country, which has created a history of isolation that has limited economic and educational opportunities. My trip last summer to the Pueblo of Acoma confirmed the persistent digital divide in this country with rural communities, and especially Native Americans, disproportionately bypassed by the Internet revolution. That is why expanding high-speed broadband connections to all corners of the country, including Tribal lands, is a top priority for the Commission.

The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America, including Tribal lands, 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 within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion.

As you note in your letter, in the recent *December 2014 Connect America Order*, the Commission revised the HCLS mechanism to distribute high-cost support more equitably among high-cost carriers to provide better incentives for carriers to curb waste, as it had proposed to do in April 2014. This is a near-term reform intended to help us get the most out of our USF dollars. This decision was built on an extensive record, including comments from rural carriers and their representatives, on the proposal and published Commission staff analysis of the effects of the revision.

We believe it is important to move forward with implementation of this mechanism to ensure that universal service funds are being used as cost effectively and efficiently as possible.

The National Congress of American Indians has filed a petition for reconsideration of the *December 2014 Connect America Order*, and we will give the petition full consideration. In the meantime, please be assured that we will closely monitor the effects of the interim HCLS mechanism on rate-of-return carriers, particularly those that serve Indian Country, and will revisit this issue in the event that it has unanticipated results. Meanwhile, I expect the Commission will continue to develop the record and act on long-term rate-of-return reform in the coming year, and I welcome consultation and dialogue with Tribal Nations and entities as we move forward to ensure that their voices are heard. The Commission's Office of Native Affairs and Policy (ONAP) is considering potential dates in 2015 when I can meet personally with the Tribally-owned rate-of-return carriers to discuss their concerns.

The Commission is strongly committed to working with Tribal Nations through meaningful and vigorous efforts on a regular basis. We are also committed to ensuring that Tribal concerns are appropriately considered and addressed as part of the Commission's broader efforts to improve broadband deployment throughout the United States. At the National Congress of American Indians 2014 Executive Council Winter conference, I emphasized the importance of establishing a reinvigorated Tribal consultation process that addresses many goals, including: (1) improving access to world class broadband infrastructure; (2) access to spectrum and wireless infrastructure; and (3) ensuring a diversity of media ownership voices in Indian Country. I also stressed the need for Tribal community planners and policy representatives to build relationships with the ONAP. ONAP has developed and manages a comprehensive plan to strengthen the Commission's consultation and training efforts in all regions of the country. This includes Commission-hosted regional Tribal training and consultation workshops and participation in many Indian Country outreach events. In 2014, for example, ONAP hosted five regional consultation workshops.

In addition, last October, the Commission took steps to reinvigorate the FCC-Native Nations Broadband Task Force, with the appointment of 31 members representing 20 Tribal Nations, including three from New Mexico, and 11 Bureaus and Offices within the Commission. The Task Force, comprised of elected and appointed leaders from federally-recognized Tribal governments or governmental entities and senior staff from across the Commission, acts as a consultative sounding board for Commission proposals and develops additional recommendations for broadband deployment and adoption. The voices of this Task Force are important to our efforts to close broadband gaps on Tribal lands and ensure that the concerns of Tribal governments are considered at the Commission. I look forward to their contributions as we work together to bring world class connectivity to Tribal Nations.

Finally, the Commission, with ONAP's leadership, plans to build upon its ongoing consultative relationship with the Tribal Nations who own and operate rate-of-return carriers. Upon ONAP's creation in 2010, the very first meeting in which ONAP staff participated in Indian Country was the National Tribal Telecommunications Association (NTTA) conference on the Gila River Indian Community in Arizona. NTTA's primary members are the eight Tribally-owned rate-of-return carriers. In each year since 2010, ONAP has actively engaged with NTTA

both in Indian Country and at the Commission. Most recently, in the summer of 2014, ONAP met with NTTA in Flagstaff, Arizona, at the offices of Hopi Telecommunications. As we move forward in 2015, the Commission plans to continue to engage and consult with Tribal Nations, NTTA, and others in Indian Country on long-term reform of rate-of-return support.

I recognize that the challenges before us are great, but the rewards could be even greater. By working together, we will seize upon technological opportunities to improve lives across Indian Country. 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

March 16, 2015

The Honorable Michelle Lujan Grisham
U.S. House of Representatives
214 Cannon House Office Building
Washington, D.C. 20515

Dear Congresswoman Grisham:

Thank you for contacting me regarding your concerns about the potential impact of the reforms to the universal service program's high-cost loop support (HCLS) mechanism on those living on Tribal lands and in rural areas of New Mexico. Your views on this issue are very important, and I will ensure that your letter is included in the record of the proceeding and considered as part of the Commission's review.

As you note, I have personally seen the lack of communications services and infrastructure across Indian Country, which has created a history of isolation that has limited economic and educational opportunities. My trip last summer to the Pueblo of Acoma confirmed the persistent digital divide in this country with rural communities, and especially Native Americans, disproportionately bypassed by the Internet revolution. That is why expanding high-speed broadband connections to all corners of the country, including Tribal lands, is a top priority for the Commission.

The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America, including Tribal lands, 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 within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion.

As you note in your letter, in the recent *December 2014 Connect America Order*, the Commission revised the HCLS mechanism to distribute high-cost support more equitably among high-cost carriers to provide better incentives for carriers to curb waste, as it had proposed to do in April 2014. This is a near-term reform intended to help us get the most out of our USF dollars. This decision was built on an extensive record, including comments from rural carriers and their representatives, on the proposal and published Commission staff analysis of the effects of the revision.

We believe it is important to move forward with implementation of this mechanism to ensure that universal service funds are being used as cost effectively and efficiently as possible.

The National Congress of American Indians has filed a petition for reconsideration of the *December 2014 Connect America Order*, and we will give the petition full consideration. In the meantime, please be assured that we will closely monitor the effects of the interim HCLS mechanism on rate-of-return carriers, particularly those that serve Indian Country, and will revisit this issue in the event that it has unanticipated results. Meanwhile, I expect the Commission will continue to develop the record and act on long-term rate-of-return reform in the coming year, and I welcome consultation and dialogue with Tribal Nations and entities as we move forward to ensure that their voices are heard. The Commission's Office of Native Affairs and Policy (ONAP) is considering potential dates in 2015 when I can meet personally with the Tribally-owned rate-of-return carriers to discuss their concerns.

The Commission is strongly committed to working with Tribal Nations through meaningful and vigorous efforts on a regular basis. We are also committed to ensuring that Tribal concerns are appropriately considered and addressed as part of the Commission's broader efforts to improve broadband deployment throughout the United States. At the National Congress of American Indians 2014 Executive Council Winter conference, I emphasized the importance of establishing a reinvigorated Tribal consultation process that addresses many goals, including: (1) improving access to world class broadband infrastructure; (2) access to spectrum and wireless infrastructure; and (3) ensuring a diversity of media ownership voices in Indian Country. I also stressed the need for Tribal community planners and policy representatives to build relationships with the ONAP. ONAP has developed and manages a comprehensive plan to strengthen the Commission's consultation and training efforts in all regions of the country. This includes Commission-hosted regional Tribal training and consultation workshops and participation in many Indian Country outreach events. In 2014, for example, ONAP hosted five regional consultation workshops.

In addition, last October, the Commission took steps to reinvigorate the FCC-Native Nations Broadband Task Force, with the appointment of 31 members representing 20 Tribal Nations, including three from New Mexico, and 11 Bureaus and Offices within the Commission. The Task Force, comprised of elected and appointed leaders from federally-recognized Tribal governments or governmental entities and senior staff from across the Commission, acts as a consultative sounding board for Commission proposals and develops additional recommendations for broadband deployment and adoption. The voices of this Task Force are important to our efforts to close broadband gaps on Tribal lands and ensure that the concerns of Tribal governments are considered at the Commission. I look forward to their contributions as we work together to bring world class connectivity to Tribal Nations.

Finally, the Commission, with ONAP's leadership, plans to build upon its ongoing consultative relationship with the Tribal Nations who own and operate rate-of-return carriers. Upon ONAP's creation in 2010, the very first meeting in which ONAP staff participated in Indian Country was the National Tribal Telecommunications Association (NTTA) conference on the Gila River Indian Community in Arizona. NTTA's primary members are the eight Tribally-owned rate-of-return carriers. In each year since 2010, ONAP has actively engaged with NTTA

both in Indian Country and at the Commission. Most recently, in the summer of 2014, ONAP met with NTTA in Flagstaff, Arizona, at the offices of Hopi Telecommunications. As we move forward in 2015, the Commission plans to continue to engage and consult with Tribal Nations, NTTA, and others in Indian Country on long-term reform of rate-of-return support.

I recognize that the challenges before us are great, but the rewards could be even greater. By working together, we will seize upon technological opportunities to improve lives across Indian Country. 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

March 16, 2015

The Honorable Steve Pearce
U.S. House of Representatives
2432 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Pearce:

Thank you for contacting me regarding your concerns about the potential impact of the reforms to the universal service program's high-cost loop support (HCLS) mechanism on those living on Tribal lands and in rural areas of New Mexico. Your views on this issue are very important, and I will ensure that your letter is included in the record of the proceeding and considered as part of the Commission's review.

As you note, I have personally seen the lack of communications services and infrastructure across Indian Country, which has created a history of isolation that has limited economic and educational opportunities. My trip last summer to the Pueblo of Acoma confirmed the persistent digital divide in this country with rural communities, and especially Native Americans, disproportionately bypassed by the Internet revolution. That is why expanding high-speed broadband connections to all corners of the country, including Tribal lands, is a top priority for the Commission.

The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America, including Tribal lands, 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 within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion.

As you note in your letter, in the recent *December 2014 Connect America Order*, the Commission revised the HCLS mechanism to distribute high-cost support more equitably among high-cost carriers to provide better incentives for carriers to curb waste, as it had proposed to do in April 2014. This is a near-term reform intended to help us get the most out of our USF dollars. This decision was built on an extensive record, including comments from rural carriers and their representatives, on the proposal and published Commission staff analysis of the effects of the revision.

We believe it is important to move forward with implementation of this mechanism to ensure that universal service funds are being used as cost effectively and efficiently as possible.

The National Congress of American Indians has filed a petition for reconsideration of the *December 2014 Connect America Order*, and we will give the petition full consideration. In the meantime, please be assured that we will closely monitor the effects of the interim HCLS mechanism on rate-of-return carriers, particularly those that serve Indian Country, and will revisit this issue in the event that it has unanticipated results. Meanwhile, I expect the Commission will continue to develop the record and act on long-term rate-of-return reform in the coming year, and I welcome consultation and dialogue with Tribal Nations and entities as we move forward to ensure that their voices are heard. The Commission's Office of Native Affairs and Policy (ONAP) is considering potential dates in 2015 when I can meet personally with the Tribally-owned rate-of-return carriers to discuss their concerns.

The Commission is strongly committed to working with Tribal Nations through meaningful and vigorous efforts on a regular basis. We are also committed to ensuring that Tribal concerns are appropriately considered and addressed as part of the Commission's broader efforts to improve broadband deployment throughout the United States. At the National Congress of American Indians 2014 Executive Council Winter conference, I emphasized the importance of establishing a reinvigorated Tribal consultation process that addresses many goals, including: (1) improving access to world class broadband infrastructure; (2) access to spectrum and wireless infrastructure; and (3) ensuring a diversity of media ownership voices in Indian Country. I also stressed the need for Tribal community planners and policy representatives to build relationships with the ONAP. ONAP has developed and manages a comprehensive plan to strengthen the Commission's consultation and training efforts in all regions of the country. This includes Commission-hosted regional Tribal training and consultation workshops and participation in many Indian Country outreach events. In 2014, for example, ONAP hosted five regional consultation workshops.

In addition, last October, the Commission took steps to reinvigorate the FCC-Native Nations Broadband Task Force, with the appointment of 31 members representing 20 Tribal Nations, including three from New Mexico, and 11 Bureaus and Offices within the Commission. The Task Force, comprised of elected and appointed leaders from federally-recognized Tribal governments or governmental entities and senior staff from across the Commission, acts as a consultative sounding board for Commission proposals and develops additional recommendations for broadband deployment and adoption. The voices of this Task Force are important to our efforts to close broadband gaps on Tribal lands and ensure that the concerns of Tribal governments are considered at the Commission. I look forward to their contributions as we work together to bring world class connectivity to Tribal Nations.

Finally, the Commission, with ONAP's leadership, plans to build upon its ongoing consultative relationship with the Tribal Nations who own and operate rate-of-return carriers. Upon ONAP's creation in 2010, the very first meeting in which ONAP staff participated in Indian Country was the National Tribal Telecommunications Association (NTTA) conference on the Gila River Indian Community in Arizona. NTTA's primary members are the eight Tribally-owned rate-of-return carriers. In each year since 2010, ONAP has actively engaged with NTTA

both in Indian Country and at the Commission. Most recently, in the summer of 2014, ONAP met with NTTA in Flagstaff, Arizona, at the offices of Hopi Telecommunications. As we move forward in 2015, the Commission plans to continue to engage and consult with Tribal Nations, NTTA, and others in Indian Country on long-term reform of rate-of-return support.

I recognize that the challenges before us are great, but the rewards could be even greater. By working together, we will seize upon technological opportunities to improve lives across Indian Country. 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

March 16, 2015

The Honorable Tom Udall
United States Senate
110 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Udall:

Thank you for contacting me regarding your concerns about the potential impact of the reforms to the universal service program's high-cost loop support (HCLS) mechanism on those living on Tribal lands and in rural areas of New Mexico. Your views on this issue are very important, and I will ensure that your letter is included in the record of the proceeding and considered as part of the Commission's review.

As you note, I have personally seen the lack of communications services and infrastructure across Indian Country, which has created a history of isolation that has limited economic and educational opportunities. My trip last summer to the Pueblo of Acoma confirmed the persistent digital divide in this country with rural communities, and especially Native Americans, disproportionately bypassed by the Internet revolution. That is why expanding high-speed broadband connections to all corners of the country, including Tribal lands, is a top priority for the Commission.

The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America, including Tribal lands, 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 within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion.

As you note in your letter, in the recent *December 2014 Connect America Order*, the Commission revised the HCLS mechanism to distribute high-cost support more equitably among high-cost carriers to provide better incentives for carriers to curb waste, as it had proposed to do in April 2014. This is a near-term reform intended to help us get the most out of our USF dollars. This decision was built on an extensive record, including comments from rural carriers and their representatives, on the proposal and published Commission staff analysis of the effects of the revision.

We believe it is important to move forward with implementation of this mechanism to ensure that universal service funds are being used as cost effectively and efficiently as possible.

The National Congress of American Indians has filed a petition for reconsideration of the *December 2014 Connect America Order*, and we will give the petition full consideration. In the meantime, please be assured that we will closely monitor the effects of the interim HCLS mechanism on rate-of-return carriers, particularly those that serve Indian Country, and will revisit this issue in the event that it has unanticipated results. Meanwhile, I expect the Commission will continue to develop the record and act on long-term rate-of-return reform in the coming year, and I welcome consultation and dialogue with Tribal Nations and entities as we move forward to ensure that their voices are heard. The Commission's Office of Native Affairs and Policy (ONAP) is considering potential dates in 2015 when I can meet personally with the Tribally-owned rate-of-return carriers to discuss their concerns.

The Commission is strongly committed to working with Tribal Nations through meaningful and vigorous efforts on a regular basis. We are also committed to ensuring that Tribal concerns are appropriately considered and addressed as part of the Commission's broader efforts to improve broadband deployment throughout the United States. At the National Congress of American Indians 2014 Executive Council Winter conference, I emphasized the importance of establishing a reinvigorated Tribal consultation process that addresses many goals, including: (1) improving access to world class broadband infrastructure; (2) access to spectrum and wireless infrastructure; and (3) ensuring a diversity of media ownership voices in Indian Country. I also stressed the need for Tribal community planners and policy representatives to build relationships with the ONAP. ONAP has developed and manages a comprehensive plan to strengthen the Commission's consultation and training efforts in all regions of the country. This includes Commission-hosted regional Tribal training and consultation workshops and participation in many Indian Country outreach events. In 2014, for example, ONAP hosted five regional consultation workshops.

In addition, last October, the Commission took steps to reinvigorate the FCC-Native Nations Broadband Task Force, with the appointment of 31 members representing 20 Tribal Nations, including three from New Mexico, and 11 Bureaus and Offices within the Commission. The Task Force, comprised of elected and appointed leaders from federally-recognized Tribal governments or governmental entities and senior staff from across the Commission, acts as a consultative sounding board for Commission proposals and develops additional recommendations for broadband deployment and adoption. The voices of this Task Force are important to our efforts to close broadband gaps on Tribal lands and ensure that the concerns of Tribal governments are considered at the Commission. I look forward to their contributions as we work together to bring world class connectivity to Tribal Nations.

Finally, the Commission, with ONAP's leadership, plans to build upon its ongoing consultative relationship with the Tribal Nations who own and operate rate-of-return carriers. Upon ONAP's creation in 2010, the very first meeting in which ONAP staff participated in Indian Country was the National Tribal Telecommunications Association (NTTA) conference on the Gila River Indian Community in Arizona. NTTA's primary members are the eight Tribally-owned rate-of-return carriers. In each year since 2010, ONAP has actively engaged with NTTA

both in Indian Country and at the Commission. Most recently, in the summer of 2014, ONAP met with NTTA in Flagstaff, Arizona, at the offices of Hopi Telecommunications. As we move forward in 2015, the Commission plans to continue to engage and consult with Tribal Nations, NTTA, and others in Indian Country on long-term reform of rate-of-return support.

I recognize that the challenges before us are great, but the rewards could be even greater. By working together, we will seize upon technological opportunities to improve lives across Indian Country. I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

Tom Wheeler