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FAX NO.

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July 17, 2009

The Honorable Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street, NW
Washington, DC 20554

Dear Chairman Genachowski:

In April 2008 my colleague, Congressman José E. Serrano, and my predecessor as Resident Commissioner—and current Puerto Rico Governor—Luis G. Fortuño, wrote a letter to then-FCC Chairman Kevin J. Martin to express concern that residents of Puerto Rico do not enjoy the same basic telecommunications services that their fellow citizens in other U.S. jurisdictions are able to take for granted. In their letter, a copy of which I have enclosed, Messrs. Serrano and Fortuño noted that for a dozen years—now more than 13—the FCC has not acted to implement a congressional mandate to adopt universal service funding for insular areas. Such funding would be available to help Puerto Rico construct new telephone infrastructure, upgrade existing infrastructure, improve quality of service, and maintain affordable rates. Furthermore, Messrs. Serrano and Fortuño observed that two and a half years ago—now over three years ago—a unanimous Commission adopted a tentative conclusion to implement an insular-specific support mechanism. The letter urged Chairman Martin to bring the mechanism up for a vote before the Commission in the near term.

I write now to respectfully reiterate the serious needs of my constituents and to underscore the importance of prompt action on this issue. I have been advised that the Commission has recently committed to the United States Court of Appeals for the District of Columbia that it will act by April 16, 2010 on its pending Notice of Proposed Rulemaking, FCC 05-205, which tentatively concluded to adopt an insular-specific support mechanism. While this is welcome news, I want to express my strong hope that the Commission will bring the insular-specific support mechanism up for a vote well before the April 16th court deadline. The congressional mandate for FCC action is clear, the Commission has already unanimously decided it should move forward in adopting an

insular-specific support mechanism, and the record on this issue is complete. The people of Puerto Rico have been waiting a long time to enjoy the same level of basic telephone and Internet services as the rest of the country. Absent the most compelling reasons, they should not have to wait any longer.

Sincerely,



Pedro R. Pierluisi
Member of Congress

Enclosure

Congress of the United States
Washington, DC 20515

April 30, 2008

The Honorable Kevin J. Martin
Chairman
Federal Communications Commission
445 12th Street, N.W.
Washington, D.C. 20554

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Dear Chairman Martin:

Individuals and companies cannot participate in modern society without access to telephone and internet services. For this reason, it borders on the unconscionable that telephone subscribership in Puerto Rico currently stands at less than 74 percent and many communities in the Island's rural, mountainous interior have levels that are substantially lower. This stands in stark contrast to the rest of the United States, where the average subscribership rate exceeds 95 percent and no state has a rate lower than 90 percent. We know from prior communications with you that you fully share our belief that the U.S. citizens of Puerto Rico are entitled to enjoy the same basic telecommunications services that the rest of America is now able to take for granted.

For the last twelve years, the FCC has failed to act on a congressional mandate to adopt universal service funding for insular areas. In 1996, Congress directed the FCC to adopt universal service funding policies to ensure that consumers in "rural, *insular*, and high cost areas" have access to telecommunications and information services (1) that are reasonably comparable to the services provided in urban areas and (2) that are available at rates that are reasonably comparable to the rates charged in urban areas. See Telecommunications Act of 1996, P.L. 104-104, § 254(b)(3) (emphasis added). Since the law's passage, the Commission has abided by the congressional directive to fund rural areas and certain high cost areas, but has not yet adopted funding mechanisms to address the unique needs of high cost insular areas like Puerto Rico. Now is the time for the Commission to do so.

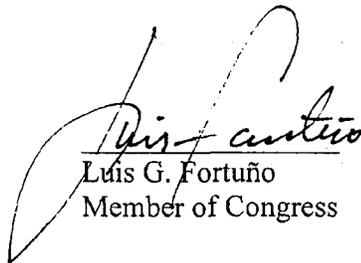
Some progress has been made. On December 9, 2005, the FCC issued a Notice of Proposed Rulemaking which tentatively concluded that § 254(b)(3) authorized the Commission to establish an insular-specific support mechanism to ensure that consumers in Puerto Rico "have access to affordable telecommunications and information services." Notice of Proposed Rulemaking, FCC 05-205, ¶ 33 (2005). The FCC specifically stated: "Because of the unique challenges in providing telephone service in Puerto Rico, we believe that a special support mechanism, in combination with the Commission's low-income program, will help to combat the problem of low subscribership in Puerto Rico." Id. The FCC observed that newly available universal service funds would enable the carrier serving Puerto Rico "to construct new network and loop infrastructure to unserved

areas, update its existing facilities, improve quality of service, maintain affordable rates, and educate and solicit potential first-time telephone customers.” Id., ¶ 34.

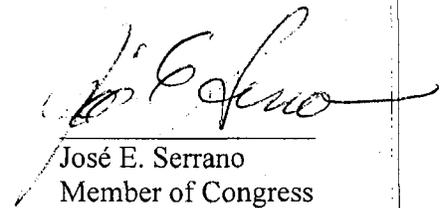
A majority of the current Commission (yourself, Commissioner Copps, and Commissioner Adelstein) adopted the tentative conclusion set forth in FCC 05-205. Unfortunately, although nearly two and half years have passed, no further action on this matter has been taken by the Commission. Although we understand the Commission’s desire to comprehensively reform the Universal Service Fund support mechanism, the people of Puerto Rico first need a seat at the table, as they were specifically promised in the 1996 Act. For this reason, we respectfully request that you bring the insular-specific support mechanism up for a vote before the Commission within the next three months.

The people of Puerto Rico have been waiting a long time to enjoy basic wireline telephone and internet services on par with the rest of the country. They should not have to wait any longer.

Sincerely,



Luis G. Fortuño
Member of Congress



José E. Serrano
Member of Congress

cc: Commissioner Michael J. Copps
Commissioner Jonathan S. Adelstein
Commissioner Deborah Taylor Tate
Commissioner Robert M. McDowell



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON
October 6, 2009

The Honorable Pedro R. Pierluisi
U.S. House of Representatives
1216 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Pierluisi:

Thank you for your letter reiterating the concerns of your colleague, Congressman José E. Serrano, and your predecessor, Governor Luis G. Fortuño, concerning the adoption of a universal service support mechanism for insular areas and the availability of basic telephone and Internet service in Puerto Rico.

As you know, Section 254 of the Communications Act of 1934, as amended, requires the Commission to ensure that consumers living in all regions of the nation, including those in rural, insular, and high-cost areas, have access to similar telecommunications services at rates that are reasonably comparable to rates paid by urban customers. In addition, the Recovery Act instructs the Commission to develop a national broadband plan by February 2010 that includes as one of its objectives, ensuring broadband access for all people of the United States. As the Commission develops the national broadband plan, we must keep in mind that some insular areas of the nation still require the infrastructure necessary for basic telephone service, which must be addressed in order to provide these areas with the benefits of broadband technology, as well.

As you note in your letter, the Commission committed to the adoption and release of a final Order by April 16, 2010, that addresses the insular support questions raised in the universal service proceeding. It made that commitment with the concurrence of the Puerto Rico Telephone Company (PRTC), on March 6, 2009, in its response to PRTC's request for a writ of mandamus from the U.S. Court of Appeals for the D.C. Circuit. On April 8, 2009, the D.C. Circuit issued an Order holding the writ of mandamus in abeyance. The Commission staff is working diligently to prepare an Order for the Commission's consideration as soon as possible.

I appreciate your interest in this important matter. Please do not hesitate to contact me if I can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Julius Genachowski". The signature is stylized with a large, sweeping initial "J" and a long horizontal stroke.

Julius Genachowski
Chairman