

**Congress of the United States**  
**Washington, DC 20515**

April 15, 2010

**0639**

The Honorable Julius Genachowski  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, N.W.  
Washington, DC 20554

Dear Chairman Genachowski:

We write to reiterate the requests that some of us have made individually to you that the Commission establish an insular-specific universal service funding mechanism to ensure that the residents of Puerto Rico have access to affordable telecommunications services. The Commission 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 this funding mechanism to fulfill a 1996 congressional mandate. In light of the impending deadline, we ask you to act now to establish this long-awaited funding mechanism or, at a minimum, agree to a 30-day extension to this deadline so that the Commission can more fully consider this request.

Establishment of an insular-specific universal service funding mechanism is critically important to Puerto Rico. The Island has lower telephone and broadband penetration rates than any U.S. state. These disheartening facts are the result of the very high cost of providing telecommunications services in Puerto Rico and the Island's very low per capita income. Despite the great need for increased federal support, the Commission has failed for 14 years to act on a congressional mandate to establish sufficient funding that would improve access to telephone and broadband for the U.S. citizens of Puerto Rico.

We know that you share our belief that residents of Puerto Rico are entitled to enjoy the same basic telecommunications services as the rest of the United States. We also understand that the Commission is focused on expanding broadband access across the United States through its National Broadband Plan. We would ask that Puerto Rico be fully and equitably included in this and future FCC programs from the start.

We understand that the Commission has been very busy and we would encourage you to take the time you need to make the correct decision on this issue, which is of such importance to the people of Puerto Rico. Thank you for your prompt consideration of our requests.

Sincerely,



Pedro R. Pierluisi  
Member of Congress



José E. Serrano  
Member of Congress



Nydia M. Velázquez  
Member of Congress



Luis V. Gutierrez  
Member of Congress



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

July 21, 2010

The Honorable José Serrano  
U.S. House of Representatives  
2227 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congressman Serrano:

I wanted to follow up on our conversation and your letter regarding the establishment of an insular-specific universal service funding mechanism to ensure that the residents of Puerto Rico have access to affordable telecommunications services. I understand your concerns, and I firmly believe that ongoing improvement and lasting benefits for Puerto Rico are dependent on comprehensive universal service fund reform.

In an *Order and Notice of Proposed Rulemaking (NPRM)* on April 16, 2010, the Commission declined to adopt the high-cost support mechanism proposed by the Puerto Rico Telephone Company (PRTC). In the *Order and NPRM*, the Commission acknowledged that there may be a significant number of low-income consumers in Puerto Rico who lack access to voice telephone service because they are unable to afford line connection charges when new facilities must be built to reach them. Nevertheless, the record revealed dramatic increases in telephone subscribership in Puerto Rico, with telephone subscribership rising from 73.8 percent to 91.9 percent between 2005 and 2008. In light of these positive developments, we found that it was not necessary to provide a separate universal service high-cost support mechanism for non-rural insular carriers. Instead, the *Order and NPRM* proposed targeted changes to our rules to help eligible consumers in Puerto Rico take better advantage of existing universal service low-income support programs. The proposed rules would provide additional funding through the Link-Up Program to help offset special construction charges incurred by consumers when facilities must be built to provide them with access to voice telephone service. By removing an impediment to affordable voice telephone service, we hope to further close the gap in telephone subscribership rates between the Commonwealth and non-insular areas.

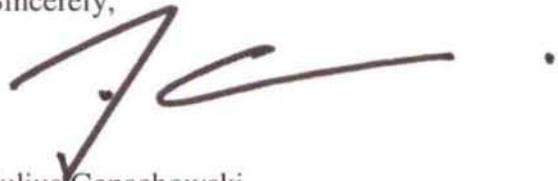
For a permanent solution, I am committed to accomplishing comprehensive reform of universal service – as recommended in the National Broadband Plan – to provide a more efficient and effective vehicle for addressing service issues in insular and high-cost areas like Puerto Rico. On April 21, 2010, the Commission began the process of transitioning legacy universal service high-cost support to a new high-cost program that would support broadband as well as voice services. The April 21<sup>st</sup> *Notice of Inquiry and NPRM* examines near- and longer-term processes to target funding toward new deployment of broadband networks in unserved areas while considering final rules to implement a new Connect America Fund (CAF) mechanism that efficiently ensures universal access to broadband and voice services. As the Commission comprehensively reforms universal service and implements the National Broadband

Page 2—The Honorable José Serrano

Plan recommendations, you have my personal assurance that we will keep in mind your concerns and the unique barriers present in Puerto Rico and other insular areas.

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

Sincerely,

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Julius Genachowski



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

July 21, 2010

The Honorable Nydia Velázquez  
U.S. House of Representatives  
2466 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congresswoman Velázquez:

I wanted to follow up on our conversation and your letter regarding the establishment of an insular-specific universal service funding mechanism to ensure that the residents of Puerto Rico have access to affordable telecommunications services. I understand your concerns, and I firmly believe that ongoing improvement and lasting benefits for Puerto Rico are dependent on comprehensive universal service fund reform.

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Julius Genachowski



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

July 21, 2010

The Honorable Pedro R. Pierluisi  
U.S. House of Representatives  
1218 Longworth House Office Building  
Washington, D.C. 20515

Dear Congressman Pierluisi:

I wanted to follow up on our conversation and your letter regarding the establishment of an insular-specific universal service funding mechanism to ensure that the residents of Puerto Rico have access to affordable telecommunications services. I understand your concerns, and I firmly believe that ongoing improvement and lasting benefits for Puerto Rico are dependent on comprehensive universal service fund reform.

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Julius Genachowski



FEDERAL COMMUNICATIONS COMMISSION  
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July 21, 2010

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U.S. House of Representatives  
2266 Rayburn House Office Building  
Washington, D.C. 20515

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