

United States Senate

WASHINGTON, DC 20510

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October 20, 2011

Mr. Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: FCC Notice of Proposed Rulemaking, CC Docket No. 90-45

Dear Chairman Genachowski:

We write to you today regarding proposed reforms to the Universal Service Fund currently under consideration at the Federal Communications Commission. We recognize the difficult nature of the Commission's current efforts to make the Universal Service Fund more efficient. The FCC must be careful, however, to avoid limiting competition or reducing rural Americans' access to wireless technology and mobile broadband.

The Universal Service Fund (USF) was created to ensure that American consumers, regardless of whether they live in a rural or an urban area, have access to reasonably comparable telecommunications capabilities at reasonably comparable prices. The underlying goal of USF is to provide all Americans with access to our nation's telecommunications networks, thus increasing the opportunities for commerce, education, and entrepreneurship over these networks.

We are, however, concerned that some of the proposed reforms under consideration at the Commission have the potential to severely undermine competition and run counter to consumers' growing preference for mobile wireless technology.

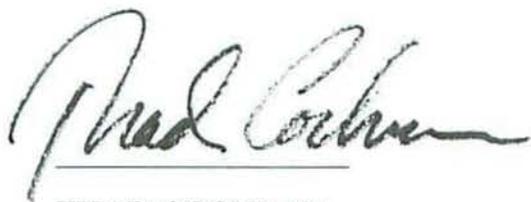
For example, due in large part to the success of USF support, over 35 percent of households in our home state of Mississippi are today wireless-only, which is arguably the highest percentage of any state in the nation. This fact reflects the reality that consumers, particularly in rural states like Mississippi and in these difficult economic times, have come to depend on the efficiency of mobile wireless networks to access voice services and, increasingly, the Internet.

It is our understanding that the FCC's current draft on circulation ignores this reality by reducing the proportion of annual USF support designated for mobile wireless networks from its current level of approximately 25 percent to approximately 10 percent of the overall fund. Such a significant reduction could do great harm to rural consumers' access to wireless networks by eliminating competition among providers and, in some cases, dramatically reducing coverage.

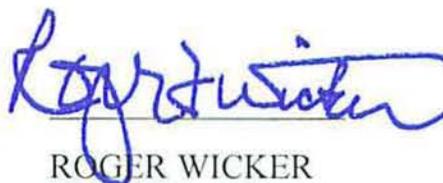
In order to appropriately reflect rural consumers' increasing preference for mobile broadband networks, we believe the Commission should ensure that no less than 25 percent of annual USF support continues to be allocated to support mobile wireless networks. This can and should be done without increasing the overall size of the Universal Service Fund.

Again, we respect the efforts taken by the FCC and recognize that long term reform of the Universal Service Fund must be implemented. As the Commission prepares to vote on Universal Service Fund reform, we strongly encourage you to keep in mind that such reform should promote competition and align with demonstrated consumer preferences for mobile wireless technologies. Thank you for your attention to this important matter, and I look forward to your response.

Sincerely,

A handwritten signature in black ink, appearing to read "Thad Cochran".

THAD COCHRAN
United States Senator

A handwritten signature in blue ink, appearing to read "Roger Wicker".

ROGER WICKER
United States Senator



FEDERAL COMMUNICATIONS COMMISSION

JULIUS GENACHOWSKI
CHAIRMAN

November 17, 2011

The Honorable Thad Cochran
United States Senate
113 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Cochran:

Thank you very much for your letter regarding the Commission's efforts to reform and modernize the Universal Service Fund (USF) and the intercarrier compensation system (ICC). Your thoughts and concerns were a valuable contribution to our process, and were considered as part of the Commission's deliberations.

On October 27, after many years of hard work on Capitol Hill, among the FCC's Commissioners, and by Commission staff, the Commission unanimously adopted a comprehensive Order overhauling the broken and backward-looking USF and ICC systems for the Internet age. By transitioning these programs to the Connect America Fund, we are delivering on our shared national goal of universal voice and broadband service – including universal mobile voice and broadband service – and enabling increased private sector investment in the indispensable infrastructure of the 21st century: broadband. Importantly, our reforms are fiscally responsible, eliminating waste and inefficiency, using market-based mechanisms to target support where it is needed, and putting the Fund on a firm budget.

The Commission's Order will create jobs beginning in 2012, and lay the foundation for enduring job creation, economic growth, and U.S. global competitiveness for years to come.

For your information, I am enclosing a copy of the Order's "Executive Summary." Please let me know if I can be of any further assistance.

Sincerely,

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Julius Genachowski

Enclosure



FEDERAL COMMUNICATIONS COMMISSION

JULIUS GENACHOWSKI
CHAIRMAN

November 17, 2011

The Honorable Roger Wicker
United States Senate
555 Dirksen Senate Office Building
Washington, D.C. 20510

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Enclosure