

April 3, 2012

Honorable Julius Genachowski  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Dear Chairman Genachowski:

We thank the Federal Communications Commission (FCC) for working to address complex Universal Service Fund (USF) and intercarrier compensation (ICC) reform issues. However, in implementing the FCC's October 27, 2011 Order and Further Notice of Proposed Rulemaking (Further Notice) we request that the FCC be continually mindful of the need to encourage rural communication network investment. Unintended consequences on all carriers serving in rural areas can and should be alleviated by a formal FCC clarification that the Order will not be implemented in a manner that perpetuates unintended outcomes.

Over time, rural consumers and small business owners in our states have come together to build networks that provide services in accordance with standards established by the Rural Utilities Service and in line with national policy objectives established by Congress in the Communications Act. These standards and objectives ensure that economic development, education, health care, and other opportunities created by access to robust broadband are available to all of our constituents residing in rural areas. While we support our rural carriers who are providing critical communications services to our constituents, we also seek the proper balance of decreasing overall costs in order to ensure the long-term sustainability of the fund. In order to implement USF/ICC reforms that remain consistent with these policies that promote a connected America, we request that the FCC immediately act to remedy these concerns by clarifying that:

- (1) It will not implement additional reductions in USF and ICC support pursuant to the Further Notice until the implications of the reforms and reductions adopted in the recent Order can be properly evaluated and understood;
- (2) Its Order will ensure that lawfully incurred investments and operating expenses are not jeopardized by retroactive rule changes;
- (3) It will not deem any investments or expenses unlawful, imprudent or not "used and useful" when such investments have been made in accordance with federal agency standards and mandates;
- (4) It will adopt a clear-cut and non-burdensome waiver mechanism that will allow cost recovery for carrier investments made in line with federal standards and mandates;
- (5) It will adopt a sustainable and predictable broadband oriented Connect America Fund for rural areas served by smaller rural and other types of carriers as it did for those served by larger carriers.

We ask that the FCC immediately acknowledge and appropriately respond to the outline above to ensure all rural consumers are able to fully participate in the universal communications network Congress has envisioned through a long history of statutory actions in this regard.

We appreciate the Commission's willingness to address these important issues.

Sincerely,



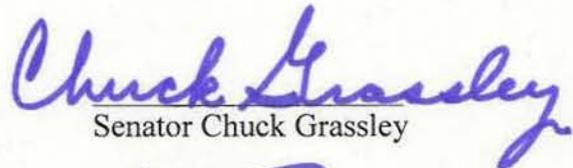
Senator Mark Begich



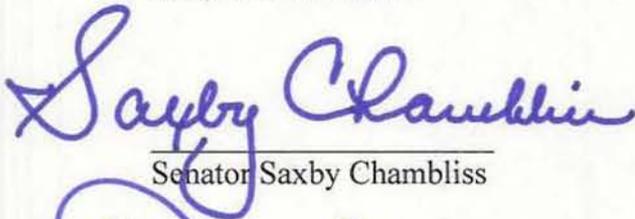
Senator John Thune



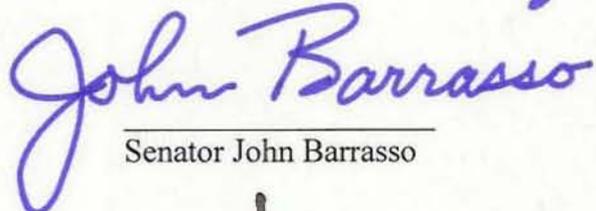
Senator Tom Harkin



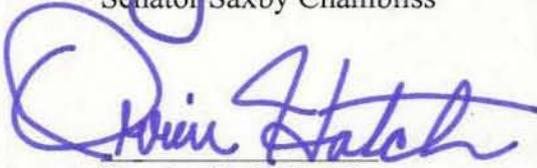
Senator Chuck Grassley



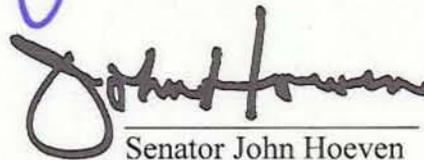
Senator Saxby Chambliss



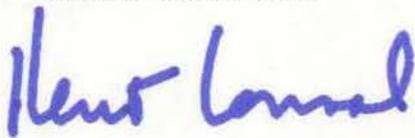
Senator John Barrasso



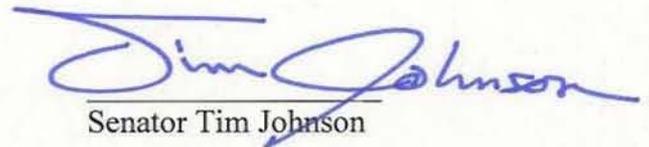
Senator Orrin Hatch



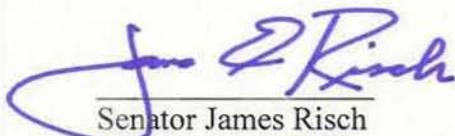
Senator John Hoeven



Senator Kent Conrad



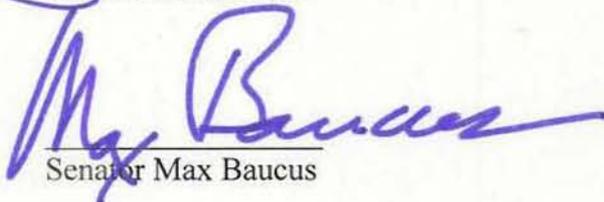
Senator Tim Johnson



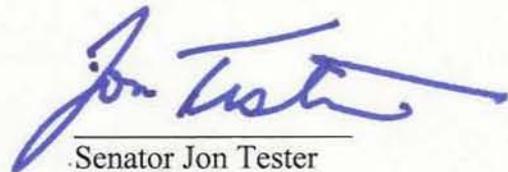
Senator James Risch



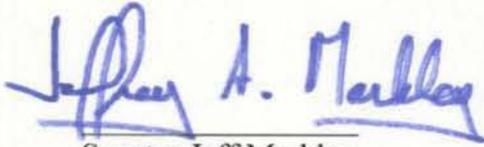
Senator Mike Crapo



Senator Max Baucus



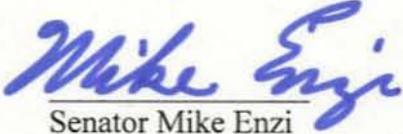
Senator Jon Tester



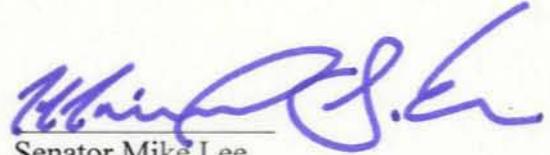
Senator Jeff Merkley



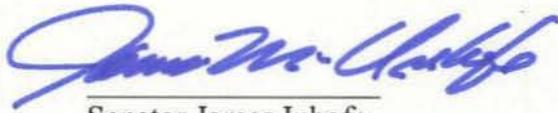
Senator Carl Levin



Senator Mike Enzi



Senator Mike Lee



Senator James Inhofe



## FEDERAL COMMUNICATIONS COMMISSION

July 2, 2012

JULIUS GENACHOWSKI  
CHAIRMAN

The Honorable John R. Thune  
United States Senate  
493 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Thune:

Thank you for your letter expressing concerns about the effect of the Commission's Universal Service Fund (USF) reforms on rural telecommunications providers. I want to assure you that the Commission will continue to work with all stakeholders, including smaller rate-of-return carriers, throughout the reform process. Your letter will be included in the record of the proceeding and considered by the Commission.

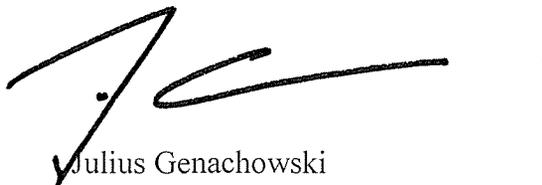
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Sincerely,

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Julius Genachowski



## FEDERAL COMMUNICATIONS COMMISSION

July 2, 2012

JULIUS GENACHOWSKI  
CHAIRMAN

The Honorable Mark Begich  
United States Senate  
144 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Begich:

Thank you for your letter expressing concerns about the effect of the Commission's Universal Service Fund (USF) reforms on rural telecommunications providers. I want to assure you that the Commission will continue to work with all stakeholders, including smaller rate-of-return carriers, throughout the reform process. Your letter will be included in the record of the proceeding and considered by the Commission.

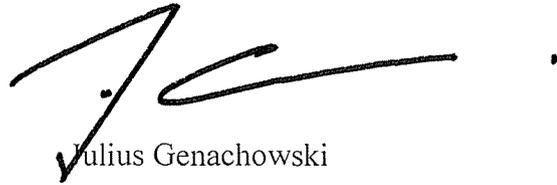
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Julius Genachowski



## FEDERAL COMMUNICATIONS COMMISSION

July 2, 2012

JULIUS GENACHOWSKI  
CHAIRMAN

The Honorable John Barrasso  
United States Senate  
307 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Senator Barrasso:

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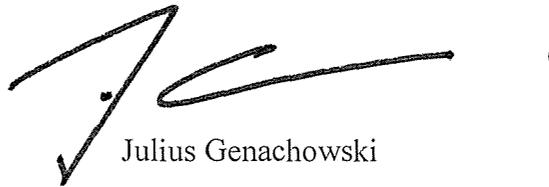
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## FEDERAL COMMUNICATIONS COMMISSION

July 2, 2012

JULIUS GENACHOWSKI  
CHAIRMAN

The Honorable Max S. Baucus  
United States Senate  
511 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Baucus:

Thank you for your letter expressing concerns about the effect of the Commission's Universal Service Fund (USF) reforms on rural telecommunications providers. I want to assure you that the Commission will continue to work with all stakeholders, including smaller rate-of-return carriers, throughout the reform process. Your letter will be included in the record of the proceeding and considered by the Commission.

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Julius Genachowski



## FEDERAL COMMUNICATIONS COMMISSION

July 2, 2012

JULIUS GENACHOWSKI  
CHAIRMAN

The Honorable Saxby Chambliss  
United States Senate  
416 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Chambliss:

Thank you for your letter expressing concerns about the effect of the Commission's Universal Service Fund (USF) reforms on rural telecommunications providers. I want to assure you that the Commission will continue to work with all stakeholders, including smaller rate-of-return carriers, throughout the reform process. Your letter will be included in the record of the proceeding and considered by the Commission.

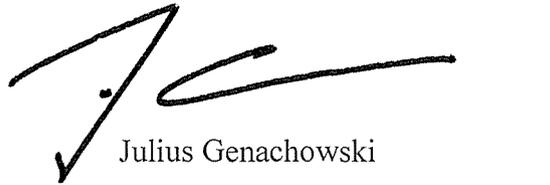
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Julius Genachowski



## FEDERAL COMMUNICATIONS COMMISSION

July 2, 2012

JULIUS GENACHOWSKI  
CHAIRMAN

The Honorable Michael D. Crapo  
United States Senate  
239 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Senator Crapo:

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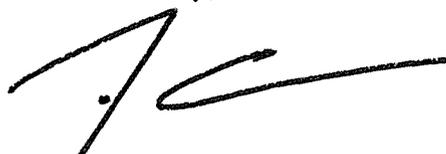
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Julius Genachowski



## FEDERAL COMMUNICATIONS COMMISSION

July 2, 2012

JULIUS GENACHOWSKI  
CHAIRMAN

The Honorable Mike Enzi  
United States Senate  
379A Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Enzi:

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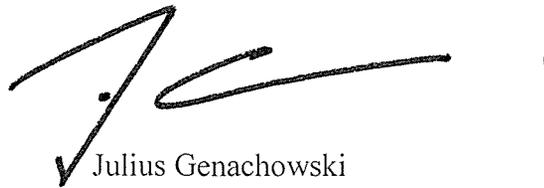
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Julius Genachowski



## FEDERAL COMMUNICATIONS COMMISSION

July 2, 2012

JULIUS GENACHOWSKI  
CHAIRMAN

The Honorable Charles E. Grassley  
United States Senate  
135 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Grassley:

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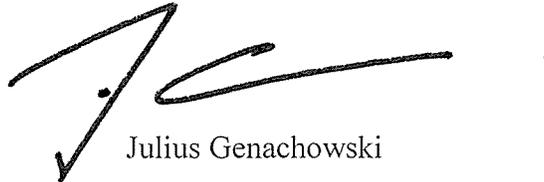
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JULIUS GENACHOWSKI  
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The Honorable Tom Harkin  
United States Senate  
731 Hart Senate Office Building  
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Dear Senator Harkin:

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Sincerely,

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Julius Genachowski



## FEDERAL COMMUNICATIONS COMMISSION

July 2, 2012

JULIUS GENACHOWSKI  
CHAIRMAN

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

Dear Senator Hatch:

Thank you for your letter expressing concerns about the effect of the Commission's Universal Service Fund (USF) reforms on rural telecommunications providers. I want to assure you that the Commission will continue to work with all stakeholders, including smaller rate-of-return carriers, throughout the reform process. Your letter will be included in the record of the proceeding and considered by the Commission.

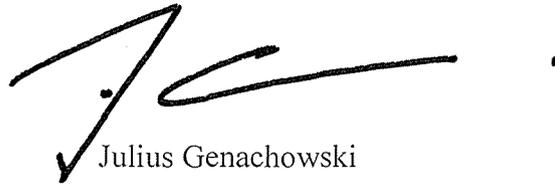
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Julius Genachowski



## FEDERAL COMMUNICATIONS COMMISSION

July 2, 2012

JULIUS GENACHOWSKI  
CHAIRMAN

The Honorable James M. Inhofe  
United States Senate  
453 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Inhofe:

Thank you for your letter expressing concerns about the effect of the Commission's Universal Service Fund (USF) reforms on rural telecommunications providers. I want to assure you that the Commission will continue to work with all stakeholders, including smaller rate-of-return carriers, throughout the reform process. Your letter will be included in the record of the proceeding and considered by the Commission.

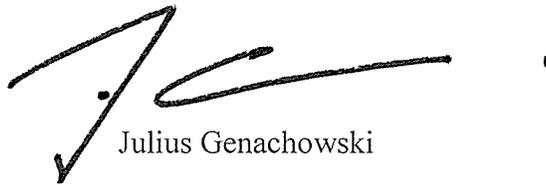
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Julius Genachowski



## FEDERAL COMMUNICATIONS COMMISSION

July 2, 2012

JULIUS GENACHOWSKI  
CHAIRMAN

The Honorable Tim Johnson  
United States Senate  
136 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Johnson:

Thank you for your letter expressing concerns about the effect of the Commission's Universal Service Fund (USF) reforms on rural telecommunications providers. I want to assure you that the Commission will continue to work with all stakeholders, including smaller rate-of-return carriers, throughout the reform process. Your letter will be included in the record of the proceeding and considered by the Commission.

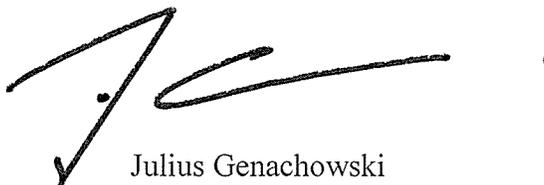
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Julius Genachowski



## FEDERAL COMMUNICATIONS COMMISSION

July 2, 2012

JULIUS GENACHOWSKI  
CHAIRMAN

The Honorable Mike Lee  
United States Senate  
825 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Lee:

Thank you for your letter expressing concerns about the effect of the Commission's Universal Service Fund (USF) reforms on rural telecommunications providers. I want to assure you that the Commission will continue to work with all stakeholders, including smaller rate-of-return carriers, throughout the reform process. Your letter will be included in the record of the proceeding and considered by the Commission.

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Julius Genachowski



## FEDERAL COMMUNICATIONS COMMISSION

July 2, 2012

JULIUS GENACHOWSKI  
CHAIRMAN

The Honorable Carl Levin  
United States Senate  
269 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Levin:

Thank you for your letter expressing concerns about the effect of the Commission's Universal Service Fund (USF) reforms on rural telecommunications providers. I want to assure you that the Commission will continue to work with all stakeholders, including smaller rate-of-return carriers, throughout the reform process. Your letter will be included in the record of the proceeding and considered by the Commission.

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## FEDERAL COMMUNICATIONS COMMISSION

July 2, 2012

JULIUS GENACHOWSKI  
CHAIRMAN

The Honorable Jeff Merkley  
United States Senate  
313 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Merkley:

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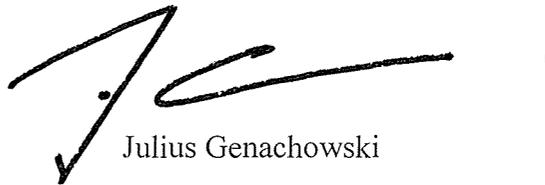
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## FEDERAL COMMUNICATIONS COMMISSION

July 2, 2012

JULIUS GENACHOWSKI  
CHAIRMAN

The Honorable James E. Risch  
United States Senate  
483 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Risch:

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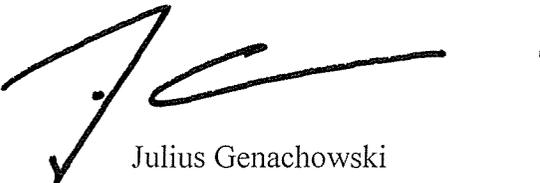
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Julius Genachowski



## FEDERAL COMMUNICATIONS COMMISSION

July 2, 2012

JULIUS GENACHOWSKI  
CHAIRMAN

The Honorable Jon Tester  
United States Senate  
724 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Tester:

Thank you for your letter expressing concerns about the effect of the Commission's Universal Service Fund (USF) reforms on rural telecommunications providers. I want to assure you that the Commission will continue to work with all stakeholders, including smaller rate-of-return carriers, throughout the reform process. Your letter will be included in the record of the proceeding and considered by the Commission.

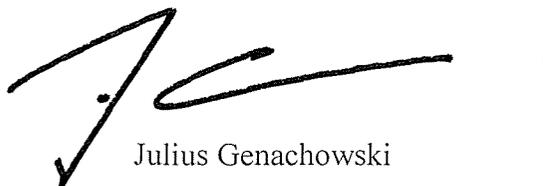
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