

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

June 27, 2012

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

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Keep Cost  
822*

Dear Chairman Genachowski,

We write to express our concerns with the expedited implementation of the Wireline Competition Bureau Order to set benchmarks for reasonable capital and operating expenses for carriers who receive High Cost Loop Support (HCLS) under a new regression analysis formula. While we are supportive of the overall goal of increasing accountability and creating incentives to lower costs for this sector, we feel the ruling lacks the certainty and predictability necessary for these carriers to adapt to the changes in funding.

The HCLS Benchmarks Order issued April 25, 2012, used a quantile regression analysis that was markedly different from the original formula presented last year. Once the Order was issued, rural carriers requested the formula and accompanying data so as to run the analysis for verification. Some of the data was released on May 31, but it was insufficient for complete reconstruction of the formula and most recently more information was released this past week. It will take at least 4-6 weeks for companies to reconstruct the formula and to verify the conclusions reached by your commission. We ask that you allow these companies this needed time

Up until now, companies have been unable to offer true critiques of the formula due to the incompleteness of the data. Further transparency in the ruling will allow companies to argue their case and assures the FCC's goal of efficiency and accountability without unfairly harming companies who are working towards those same ideals.

As the rule currently stands, companies will begin to see changes in funding on July 1, 2012. It is our feeling that this timeframe is unfair to companies who have been unable to certify the formula which new reimbursement levels are based upon. By allowing policymakers and industry experts time to study and respond to the analysis that is the basis of this reform, we can be assured of both achieving reform and being fair to companies which have made multi-million dollar investments. Again, we urge you to allow companies the additional weeks necessary to evaluate the new formula and to verify its logic.

Sincerely,

5 JUL 2012 RCUD

Handwritten signature of Bill Cassidy in black ink, written over a horizontal line.

Bill Cassidy (LA-6)  
U.S. House of Representatives

Handwritten signature of Francisco 'Quico' Canseco in black ink, written over a horizontal line.

Francisco "Quico" Canseco (TX-23)  
U.S. House of Representatives

Handwritten signature of Stevan Pearce in black ink, written over a horizontal line.

Stevan Pearce (NM-2)  
U.S. House of Representatives



Federal Communications Commission  
Washington, D.C. 20554

November 30, 2012

The Honorable Francisco Canseco  
U. S. House of Representatives  
1339 Longworth House Office Building  
Washington, DC 20515

Dear Congressman Canseco:

Thank you for your letters 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 rural carriers, throughout the reform process.

We will enter a copy of your letter into the record of the proceeding. Thank you for your interest in this important matter and please do not hesitate to contact me if I can be of further assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "T B Harkrader".

Trent B. Harkrader  
Chief  
Telecommunications Access Policy Division  
Wireline Competition Bureau

cc: The Honorable Francisco Canseco  
The Honorable Steve Pearce