

Congress of the United States
Washington, DC 20510

0790

June 22, 2012

The Honorable Julius Genachowski
Chairman
Federal Communications Commission
Room 8-C445
Washington, DC 20554

Dear Chairman Genachowski:

We write to you regarding the efforts of the Federal Communications Commission (FCC) to reform the Universal Service Fund (USF) and Inter-carrier compensation (ICC) system. Like you, we support modernizing these programs, including making them more accountable and broadband-focused to meet the goal of providing affordable and comparable communications service to all Americans. However, we are concerned that reform rules outlined in the recent Transformation Order may hamper both current and future investment in rural communities in Louisiana. We are also concerned that the upcoming July 1, 2012 implementation date is fast approaching but there are still lingering questions over the impact these rules will have on services provided by rural rate-of-return carriers. Many of these lingering questions have been filed with the FCC for some time, including issues related to the removal of the Safety Net Additive.

As you well know, there continues to be a need for wireless and other advanced communications services in rural areas of our country. We realize that this is due in part to many factors, including the increased cost of deploying technology to these areas, but would like, where possible, to assist companies looking to build out services in rural areas. Over the last three decades, communications carriers in rural areas have invested millions of dollars in communications networks supported not only by universal service, but also by private investment and Federal telecommunications and broadband incentive programs. Recent plans for implementation at the FCC include new program restraints, benchmarks and formulas intended to make universal service more efficient and implement a new Inter-carrier compensation system. We believe that any reforms must protect existing investments, provide predictable support systems for small rural carriers, and promote broadband adoption in rural areas.

In closing, we note that the Telecommunications Act of 1996 mandates that Federal and State governments must work to advance the availability of advanced telecommunications services to all consumers, including those in rural areas, at rates which are comparable to rates charged in urban areas. The USF was established by the FCC to attain these goals promised by the Act. While we strongly support your effort to

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achieve broadband availability nationwide, USF and ICC reform must not jeopardize current investments or discourage future investments from the private sector or Federal incentive programs.

Thank you for your consideration of this request. We look forward to working with you to provide opportunities for telecommunications providers, including small rural carriers, to continue service to rural areas throughout our country.

Sincerely,



Mary L. Landrieu
United States Senator

Cedric Richmond
Member of Congress



FEDERAL COMMUNICATIONS COMMISSION

January 8, 2013

JULIUS GENACHOWSKI
CHAIRMAN

The Honorable Mary L. Landrieu
United States Senate
328 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Landrieu:

Thank you for your letter regarding the FCC's Universal Service Fund reforms. I appreciate your interest in this matter and am pleased to provide the enclosed letter on this issue from the Chief of the Wireline Competition Bureau's Telecommunications Access Policy Division.

If you have any additional questions or need any further assistance, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to be "J. Genachowski", written over a horizontal line.

Julius Genachowski

Enclosure



Federal Communications Commission
Washington, D.C. 20554

January 8, 2013

The Honorable Mary L. Landrieu
United States Senate
328 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Landrieu:

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 rural carriers, throughout the reform process.

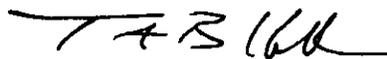
The Commission's implementation of the *Transformation Order* continues to be guided by three key goals: expanding broadband to the millions of unserved Americans, preserving voice and broadband service in areas that would not be served absent support, increasing fiscal responsibility and accountability in USF spending to ensure the long term sustainability of the Fund, and setting forth transition periods that recognize business realities. In addition as we hear from stakeholders about concerns with implementation, we will make adjustments as appropriate. For instance, on April 25, 2012, the Commission extended the transition for originating intercarrier compensation payments, a concern raised by many smaller carriers. Likewise, in the Wireline Competition Bureau's April *Benchmarks Order*, the Bureau revised the initially proposed high-cost loop support benchmark categories to respond to a number of the concerns raised by smaller carriers. In particular, the revised methodology accounts for several additional drivers of cost in comparing spending between carriers, it takes recent investment into consideration, it extends the transition period to give carriers greater time to adjust, and it provides a streamlined process to address any concerns about the accuracy of carriers' data. The Commission also extended a number of reporting deadlines for smaller carriers.

Even as we continue to make necessary adjustments, the Chairman believes that it is important to keep moving forward with implementation of the Commission's once-in-a-generation reforms and not roll back progress that we have made. As we do, the Commission and staff will continue to run a fair, open process in which the valid concerns of stakeholders are addressed – working closely with affected carriers to ensure that residents of the nation's rural

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and high-cost areas receive the quality voice and broadband services that all Americans need. I appreciate your interest in this very important matter. Please let me know if I can be of any further assistance.

Sincerely,



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

cc: The Honorable Cedric Richmond

0790



FEDERAL COMMUNICATIONS COMMISSION

January 8, 2013

JULIUS GENACHOWSKI
CHAIRMAN

The Honorable Cedric Richmond
U.S. House of Representatives
415 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Richmond:

Thank you for your letter regarding the FCC's Universal Service Fund reforms. I appreciate your interest in this matter and am pleased to provide the enclosed letter on this issue from the Chief of the Wireline Competition Bureau's Telecommunications Access Policy Division.

If you have any additional questions or need any further assistance, please do not hesitate to contact me.

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Julius Genachowski

Enclosure



Federal Communications Commission
Washington, D.C. 20554

January 8, 2013

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U. S. House of Representatives
415 Cannon House Office Building
Washington, D.C. 20515

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

cc: The Honorable Mary L. Landrieu