

WILLIAM L. OWENS
23RD DISTRICT, NEW YORK

COMMITTEE ON AGRICULTURE
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COMMITTEE ON ARMED SERVICES
TACTICAL AIR AND LAND FORCES
READINESS

COMMITTEE ON SMALL BUSINESS



Congress of the United States
House of Representatives
Washington, DC 20515

June 27, 2012

The Honorable Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Genachowski:

I am writing in regard to the FCC's efforts to update the Universal Service Fund (USF) and Intercarrier Compensation mechanisms. In my Congressional District in Upstate New York, many of my constituents lack access to high-speed wired and wireless broadband networks, which are critical to economic development in the region.

This rulemaking process impacts several smaller telecom companies in my district for whom the USF and ICC fees provide an important source of funding to complete last-mile broadband projects that connect homes and small businesses. While I appreciate the intent of the Commission to ensure the USF's long-term stability by controlling the size of the fund, I am also mindful of the need to incentivize broadband investment in the rural areas of New York.

I respectfully request clarification that the rural carriers and the consumers who will be impacted by the FCC's Order and Further Notice of Proposed Rulemaking be given sufficient time to evaluate the recent reforms and adjust to the reductions in funding.

Thank you for your attention to this issue.

Sincerely,

BILL OWENS
Member of Congress

PLEASE RESPOND TO
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821*

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FEDERAL COMMUNICATIONS COMMISSION

January 8, 2013

JULIUS GENACHOWSKI
CHAIRMAN

The Honorable William L. Owens
U.S. House of Representatives
431 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Owens:

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 William L. Owens
U. S. House of Representatives
431 Cannon House Office Building
Washington, DC 20515

Dear Congressman Owens:

Thank you for your letter expressing concerns about the effect of the Commission's Universal Service Fund (USF) reforms on rural telecommunications providers in upstate New York. 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.

The Commission's implementation of the *USF/ICC Transformation Order* continues to be guided by these three key goals: expanding broadband to the millions of unserved Americans, 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 has also extended a number of reporting deadlines for smaller carriers.

Even as we continue to make necessary adjustments, 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

Page 2 -- The Honorable William L. Owens

rural 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,

A handwritten signature in black ink, appearing to read "T. B. Harkrader", with a long horizontal flourish extending to the right.

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