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Congress of the United States
House of Representatives
Washington, D.C. 20515

COMMITTEE ON
NATURAL RESOURCES

CHAIRMAN, SUBCOMMITTEE ON
INDIAN AND ALASKA NATIVE AFFAIRS

COMMITTEE ON
TRANSPORTATION & INFRASTRUCTURE

REPUBLICAN
POLICY COMMITTEE

**1245**

December 6, 2013

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

The Honorable Michael O'Rielly
Commissioner
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Dear Chairman Wheeler and Commissioner O'Reilly,

I would like to offer my warm congratulations on your recent confirmations to the Federal Communications Commission (FCC). As Alaska's lone Representative in the U.S. House of Representatives for past 40 years and Chairman of the Subcommittee on Indian and Alaska Native Affairs, I greatly look forward to working with you both during the course of your terms. Together, I hope we can develop policies and practices that will quickly and efficiently modernize communications infrastructure for Alaska and all tribal lands across the United States. In order for Alaska and tribal communities to exist, let alone remain competitive, in the digital age, broadband infrastructure is desperately needed. While we have made progress in many urban and suburban areas, much work in rural and remote areas still remains.

At the risk of the stating the obvious, Alaska is a huge state. In fact, Alaska is by far the largest state in the U.S and is two and a half times the size of the next largest state, Texas. Consequently, size is a key challenge that Alaskans must face when building a robust broadband infrastructure; however size is just the tip of the iceberg for challenges in our state. As Commissioners Ajit Pai and Jessica Rosenworcel saw firsthand during their recent visits, Alaskans must overcome a myriad of obstacles just to deploy basic communications services, let alone advanced communication services. Each community in the state must tackle a combination of different issues including remoteness, poverty, harsh climates, challenging geography, permafrost, lack of roads and other infrastructure, high shipping costs, short construction seasons, high costs of construction, snow accumulation, abundance of heavily regulated federal lands, and many others. In fact, in the 2011 USF Reform Order, the FCC acknowledged many of these challenges including Alaska's "remoteness, lack of roads, challenges and costs associated with transporting fuel, lack of scalability per community, satellite and backhaul availability, extreme weather conditions, challenging topography, and short construction season."

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As a result of these challenges, many communities in Alaska have severe middle mile deficiencies in both wireline and wireless service. Unfortunately, as competition continues to advance communications infrastructure in the Lower 48, the digital divide between Alaska and the rest of the U.S. will continue to grow. In past letters to the FCC, I have written about of the development of an underclass of broadband consumers in the U.S., or "second-class broadband citizens." These people are broadband consumers who are relegated to far inferior up/down speeds because their community cannot provide a sufficient commercial return on the infrastructure investment one would need to cost-effectively deploy high speed broadband.

I fear, that under the FCC's current reforms, the creation of "second-class broadband citizens," whose only fault is living in a rural area, is quickly approaching if not already here. For these reasons, I am grateful that the FCC recently announced that it would, for nearly two years, suspend cuts to small rural Alaska telecommunications companies. I believe this pause will allow the FCC to fully examine how the Universal Service Fund (USF) reforms will impact the residents of Alaska.

While I could fill dozens of pages telling you about the challenges in Alaska (and I have with previous Chairmen), I would like to instead invite both of you up to our great state. Only by traveling across Alaska, as I have for over four decades, can one truly come to understand the unique circumstances under which people of the 49th State reside and sometimes endure. Not only will you see why the television show "Tougher in Alaska" stays true to its name, but you will also have the chance to meet with the most resilient, industrious, passionate, and kind-hearted people in the United States.

Thank you in advance for your efforts on behalf of Alaska, and I look forward to working with you on the important issues I have highlighted above. At some point in the near future, I would also like to sit down with each of you and begin the discussion of how we can work together to help solve the puzzle that is deploying broadband to rural and tribal America. If you have any questions or concerns, or you would like to start planning a trip to Alaska, please do not hesitate to contact Jason Suslavich on my staff at Jason.Suslavich@mail.house.gov or (202) 225-5765.

Sincerely,

DON YOUNG
Congressman for All Alaska

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

April 7, 2014

The Honorable Don Young
U.S. House of Representatives
2314 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Young:

Thank you for your letter regarding the challenges of expanding broadband infrastructure in Alaska, and for the opportunity to visit with you to discuss these important issues. I appreciate your views, and will ensure that your letter is included in the record of the proceeding and considered as part of the Commission's review.

As I have made clear since the day I arrived at the Commission, universal service is one of the core elements of the network compact that exists between the companies that provide the service and the public. Congress has enshrined this value in the Communications Act, and achieving universal service is a goal that must guide the work of the FCC in all that we do. Simply put, access denied is opportunity denied. And the Commission must make timely decisions in order to provide regulatory certainty and create incentives to further efficient investment in broadband networks.

In the Commission's 2011 *Universal Service Fund Transformation Order* and our subsequent decisions, we have recognized the unique challenges of deploying broadband to remote areas of Alaska, Tribal Lands and Native Communities. For example, the Commission provided for a two-year delay in reforms impacting competitive eligible communications carriers in remote Alaska, recognized the unique circumstances faced by price cap carriers serving Alaska and the Territories when developing a forward-looking cost model for voice and broadband services, provided for specific consideration of Alaska's geographic expanse in Mobility Fund Phase I, and recently executed the Tribal Mobility Fund, where Alaska carriers won over $41 million to build out wireless broadband networks.

Additionally, as you note, the Commission's Wireline Competition Bureau's July 2013 *Order* exempted Alaskan carriers from the benchmarking rule entirely for the remainder of 2013 and all of 2014. I believe we must be open to modifications to the reforms if it is clear that particular rules are not serving their intended purpose. To that end, I have circulated to my fellow Commissioners an Order that would eliminate the Quantile Regression Analysis for all rate-of-return carriers, including those serving Alaska.

I look forward to working with you as we continue the work of reforming and modernizing the universal service fund high-cost program – as well as other components of the Fund – to ensure that all Americans have access to robust voice and broadband services.

Commission staff will continue to work closely with stakeholders from Alaska to make sure unique circumstances and costs associated with serving Alaska are taken into consideration.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

Tom Wheeler