

**MIKE SIMPSON**

SECOND DISTRICT, IDAHO

WASHINGTON OFFICE:

2312 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515

(202) 225-5531

FAX: (202) 225-8216

DISTRICT OFFICE:

802 WEST BANNOCK STREET, SUITE 600

BOISE, ID 83702

(208) 334-1953

FAX: (208) 334-9533

[simpson.house.gov](http://simpson.house.gov)



**CONGRESS OF THE UNITED STATES**  
**HOUSE OF REPRESENTATIVES**

April 29, 2011

COMMITTEE ON APPROPRIATIONS

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CHAIRMAN

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COMMITTEE ON BUDGET

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

Dear Chairman Genachowski:

We write to express our concern regarding the apparent direction of the FCC's current efforts to reform the Universal Service Fund and intercarrier compensation system, which seem to fail to anticipate the profound negative effects such changes could cause for rural America. With low population density, large geographic distances and, in many cases, large portions of federal land, providing broadband in these areas can be difficult and costly. Yet since the 1930s, the contributions that rural America makes to our economy, from agriculture to mining to forestry, have led Congress to enact policies to incentivize the provision of ubiquitous telecommunications and electric service throughout our entire country. That is the reason the current Universal Service Fund and intercarrier compensation rules exist: to make sure that there is not a divide between urban and rural areas when it comes to the opportunity to obtain these important services.

We fear your current course of action could result in important broadband services becoming unavailable to many of our constituents. We represent some of the most sparsely populated and geographically challenging places in the United States, areas rich in agriculture and natural resources but without robust urbanized infrastructure. Our constituents depend upon the availability of these services now, and reform efforts must not tilt the playing field in such a manner that it harms rural America. As broadband becomes even more important than it is today, these communities cannot flourish should telecommunications policy shift resources toward urban areas at the expense of rural areas. We are not talking simply about the future viability of the companies serving these areas; we are talking about the future viability of these communities.

The FCC should ensure that the Universal Service Fund and intercarrier compensation reforms are done in an efficient manner, and if possible, through a smaller budget. As fiscal conservatives, we note that the proposed National Broadband Plan is not designed to reduce expenditures, but rather, to redirect them to urban areas. Please be sure that as you proceed with your reforms, you do not withdraw support that enables the investments in our rural communities to continue. They depend on you.

Sincerely,

Mike Simpson  
Member of Congress

Raúl Labrador  
Member of Congress