

United States Senate

WASHINGTON, DC 20510-1804

169

February 25, 2014

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
Room 8-C445
Washington, DC 20554

Dear Chairman Wheeler:

I am writing regarding an issue that I first raised with Chairman Julius Genachowski in 2011, namely, the efforts of the Federal Communications Commission (FCC) to reform the Universal Service Fund (USF) and Inter-carrier compensation (ICC) system. Like you, I support modernizing these programs, including making them more accountable and more focused on high-speed Internet to meet the goal of providing affordable and comparable communications service to all Americans. However, I am still concerned that reform rules outlined in the Transformation Order may hamper investment in unserved rural communities in Louisiana. Many lingering questions remain, including issues related to the waiver process and the elimination of the Safety Net Additive.

With this in mind, I was pleased to learn of your remarks on December 12, 2013 before the House Subcommittee on Communications and Technology. At that time, you indicated you were instructing the FCC's Wireline Competition Bureau to discontinue using the quantile regression analysis (QRA) as a tool in distributing USF support to communications carriers in rural areas. These remarks track with comments submitted to the FCC over the years on this issue and with S. 1858, legislation introduced in the Senate in mid-December. I look forward to working with the FCC to expeditiously find more reasonable solutions that instead of discouraging investment will provide appropriate incentives for providers to invest in new broadband networks.

As you well know, there continues to be a need for advanced communications services in unserved rural areas of our country. I 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. In making these reforms, the FCC must protect existing investments, provide predictable support systems for small rural carriers and other providers, and promote broadband adoption in unserved rural areas.

Page Two
February 25, 2014

In closing, I 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 I strongly support your effort to 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. I look forward to working with you to provide opportunities for providers, including small rural carriers, to continue service to rural areas throughout our country.

Sincerely,



Mary L. Landrieu
United States Senator

Cc: The Honorable Mignon Clyburn, Commissioner
The Honorable Jessica Rosenworcel, Commissioner
The Honorable Ajit Pai, Commissioner
The Honorable Michael O'Rielly, Commissioner



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

April 11, 2014

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

Dear Senator Landrieu:

Thank you for your letter expressing concern about the effect of the Commission's Quantile Regression Analysis (QRA) on rural carriers, as well as the elimination of Safety Net Additive (SNA) high cost loop support. I appreciate your views and will ensure that your letter will be 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, one of the core elements of communications policy that must guide the work of the FCC is the critical need for all Americans to have access to high-speed broadband networks. Access denied is opportunity denied. To that end, I am a firm believer in the importance of universal service, and I agree that the Commission must make timely decisions in order to provide regulatory certainty and create incentives to further efficient investment in broadband networks. We must also be open to modifications to the reforms if it is clear that particular rules are not serving their intended purpose.

To that point, as I stated during the recent House Communications and Technology Subcommittee hearing on FCC Oversight, I directed the Wireline Competition Bureau to prepare an Order for the Commission's consideration that would eliminate the QRA. That Order, which will also address SNA support, is now on circulation for my colleagues' consideration at our April 2014 open agenda meeting.

I look forward to continuing the work of reforming and modernizing the universal service fund high-cost program – as well as other components of the Fund – and to working with stakeholders, including rural carriers and consumers, to ensure that all Americans have access to robust voice and broadband services.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler".

Tom Wheeler