

United States Senate

WASHINGTON, DC 20510-1502

COMMITTEES:
AGRICULTURE
APPROPRIATIONS
HEALTH, EDUCATION,
LABOR, AND PENSIONS
SMALL BUSINESS

November 2, 2012

Honorable Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Dear Chairman Genachowski:

As the Federal Communication Commission (FCC) implements its plan to reform the Universal Service Fund (USF), I have great concerns about a rule the FCC adopted last November that will stop any new Safety Net Additive (SNA) payments to carriers for capital expenditures made after 2009. This rule will negatively impact numerous rural communication carriers in Iowa and the rural customers they serve.

A number of Iowa companies made significant investments in their networks in 2010 and 2011 with the understanding, and reliance, that SNA payments would follow in 2012 or 2013. While the SNA funds are a very small portion of the USF High Cost program, it is a significant amount to those companies that are impacted by this retroactive action. These carriers made precisely the kind of investment needed to expand affordable access to high speed broadband to rural consumers, and I have concerns that the retroactive elimination of SNA funds will hurt rural consumers like those in Iowa.

I request that the Commission revisit this retroactive ruling and instead allow companies to recover costs of investments made in 2010 and 2011 consistent with the then-current rules of the SNA program.

Sincerely,



Senator Tom Harkin