April 6, 2011

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

Dear Chairman Genachowski:

We write to you regarding the FCC’s current efforts to reform the Universal Service Fund and intercarrier compensation system. We support modernizing these programs, including making them more accountable and broadband-focused to meet the goal of providing affordable and comparable communications service to all Americans. However, we also encourage the development of a support mechanism framework that does not jeopardize current or hamper future private sector and federal lending program investment.

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 loan programs. As part of the ongoing reform effort, the FCC now proposes a number of new program restraints, benchmarks and formulas intended to make universal service more efficient and implement a new intercarrier compensation system. Telecommunication providers will be expected to adapt and manage their investments and businesses to those new standards and rules. Consequently, we believe these reform proposals must strike a balance to protect the investments that have already occurred and the need to overhaul the programs.

We believe strongly robust broadband networks will lead to increased adoption, job creation and economic opportunity. However, as the regulatory reform effort moves forward, we must also ensure new rules and regulations do not have unintended consequences and hamper our investment in our rural communities. Thus, we request that you seriously consider these concerns.
We look forward to working with you to address these matters.

Sincerely,

Senator Mark Begich

Senator John Thune

[Signatures of other individuals]
Sen. Mark Begich (AK)  Sen. John Thune (SD)
Sen. Tim Johnson (SD)  Sen. Orrin Hatch (UT)
Sen. Daniel Akaka (HI)  Sen. Amy Klobuchar (MN)
Sen. Al Franken (MN)  Sen. Jeff Merkley (OR)
Sen. Max Baucus (MT)  Sen. Claire McCaskill (MO)
Sen. Lisa Murkowski (AK)  Sen. Ben Nelson (NE)
Sen. Tom Harkin (IA)  Sen. Jon Tester (MT)
Sen. Pat Roberts (KS)  Sen. John Barrasso (WY)
Sen. Mike Crapo (ID)  Sen. Mark Pryor (AR)
Sen. Saxby Chambliss (GA)  Sen. Carl Levin (MI)
Sen. Jim Risch (ID)  Sen. Mike Enzi (WY)
Sen. Mike Johanns (NE)  Sen. Chuck Grassley (IA)
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Chairman  
Federal Communications Commission  
445 12th Street, SW  
Washington, D.C. 20554

Dear Chairman Genachowski:

We write to you regarding the FCC’s current efforts to reform the universal service (USF) program and intercarrier compensation system (ICC). We support making these programs more accountable and encourage the FCC to develop a smooth and predictable transition toward reform.

The country has made significant progress in linking small communities with our urban centers and global markets through communications. These investments have been made through loans, loan guarantees, grants, and significant private sector investment to build infrastructure in sparsely populated and remote areas which would not otherwise be served.

As part of ongoing reform efforts, the FCC is reviewing a number of new and reformed program restraints, benchmarks, and formulas intended to make universal service more efficient and implement a new intercarrier compensation system. The FCC should implement these reforms in a way that manages the providers’ transition.

We would welcome your response to a few brief questions. In particular, could you describe how the FCC will specifically account for the impact any changes to USF and ICC may have on service providers who are also RUS borrowers? Will the FCC conduct a thorough analysis of USF and ICC changes and the potential impact of those changes on RUS borrowers’ ability to repay loans? And, will you conduct such an analysis before making any changes to USF and ICC rules?

We are confident that you share our vision and dedication to connecting rural America through sound investments in telecommunications infrastructure and we welcome the opportunity to work with you to address these matters. We respectfully request your response to this letter by May 2, 2011 and look forward to your reply.

Sincerely,

Timothy V. Johnson  
Jim Costa  
Frank D. Lucas  
Sam Graves