March 31, 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 (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
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