The Honorable Thomas Wheeler  
Chairman  
Federal Communications Commission  
445 12th Street SW  
Washington, DC 20554

Dear Chairman Wheeler:

We commend your efforts to continue modernization of the Universal Service Fund (USF), and we particularly appreciate your willingness to tackle some of the unanswered questions that remain for many of the carriers utilizing the fund. In conjunction with these ongoing efforts, we call on the Federal Communications Commission (FCC) to adopt and implement a Connect America Fund (CAF) mechanism for areas served by rural rate-of-return-regulated carriers that is both tailored to the unique circumstances those areas face, and will provide sufficient and predictable support for the upgrade and sustainability of broadband-capable networks in the high-cost areas of the nation.

Today, because USF support is tied to voice service for rural providers under current rules, high-cost areas served by rural carriers may receive reduced support if consumers do not take “plain old telephone service” (POTS) along with broadband. This potentially deters broadband adoption and inhibits technological evolution. This is concerning in light of the already-ongoing technology transition that the FCC is working diligently to expedite and facilitate. While rural carriers have made tremendous progress in deploying advanced networks, these outdated rules represent a real obstacle to the broadband future toward which we are all aiming.

We recognize that USF reform involves many complex issues and difficult trade-offs. We support measures to ensure USF funds are used responsibly and effectively within current budgets while also upholding the statutory mandate that reasonably comparable services must be made available at reasonably comparable prices. While we recognize the FCC is working on a forward-looking model for areas served by price cap companies we hope the FCC will work with rate of return companies to create separately designed updates that provide predictable support for the areas they serve as well. Further, we believe that an update to rural carrier support mechanisms can be done at the same time as the work on larger carriers.
For these reasons, we urge the FCC to move forward immediately with adopting and implementing a carefully tailored update of the existing mechanisms that will provide sufficient and predictable support for broadband-capable networks in areas served by rural carriers. We firmly believe that areas served by rural carriers should have the same fundamental choices among reasonably comparable services at reasonably comparable rates that consumers in urban areas enjoy.

Thank you for your prompt attention to this matter.

Sincerely,

[Signatures]