

Congressional Hispanic Caucus

United States Congress

Washington, DC 20515

CHAIRWOMAN

NYDIA M. VELAZQUEZ

12TH DISTRICT, NEW YORK

June 25, 2010

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High Cost
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The Honorable Julius Genachowski
Chairman, Federal Communications Commission
445 12th Street, N.W.
Washington, D.C. 20544

Dear Chairman Genachowski:

We are writing to encourage you to reconsider the April 16, 2010 order issued by the Federal Communications Commission (FCC) denying the adoption of a new high-cost area support mechanism to address the telecommunications needs of Puerto Rico. The Congressional Hispanic Caucus (CHC) is concerned that the failure to implement an insular-specific Universal Service Fund (USF) support mechanism, in contravention of a 1996 congressional mandate, has deprived the residents of Puerto Rico of the benefits of having a variety of telecommunications and information services.

The FCC's decision ignores undisputed data showing that Puerto Rico has extremely low wireline telephone and broadband penetration rates, very high maintenance costs resulting from its mountainous topography, and higher than average infrastructure deterioration due to severe tropical weather and atmosphere associated with its location in the Caribbean. In addition, because Puerto Rico is an island, costs are made even higher because materials and supplies must be transported into Puerto Rico.

While the most recent Census data reported that the telephone penetration rate in Puerto Rico was 91%, recent surveys by the FCC place the figure at only approximately 75%. Both figures are significantly below the U.S. mainland penetration rate of 98.2%. In the area of broadband penetration, the FCC's Wireline Bureau reported in February 2010 that only 24% of households in Puerto Rico have access to high-speed Internet, compared to 60% access in the United States mainland. Despite these extraordinary conditions, and the mandate contained in the Telecommunications Act of 1996 that consumers in insular and high-cost areas have reasonably comparative telecommunications and information services to those available in urban areas, the FCC has denied the special consideration which consumers in Puerto Rico warrant.

In its order denying insular funding to Puerto Rico, the FCC appears to have taken the position that the problems associated with telephone and broadband penetration in Puerto Rico can be resolved by wireless service. By dictating that telephone and broadband penetration problems must be resolved through wireless services, the FCC is treating the

Island differently than the rest of the nation, which continues to have the benefit of USF support of both wireline and wireless systems. Thus, the FCC seems to be superimposing its technology policies, many of which are now being reviewed by Congress, without consideration for the documented needs of the people of Puerto Rico.


Furthermore, the maintenance, deployment and upgrading of Puerto Rico's wireline infrastructure is essential to the delivery of broadband services because it is the infrastructure that delivers these services to consumers. Without insular high-cost area support of Puerto Rico's wireline infrastructure, the digital divide between Puerto Rico and the rest of the nation will continue to persist and to widen. Although we are aware that the FCC has proposed to provide some additional monies to low-income consumers in Puerto Rico by slightly increasing the amount of the subsidy available under its Link Up program, this proposal is not sufficient to upgrade and extend wireline infrastructure in Puerto Rico.

We believe that the FCC's denial of insular high-cost area USF support is contrary to the mandate of Congress that the FCC ensure that every citizen have comparable access to telecommunications services. We strongly urge you to grant the Petition for Reconsideration which is currently pending.

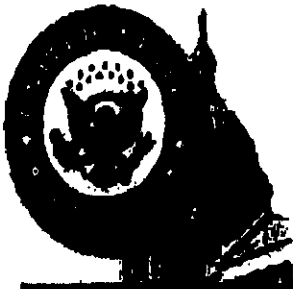
We appreciate your timely and prompt action in this matter. If you have any questions, please contact Patricia Villarreal, CIIC Executive Director, at (202) 225-2410.

Sincerely,


Nydia Uelázquez
Chair
Congressional Hispanic Caucus


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Congresswoman Nydia Velázquez

12th Congressional District of New York

FAX Cover Sheet

To: Legislative Affairs

From: Patricia Villarreal, Executive Director, Cong. Hispanic Caucus

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Comments:

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