



FEDERAL COMMUNICATIONS COMMISSION

May 31, 2011

JULIUS GENACHOWSKI
CHAIRMAN

The Honorable Sanford D. Bishop Jr.
U.S. House of Representatives
2429 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Bishop:

Thank you for your letter regarding the Commission's current efforts to reform the Universal Service Fund and the intercarrier compensation system. I understand and share your concern that these reforms should be designed so that they adequately consider potential impact on existing investment in rural areas.

The Commission is mindful of the fact that changes to the Universal Service Fund and intercarrier compensation system may affect providers serving rural areas that receive public funding from other governmental agencies such as the Rural Utilities Service (RUS). A reformed, broadband-focused Universal Service Fund and intercarrier compensation system should complement RUS's efforts to spur broadband build-out in rural America through public-private partnerships. To that end, the Commission has requested data from firms currently receiving RUS support to examine the potential impact of changes to the system and has been working closely with RUS to address related issues. The Commission will analyze the data we receive to determine the appropriate size of future recovery mechanisms and any necessary transitions to those mechanisms.

Please be assured that I understand your concerns, and that as we move forward, the Commission will fully take into account the needs of consumers in rural areas and carriers serving them. I appreciate the opportunity to provide feedback on these important issues.

Sincerely,

A handwritten signature in black ink, appearing to be "J. Genachowski".

Julius Genachowski