



# FEDERAL COMMUNICATIONS COMMISSION

August 15, 2012

JULIUS GENACHOWSKI  
CHAIRMAN

The Honorable Mark Begich  
United States Senate  
144 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Begich:

Thank you for your letters regarding the Commission's Universal Service Fund (USF) reform proceeding. I value your thoughts on a range of issues relating to the extreme conditions affecting deployment of basic and advanced telecommunications services to remote parts of Alaska. Your letters will be included in the record of the proceeding and considered as the Commission continues to implement its USF reforms.

Commission staff continues to meet with any carrier or association wanting to discuss issues, including making trips to rural areas to meet with affected carriers in their communities. And as you know, during my trip to Alaska last year, I had an opportunity to visit deployment sites and meet with many of the Alaska carriers to get an understanding of the unique challenges they face.

We take these visits and meetings very seriously, and the Commission – and the staff on delegated authority – continues to make adjustments to our reforms as necessary. For instance, the April 25, 2012 *Benchmarks Order* revised the high-cost loop support (HCLS) benchmark categories to reflect similarly-situated providers, and adjusted the phase-in period of these changes to provide carriers with a greater opportunity to make any necessary adjustments. An additional modification was inclusion of several new variables that were not originally part of the HCLS equation, such as a variable that specifically accounts for the provision of service in Alaska. Additional variables were also added that account for certain cost-related factors (e.g. soil type, climate, service on National Park lands), as well as a variable and for recent investment. All of these variables made the methodology more accurate and fair for all carriers, including those serving Alaska.

I believe that it is important to keep moving forward with implementation of these once-in-a-generation reforms and not roll back progress that we have made. This reform was achieved on a unanimous basis. To ease the impact of these reforms on affected carriers, the Commission made reasonable transition periods a touchstone. In the *Benchmarks Order*, for example, we phase in reductions in support over an 18-month period. To the extent that any Alaska carrier is concerned that they will no longer be able to provide service to consumers as a result of the Commission's reforms, the *Transformation Order* provides a rigorous but fair waiver process to ensure that existing service is not disrupted. In that respect, Commission staff recently

authorized a 6-month waiver for Windy City Cellular. Carriers seeking a waiver that serve Tribal Lands (which includes Alaska Native regions) must provide information concerning the unique operating and economic conditions in their service areas. The staff will consider this information as a factor when reviewing the requests.

The Commission and staff will continue to run a fair, open process in which the valid concerns of stakeholders are addressed – working closely with the affected carriers to ensure that residents of the nation’s remote rural areas receive the quality broadband and telecommunications services that all Americans need. I appreciate your interest in this very important matter. Please let me know if I can be of any further assistance.

Sincerely,



Julius Genachowski



# FEDERAL COMMUNICATIONS COMMISSION

August 15, 2012

JULIUS GENACHOWSKI  
CHAIRMAN

The Honorable Lisa Murkowski  
United States Senate  
709 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Murkowski:

Thank you for your letters regarding the Commission's Universal Service Fund (USF) reform proceeding. I value your thoughts on a range of issues relating to the extreme conditions affecting deployment of basic and advanced telecommunications services to remote parts of Alaska. Your letters will be included in the record of the proceeding and considered as the Commission continues to implement its USF reforms.

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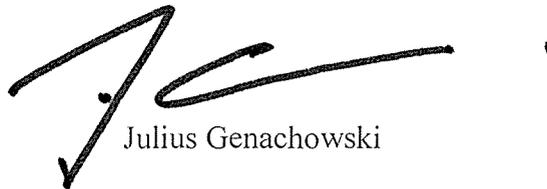
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Julius Genachowski



# FEDERAL COMMUNICATIONS COMMISSION

August 15, 2012

JULIUS GENACHOWSKI  
CHAIRMAN

The Honorable Don Young  
U.S. House of Representatives  
2314 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congressman Young:

Thank you for your letters regarding the Commission's Universal Service Fund (USF) reform proceeding. I value your thoughts on a range of issues relating to the extreme conditions affecting deployment of basic and advanced telecommunications services to remote parts of Alaska. Your letters will be included in the record of the proceeding and considered as the Commission continues to implement its USF reforms.

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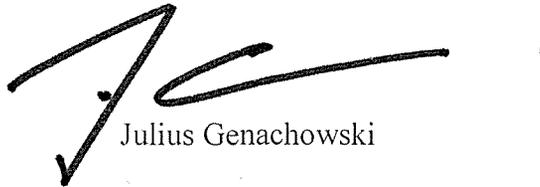
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Julius Genachowski