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United States Senator
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United States Senator
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June 29, 2012

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2012/ICC*

Julius Genachowski, Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Chairman Genachowski:

The Idaho Delegation is concerned about the FCC's implementation of its Universal Service Fund (USF)/Intercarrier Compensation (ICC) Transformation Order and its impact on rural broadband and Idaho telecommunication services in the rural areas where our constituents reside. We are writing to ask you to extend the implementation of the Order, including the July 1, 2012 date for implementation of the regression methodology, until the FCC can provide greater certainty that the rules will not jeopardize the services provided by rural rate-of-return carriers and the consumers that rely on them for broadband and other telecommunications services.

While we are supportive of the overall goal of increasing accountability and creating incentives to lower costs for this sector, the Idaho delegation is concerned that the ruling does not provide the certainty and predictability necessary for Idaho carriers to adapt in an expedited fashion. Consistently, you have advised Congress that you have instructed staff "to get it right" on USF/ICC reform implementation. Yet, the staff's plans for implementation through the use of a regression methodology have created so much uncertainty among rate-of-return providers that future investment decisions have been put on hold, chilling the broadband expansion in rural areas that was at the heart of the National Broadband Plan submitted by the FCC to the Congress.

Up until now, some Idaho companies may have been unable to offer true critiques of the formula due to incompleteness of the data. Additional transparency in the ruling would support the FCC's goals of efficiency and accountability for all companies in the telecommunications sector. Telecommunications services, including broadband, are vitally important to the communities of Idaho. Those services are fundamental to our schools, health facilities, public safety-related departments (fire, police, etc.), government, and local businesses, especially small businesses and individual entrepreneurs.

We have serious concerns that the implementation of the FCC's plans will have an immediate economic impact further stressing the already precarious economic recovery, especially in rural America. Before going any further, the FCC has a responsibility to demonstrate that it already

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has gotten it "right". These matters are very important to us and our constituents. It is disadvantageous to Idaho telecom companies who have not been able to certify the formula which new reimbursement levels are based upon. By allowing policymakers and industry experts time to study and respond to the analysis that is the basis of this reform, we can be assured of both achieving reform and being fair to companies which have made multi-million dollar investments.

Thank you for your attention to this matter.

Sincerely,



Mike Crapo
United States Senator



Jim Risch
United States Senator



Mike Simpson
Member of Congress



Raul Labrador
Member of Congress