



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

April 7, 2014

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 letter regarding the challenges of expanding broadband infrastructure in Alaska, and for the opportunity to visit with you to discuss these important issues. I appreciate your views, and will ensure that your letter is included in the record of the proceeding and considered as part of the Commission's review.

As I have made clear since the day I arrived at the Commission, universal service is one of the core elements of the network compact that exists between the companies that provide the service and the public. Congress has enshrined this value in the Communications Act, and achieving universal service is a goal that must guide the work of the FCC in all that we do. Simply put, access denied is opportunity denied. And the Commission must make timely decisions in order to provide regulatory certainty and create incentives to further efficient investment in broadband networks.

In the Commission's 2011 *Universal Service Fund Transformation Order* and our subsequent decisions, we have recognized the unique challenges of deploying broadband to remote areas of Alaska, Tribal Lands and Native Communities. For example, the Commission provided for a two-year delay in reforms impacting competitive eligible communications carriers in remote Alaska, recognized the unique circumstances faced by price cap carriers serving Alaska and the Territories when developing a forward-looking cost model for voice and broadband services, provided for specific consideration of Alaska's geographic expanse in Mobility Fund Phase I, and recently executed the Tribal Mobility Fund, where Alaska carriers won over \$41 million to build out wireless broadband networks.

Additionally, as you note, the Commission's Wireline Competition Bureau's July 2013 *Order* exempted Alaskan carriers from the benchmarking rule entirely for the remainder of 2013 and all of 2014. I believe we must be open to modifications to the reforms if it is clear that particular rules are not serving their intended purpose. To that end, I have circulated to my fellow Commissioners an Order that would eliminate the Quantile Regression Analysis for all rate-of-return carriers, including those serving Alaska.

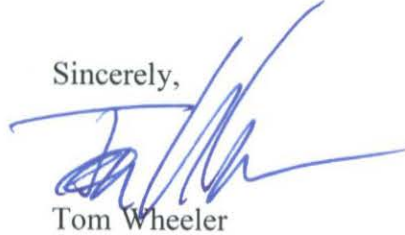
I look forward to working with you as we continue the work of reforming and modernizing the universal service fund high-cost program – as well as other components of the Fund – to ensure that all Americans have access to robust voice and broadband services.

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Commission staff will continue to work closely with stakeholders from Alaska to make sure unique circumstances and costs associated with serving Alaska are taken into consideration.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tom Wheeler', with a long horizontal flourish extending to the right.

Tom Wheeler