



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

May 7, 2014

The Honorable Kelly Ayotte
United States Senate
144 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Ayotte:

Thank you for your letter regarding the implementation of the Remote Areas Fund (RAF). I appreciate your views and will ensure that your letter will be included in the record of the proceeding and considered as part of the Commission's review.

The landmark 2011 *USF/ICC Transformation Order and Further Notice of Proposed Rulemaking (FNPRM)* established the Connect America Fund to ensure that voice and broadband service is available throughout the nation. Within the Connect America Fund, the Commission created the RAF to ensure that even Americans living in the most remote areas of the nation, where the cost of providing terrestrial broadband service is extremely high, can obtain service. The Commission sought comment in the *FNPRM* on various issues relating to the RAF, including how to define eligible remote areas, qualifications and public interest obligations for participating providers, and other administrative issues.

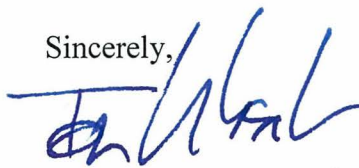
As you note, in the unanimously adopted *Technology Transitions Order*, the Commission recognized that particular challenges exist for the deployment of next generation communications services in rural areas, and committed to address the challenges of providing service to the most remote, difficult to serve areas of the country by the end of the year. Last month, the Commission adopted rules to begin tackling the challenge of serving these areas. Specifically, as part of Phase II of the Connect America Fund we took two important steps related to the competitive bidding process that will occur in areas where the incumbent carrier declines the Commission's offer of model-based support to serve high cost areas. First, we determined that extremely high-cost areas will be included in the Phase II Connect America competitive bidding process, which increases the chance that such areas will be served with robust, scalable broadband service, even before the RAF is implemented. Second, we adopted rules to encourage more providers to participate in the Phase II competitive bidding process, increasing the likelihood that more remote areas will be served with high-capacity broadband.

As we move forward, we will be working simultaneously to implement a mechanism to make funding available for those areas that remain unserved after the Phase II Connect America competitive bidding process is complete.

Page 2—The Honorable Kelly Ayotte

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". The signature is stylized with a large, sweeping "T" and "W".

Tom Wheeler



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FEDERAL COMMUNICATIONS COMMISSION
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May 7, 2014

The Honorable Roy Blunt
United States Senate
260 Russell Senate Office Building
Washington, D.C. 20510

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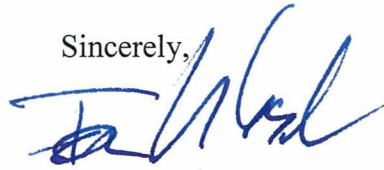
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