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October 14, 2014

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20536

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Dear Chairman Wheeler:

Broadband Internet access has become an essential part of the economic and social fabric in rural North Carolina, as a tool to build businesses, apply for jobs, enhance educational opportunities and connect to friends and relatives. With robust broadband service, even a small town can rely on its residents' talent and determination to compete with the world. Without it, the same community risks being left behind in today's technology-centric economy.

Phase II of the Connect America Fund ("CAF II") offers a tremendous opportunity to bring speedier, fiber-fed broadband connections to millions of Americans who wouldn't otherwise receive these benefits. Thanks to the Commission's well-publicized efforts, thousands of rural communities are now counting on CAF II. And because CAF II represents the final phase of Universal Service reform for these areas, its rules will effectively determine, for years to come, whether millions of rural residents will have a broadband connection or not. Indeed, the June 10 Further NPRM has raised hopes further by more than doubling the promised download speeds from 4 Mbps to 10 Mbps.

I write to you today to emphasize how important it is to ensure that the final details of CAF II live up to its promise. I am concerned that if the Commission more than doubles the speed requirements without allowing the appropriate level of flexibility in other elements of CAF II, the program's overall mission could be endangered.

To the Commission's credit, the June 10 FNPRM identifies a number of constructive ideas that could help achieve the speedier network goals without exceeding the CAF II annual

budget. First, the CAF II funding period must be extended from the current 5 years to 10 years to allow adequate time for the construction of the higher-capacity network. Next, the Commission must use the same 10 Mbps standard when identifying broadband availability from competitors, or else communities with just 4 Mbps will be left behind. The Commission also must establish network build-out parameters consistent with the goal of providing quality broadband service to as many people as possible within CAF's limited funding framework. As such, providers must be given the flexibility to substitute extremely high cost locations with unserved locations in partially served census blocks.

I would also encourage you to be as precise as possible when targeting support to areas where broadband would not otherwise be available. In the "interim" CAF I phases, an entire census block could be disqualified if a competitive carrier claimed to serve even a small fraction of its customers. Now that we are in the final phase, we hope the CAF II standards can reach those unserved customers, and also require competitive carriers to meet a reasonable standard of verification before depriving a community of CAF II support.

Despite years of federal efforts to overcome the digital divide, I still often hear from constituents in rural North Carolina seeking assistance to bring broadband service to their homes. The concerns they raise are a reminder of how challenging rural broadband policy can be, but also how important it is. Thank you for considering my concerns, and I look forward to working with you.

Sincerely,


Patrick McHenry
Member of Congress