



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

December 23, 2014

The Honorable Jared Huffman
U.S. House of Representatives
1630 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Huffman:

Thank you for your letter regarding the implementation of certain aspects of Phase II of the Connect America Fund (CAF II). In your letter, you urge the Commission to create an inclusive process where all eligible providers, including electric cooperatives, have an opportunity to compete for support. You also request that the Commission raise the minimum broadband speed benchmark for CAF II funding. Your views are very important and will be included in the record of the proceeding and considered as part of the Commission's review.

The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the United States of the 21st century. We are focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experiences to rural areas of states within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion.

Last week, the Commission adopted a *Connect America Fund Phase II Report and Order* to move forward with Connect America for price-cap carriers. Importantly, the Order raises the minimum broadband speed from 4 Mbps to 10 Mbps, consistent with our statutory obligation to ensure that rural Americans have access to services that are reasonably comparable to those available to their urban and suburban neighbors. And in response to concerns raised by price cap carriers regarding the increased speed requirement, the Order extends the term of support for price cap carriers that accept the state-level commitment, and gives those carriers more flexibility in serving those areas. The Commission also determined that we should adjust the offer of support for a Phase II state-level commitment based on the results of our rural broadband experiments. This approach will ensure that those areas where there is already a competitive provider willing to offer state-of-the-art broadband service will enjoy the benefits of competition as soon as possible.

These actions represent a critical step in our continued effort to reform and modernize the universal service high-cost program – as well as other components of the Universal Service Fund – to ensure that all Americans have access to robust voice and broadband services.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Wheeler". The signature is fluid and cursive, with a prominent initial "T" and a long, sweeping underline.

Tom Wheeler