



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable Tammy Baldwin  
United States Senate  
717 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Baldwin:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

Four years ago, I called on the Commission to tackle the issue of affordable broadband in rural America head on. The problem back then was that the Universal Service Fund predicated support on providing voice service. This meant bundled telephone/broadband offers could get support while standalone broadband could not. The perverse result was that carriers were incented to take universal service support and offer telephone/broadband bundles (even if consumers could not afford them) while not offering standalone broadband. The business case for stand-alone broadband didn't exist for some rural telephone companies—not because consumers didn't want it, but because our arcane rules penalized companies for offering it.

I wish I could tell you that the FCC has fixed this problem. But as your letter rightly points out, we have not. Despite the Commission's efforts in the 2016 *Rate-of-Return Reform Order*, I still hear from small carriers that offering stand-alone broadband would put them underwater—that the rates they have to charge exceed the rates for bundled services because of the different regulatory treatment. This is unfortunate but unsurprising. As I said at the time, the *Order* needlessly complicated our rate-of-return system and in many ways made it harder, not easier, for small providers to serve rural America.

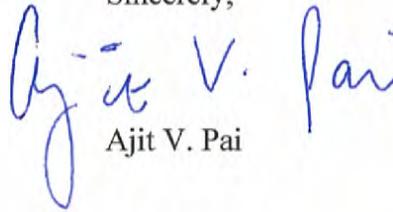
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Page 2—The Honorable Tammy Baldwin

Although I hope these changes will help, you may be right that something more fundamental is needed. After all, if the *Order* is not carrying out its stated purpose of advancing broadband deployment in rural America, we cannot ignore that problem—for time is not on the side of rural Americans.

I appreciate your views on this matter. They will be included in the record of this proceeding and considered as part of the Commission's review. Please let me know if I can be of any further assistance.

Sincerely,

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Ajit V. Pai



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable John Barrasso  
United States Senate  
307 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Senator Barrasso:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

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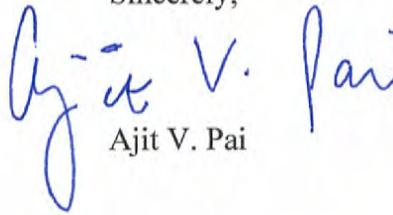
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Ajit V. Pai



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable Michael Bennet  
United States Senate  
261 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Bennet:

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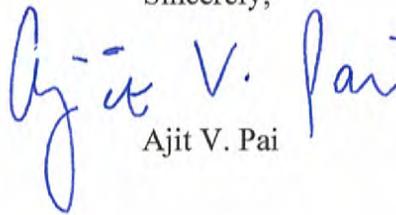
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Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

June 16, 2017

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

Dear Senator Blunt:

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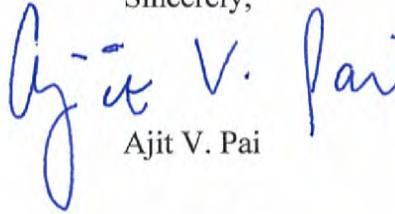
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Ajit V. Pai



OFFICE OF  
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FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable John Boozman  
United States Senate  
141 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Boozman:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

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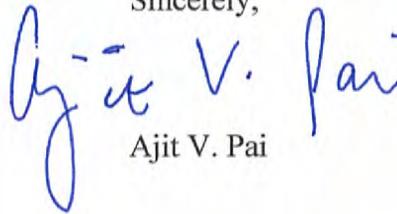
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FEDERAL COMMUNICATIONS COMMISSION  
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OFFICE OF  
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June 16, 2017

The Honorable Richard M. Burr  
United States Senate  
217 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Burr:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

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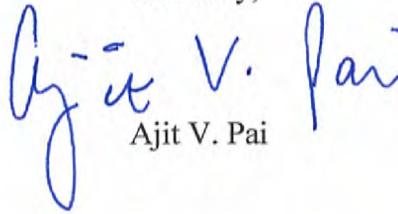
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THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable Maria Cantwell  
United States Senate  
511 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Cantwell:

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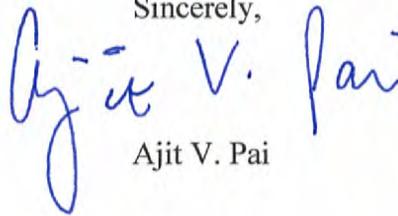
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OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable Shelley Moore Capito  
United States Senate  
172 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Capito:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

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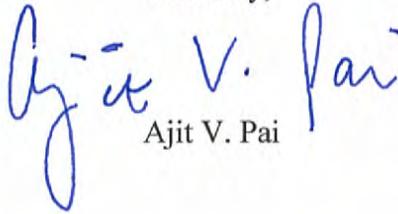
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FEDERAL COMMUNICATIONS COMMISSION  
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June 16, 2017

The Honorable Bob Casey  
United States Senate  
393 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Casey:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

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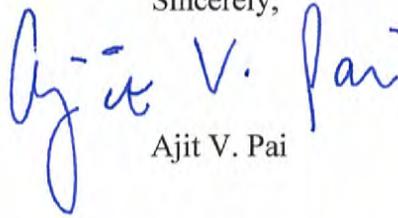
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June 16, 2017

The Honorable Bill Cassidy  
United States Senate  
703 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Cassidy:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

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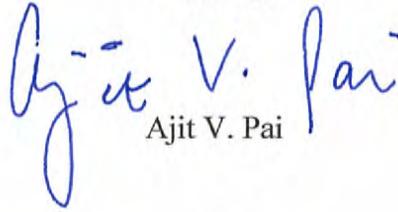
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Although I hope these changes will help, you may be right that something more fundamental is needed. After all, if the *Order* is not carrying out its stated purpose of advancing broadband deployment in rural America, we cannot ignore that problem—for time is not on the side of rural Americans.

I appreciate your views on this matter. They will be included in the record of this proceeding and considered as part of the Commission's review. Please let me know if I can be of any further assistance.

Sincerely,

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Ajit V. Pai



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable John Cornyn  
United States Senate  
517 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Cornyn:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

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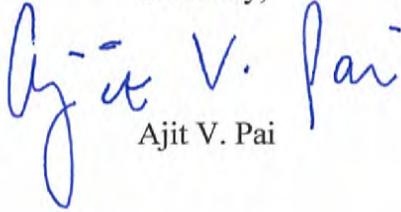
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Ajit V. Pai



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable Catherine Cortez Masto  
United States Senate  
B40A Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Senator Cortez Masto:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

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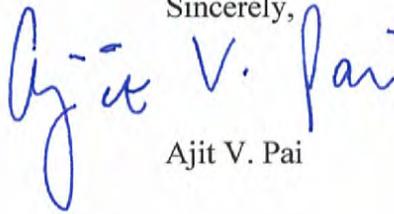
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Ajit V. Pai



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable Tom Cotton  
United States Senate  
124 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Cotton:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

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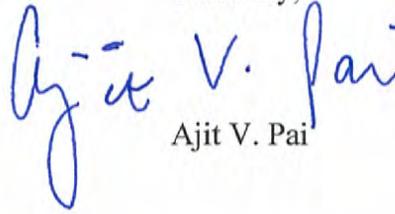
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Ajit V. Pai



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable Michael D. Crapo  
United States Senate  
239 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Senator Crapo:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

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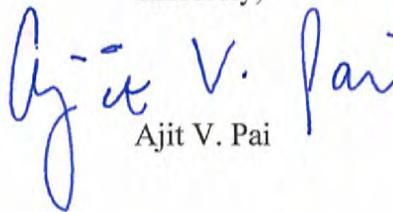
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Ajit V. Pai



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable Steve Daines  
United States Senate  
320 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Daines:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

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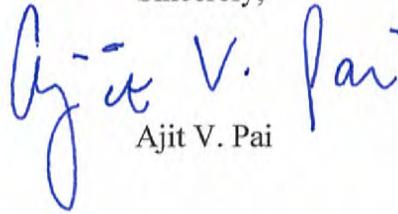
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Ajit V. Pai



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable Joe Donnelly  
United States Senate  
720 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Donnelly:

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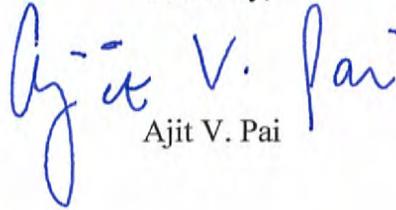
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Page 2—The Honorable Joe Donnelly

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Ajit V. Pai



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable Tammy Duckworth  
United States Senate  
G12 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Senator Duckworth:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

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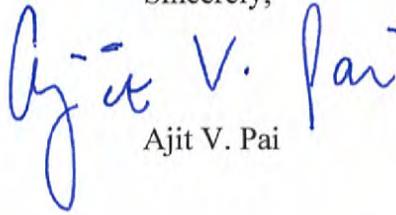
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Ajit V. Pai



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable Richard J. Durbin  
United States Senate  
711 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Durbin:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

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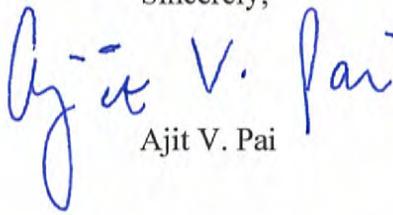
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OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable Michael B. Enzi  
United States Senate  
379A Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Enzi:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

Four years ago, I called on the Commission to tackle the issue of affordable broadband in rural America head on. The problem back then was that the Universal Service Fund predicated support on providing voice service. This meant bundled telephone/broadband offers could get support while standalone broadband could not. The perverse result was that carriers were incented to take universal service support and offer telephone/broadband bundles (even if consumers could not afford them) while not offering standalone broadband. The business case for stand-alone broadband didn't exist for some rural telephone companies—not because consumers didn't want it, but because our arcane rules penalized companies for offering it.

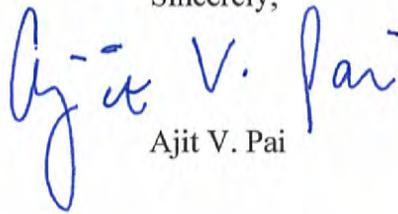
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Although I hope these changes will help, you may be right that something more fundamental is needed. After all, if the *Order* is not carrying out its stated purpose of advancing broadband deployment in rural America, we cannot ignore that problem—for time is not on the side of rural Americans.

I appreciate your views on this matter. They will be included in the record of this proceeding and considered as part of the Commission's review. Please let me know if I can be of any further assistance.

Sincerely,

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Ajit V. Pai

Ajit V. Pai



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable Dianne Feinstein  
United States Senate  
331 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Feinstein:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

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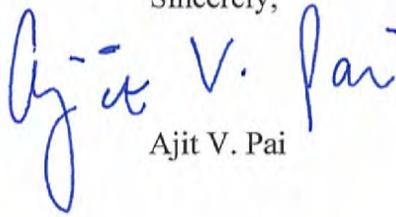
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Ajit V. Pai

Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

June 16, 2017

The Honorable Deb Fischer  
United States Senate  
454 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Fischer:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

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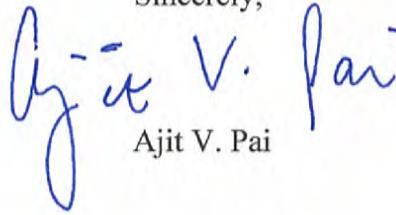
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Ajit V. Pai



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable Al Franken  
United States Senate  
309 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Franken:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

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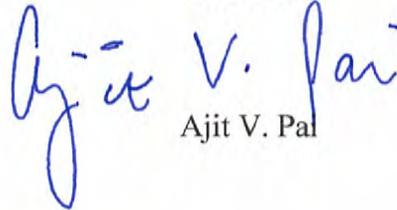
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Ajit V. Pai



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable Cory Gardner  
United States Senate  
354 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Gardner:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

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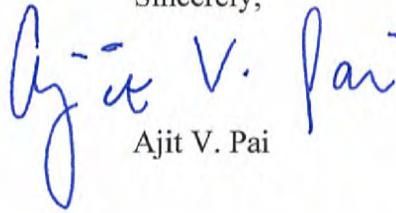
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Page 2—The Honorable Cory Gardner

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Ajit V. Pai



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable Kirsten Gillibrand  
United States Senate  
478 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Gillibrand:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

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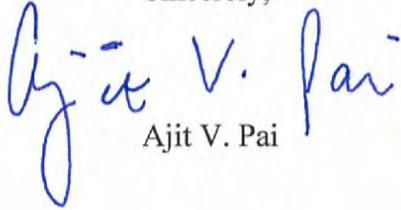
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Ajit V. Pai



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable Lindsey Graham  
United States Senate  
290 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Graham:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

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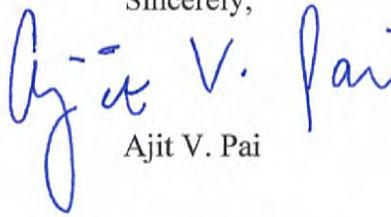
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Ajit V. Pai



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable Charles E. Grassley  
United States Senate  
135 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Grassley:

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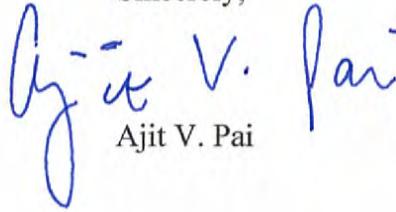
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Ajit V. Pai



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable Maggie Hassan  
United States Senate  
B85 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Hassan:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

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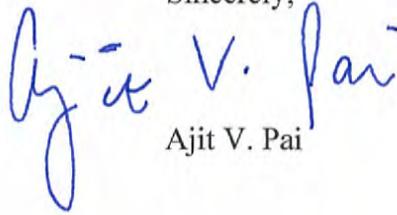
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Ajit V. Pai



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 16, 2017

The Honorable Orrin G. Hatch  
United States Senate  
104 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Hatch:

Thank you for your letter regarding the importance of delivering to all Americans—including those in high-cost rural areas—affordable access to high-speed Internet access. As you know, I grew up in Parsons, Kansas and have traveled during my time at the Commission to locations as varied as Barrow, Alaska, and Diller, Nebraska, and Carthage, Mississippi. I have seen with my own eyes what access to affordable high-speed Internet access can do for a community—for its schools, its libraries, and its hospitals, and for those Americans struggling to stay afloat.

Four years ago, I called on the Commission to tackle the issue of affordable broadband in rural America head on. The problem back then was that the Universal Service Fund predicated support on providing voice service. This meant bundled telephone/broadband offers could get support while standalone broadband could not. The perverse result was that carriers were incented to take universal service support and offer telephone/broadband bundles (even if consumers could not afford them) while not offering standalone broadband. The business case for stand-alone broadband didn't exist for some rural telephone companies—not because consumers didn't want it, but because our arcane rules penalized companies for offering it.

I wish I could tell you that the FCC has fixed this problem. But as your letter rightly points out, we have not. Despite the Commission's efforts in the 2016 *Rate-of-Return Reform Order*, I still hear from small carriers that offering stand-alone broadband would put them underwater—that the rates they have to charge exceed the rates for bundled services because of the different regulatory treatment. This is unfortunate but unsurprising. As I said at the time, the *Order* needlessly complicated our rate-of-return system and in many ways made it harder, not easier, for small providers to serve rural America.

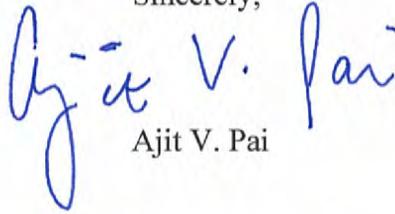
To provide some relief, my colleagues in recent months have urged me to work through a punch list of lingering issues from the *Order*. I have accordingly directed staff to work through that list. In April, the Commission amended a rule that would have disallowed capital expenses to any project exceeding a Commission-set threshold by even a dollar; now providers can complete efficient projects so long as they are willing to absorb any costs above the threshold. That month staff also resolved concerns raised by rural carriers about the “parent-trap” rule. In May, I circulated an order to address problems with two calculations made in the *Order*—one involving a “surrogate method” to avoid duplicative cost-recovery and another involving charges imposed on stand-alone broadband lines. Also in May, I circulated an order to address certain duplicative reporting requirements imposed on rural providers. I look forward to continue working with my colleagues on these issues.

Page 2—The Honorable Orrin G. Hatch

Although I hope these changes will help, you may be right that something more fundamental is needed. After all, if the *Order* is not carrying out its stated purpose of advancing broadband deployment in rural America, we cannot ignore that problem—for time is not on the side of rural Americans.

I appreciate your views on this matter. They will be included in the record of this proceeding and considered as part of the Commission's review. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in blue ink that reads "Ajit V. Pai". The signature is written in a cursive style with a large initial "A" and a long tail on the "i".

Ajit V. Pai