



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 16, 2017

The Honorable Heidi Heitkamp
United States Senate
110 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Heitkamp:

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.

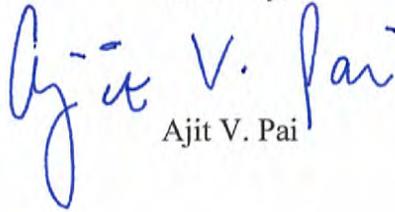
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Although I hope these changes will help, you may be right that something more fundamental is needed. After all, if the *Order* is not carrying out its stated purpose of advancing broadband deployment in rural America, we cannot ignore that problem—for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



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 16, 2017

The Honorable John Hoeven
United States Senate
338 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Hoeven:

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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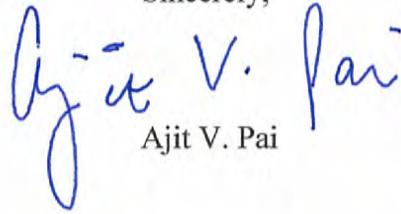
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WASHINGTON

June 16, 2017

The Honorable James M. Inhofe
United States Senate
205 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Inhofe:

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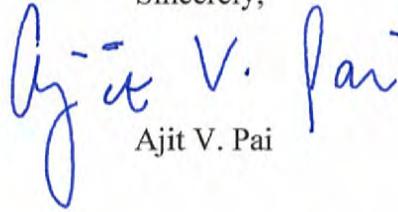
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June 16, 2017

The Honorable Johnny Isakson
United States Senate
131 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Isakson:

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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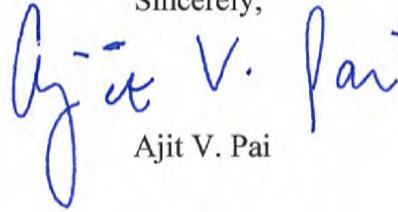
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June 16, 2017

The Honorable Tim Kaine
United States Senate
231 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Kaine:

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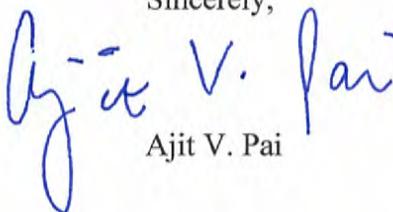
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FEDERAL COMMUNICATIONS COMMISSION
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June 16, 2017

The Honorable Angus King
United States Senate
133 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator King:

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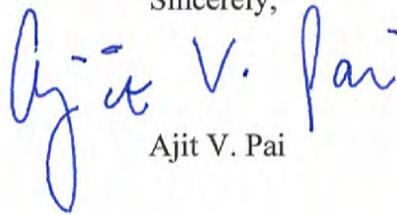
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Page 2—The Honorable Angus King

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 16, 2017

The Honorable Amy Klobuchar
United States Senate
302 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Klobuchar:

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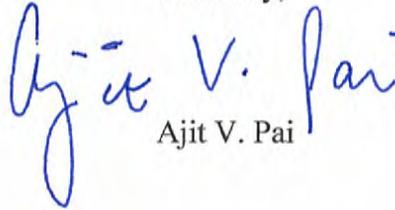
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The Honorable James Lankford
United States Senate
316 Hart Senate Office Building
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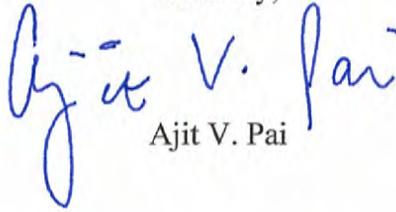
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June 16, 2017

The Honorable Patrick J. Leahy
United States Senate
437 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Leahy:

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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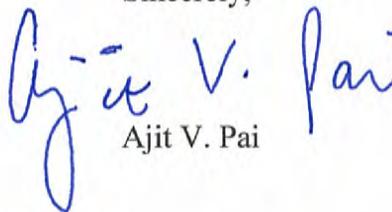
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June 16, 2017

The Honorable Joe Manchin
United States Senate
306 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Manchin:

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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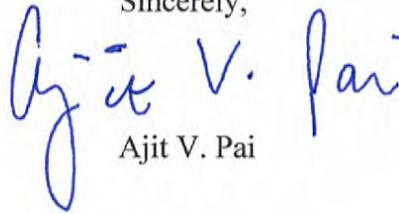
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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 16, 2017

The Honorable John McCain
United States Senate
218 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator McCain:

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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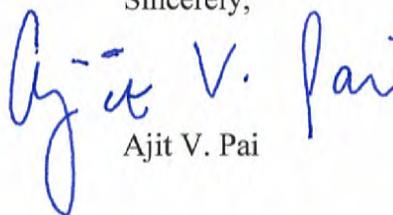
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Page 2—The Honorable John McCain

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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 16, 2017

The Honorable Claire McCaskill
United States Senate
730 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator McCaskill:

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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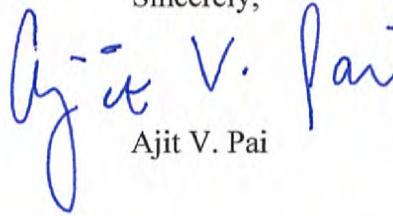
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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 16, 2017

The Honorable Jeff Merkley
United States Senate
313 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Merkley:

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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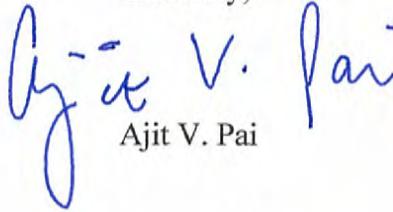
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Page 2—The Honorable Jeff Merkley

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Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 16, 2017

The Honorable Jerry Moran
United States Senate
521 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Moran:

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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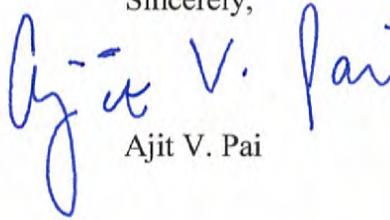
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Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 16, 2017

The Honorable Gary Peters
United States Senate
724 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Peters:

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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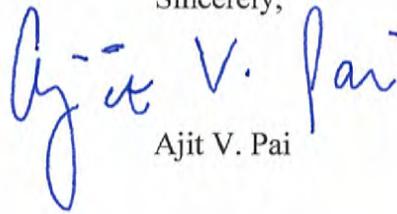
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 16, 2017

The Honorable Rob Portman
United States Senate
448 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Portman:

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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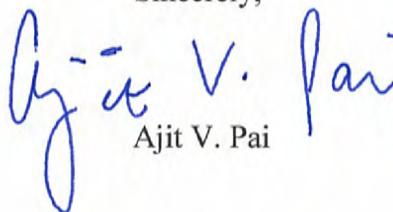
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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 16, 2017

The Honorable Pat Roberts
United States Senate
109 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Roberts:

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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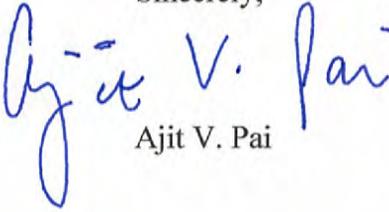
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OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 16, 2017

The Honorable Michael Rounds
United States Senate
502 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Rounds:

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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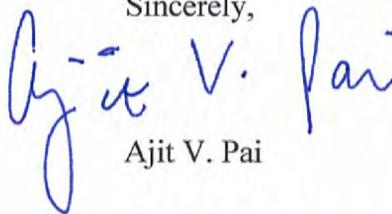
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OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 16, 2017

The Honorable Ben Sasse
United States Senate
386A Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Sasse:

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.

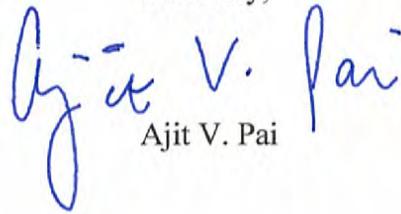
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Although I hope these changes will help, you may be right that something more fundamental is needed. After all, if the *Order* is not carrying out its stated purpose of advancing broadband deployment in rural America, we cannot ignore that problem—for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



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 16, 2017

The Honorable Tim Scott
United States Senate
520 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Scott:

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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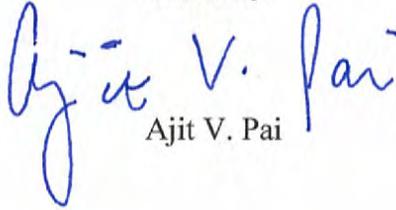
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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 16, 2017

The Honorable Jeanne Shaheen
United States Senate
506 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Shaheen:

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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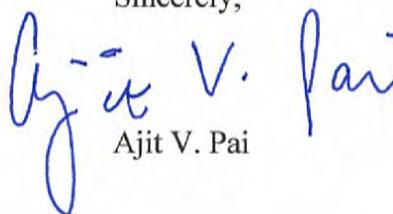
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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 16, 2017

The Honorable Debbie Stabenow
United States Senate
731 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Stabenow:

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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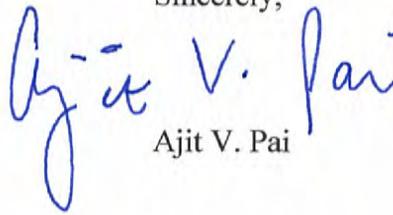
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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 16, 2017

The Honorable Jon Tester
United States Senate
311 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Tester:

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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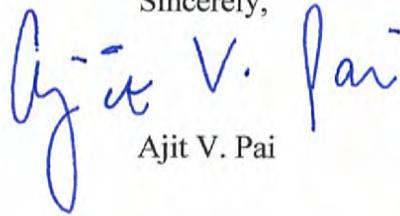
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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 16, 2017

The Honorable John Thune
United States Senate
511 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Thune:

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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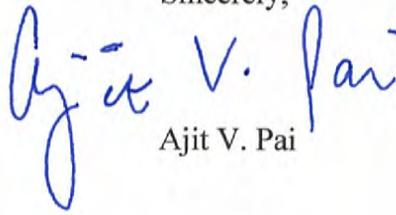
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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 16, 2017

The Honorable Thom Tillis
United States Senate
185 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Tillis:

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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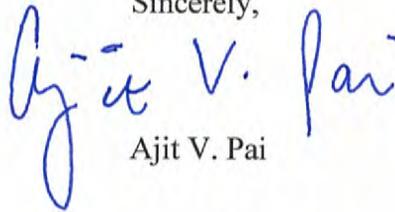
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 16, 2017

The Honorable Roger Wicker
United States Senate
555 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Wicker:

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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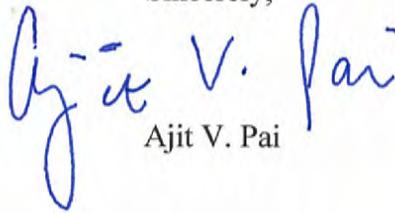
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 16, 2017

The Honorable Ron Wyden
United States Senate
221 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Wyden:

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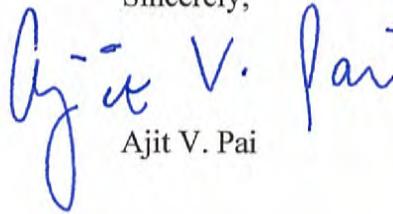
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Page 2—The Honorable Ron Wyden

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OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 16, 2017

The Honorable Todd Young
United States Senate
B33 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Young:

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.

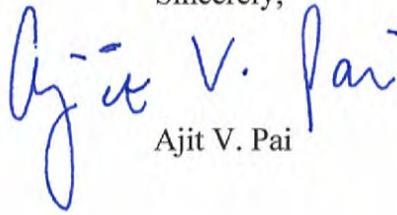
I wish I could tell you that the FCC has fixed this problem. But as your letter rightly points out, we have not. Despite the Commission's efforts in the 2016 *Rate-of-Return Reform Order*, I still hear from small carriers that offering stand-alone broadband would put them underwater—that the rates they 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.

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