



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 6, 2017

The Honorable Rick Allen
U.S. House of Representatives
426 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Allen:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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, as you note in your letter, 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*—an effort that would not have happened but for the resounding call to action from Congress as expressed in the letters you mention—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.

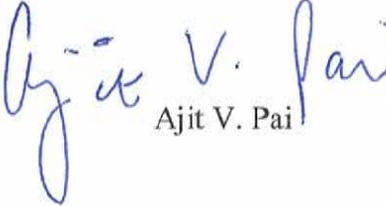
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Although I hope these changes will help, you may be right that something more fundamental is needed. After all, if the *Order* is not carrying out its stated purpose of advancing broadband deployment in rural America, we cannot ignore that problem—for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



Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 6, 2017

The Honorable Jodey Cook Arrington
U.S. House of Representatives
1029 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Arrington:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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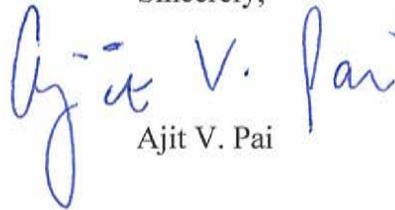
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Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 6, 2017

The Honorable Andy Barr
U.S. House of Representatives
1427 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Barr:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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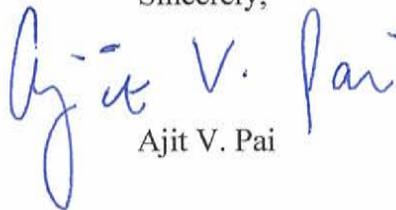
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Ajit V. Pai



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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 6, 2017

The Honorable Nanette Barragan
U.S. House of Representatives
1320 Longworth House Office Building
Washington, D.C. 20515

Dear Congresswoman Barragan:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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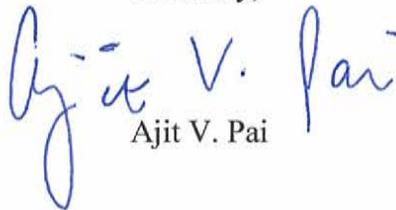
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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 6, 2017

The Honorable Rob Bishop
U.S. House of Representatives
123 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Bishop:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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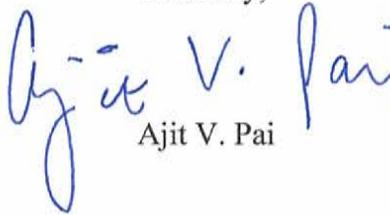
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 6, 2017

The Honorable Rod Blum
U.S. House of Representatives
1108 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Blum:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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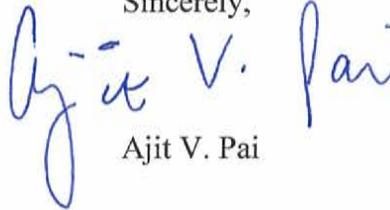
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Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 6, 2017

The Honorable Mike Bost
U.S. House of Representatives
1440 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Bost:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 6, 2017

The Honorable Jim Bridenstine
U.S. House of Representatives
216 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Bridenstine:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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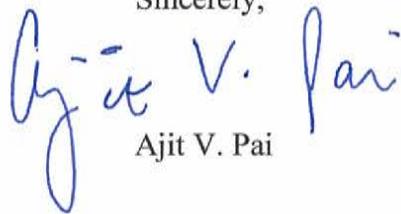
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Ajit V. Pai



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THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 6, 2017

The Honorable Larry Bucshon
U.S. House of Representatives
1005 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Bucshon:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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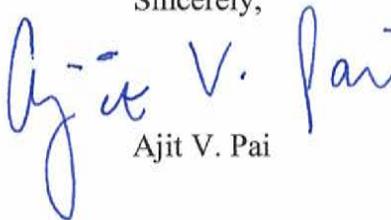
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I appreciate your views on this matter. They will be included in the record of this proceeding and considered as part of the Commission's review. Please let me know if I can be of any further assistance.

Sincerely,

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Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 6, 2017

The Honorable Cheri Bustos
U.S. House of Representatives
1009 Longworth House Office Building
Washington, D.C. 20515

Dear Congresswoman Bustos:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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, as you note in your letter, because our arcane rules penalized companies for offering it.

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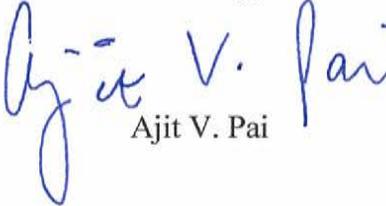
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Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 6, 2017

The Honorable Liz Cheney
U.S. House of Representatives
416 Cannon House Office Building
Washington, D.C. 20515

Dear Congresswoman Cheney:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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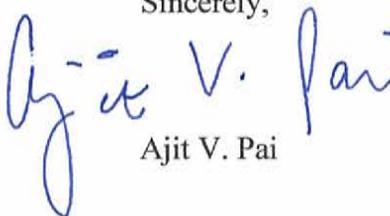
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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 6, 2017

The Honorable Tom Cole
U.S. House of Representatives
2467 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Cole:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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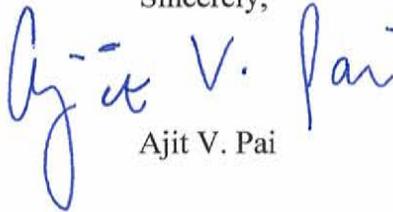
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 6, 2017

The Honorable Doug Collins
U.S. House of Representatives
1504 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Collins:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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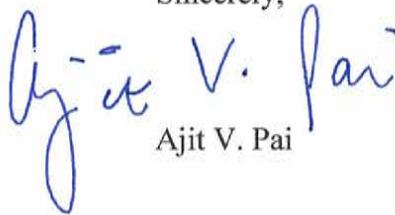
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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 6, 2017

The Honorable James R. Comer
U.S. House of Representatives
1513 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Comer:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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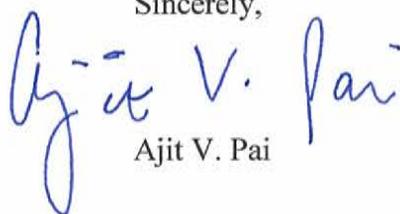
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Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 6, 2017

The Honorable Paul Cook
U.S. House of Representatives
1222 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Cook:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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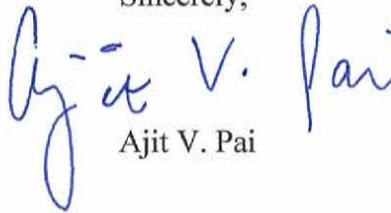
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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 6, 2017

The Honorable Jim Costa
U.S. House of Representatives
2081 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Costa:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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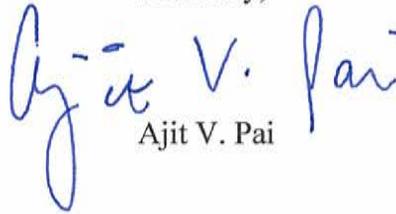
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 6, 2017

The Honorable Kevin Cramer
U.S. House of Representatives
1717 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Cramer:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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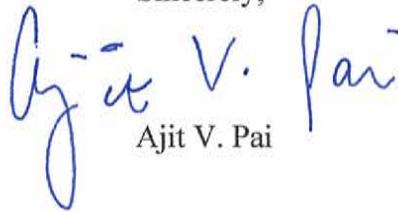
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 6, 2017

The Honorable Rick Crawford
U.S. House of Representatives
2422 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Crawford:

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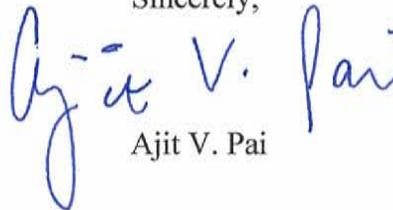
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Sincerely,

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Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 6, 2017

The Honorable Henry Cuellar
U.S. House of Representatives
2209 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Cuellar:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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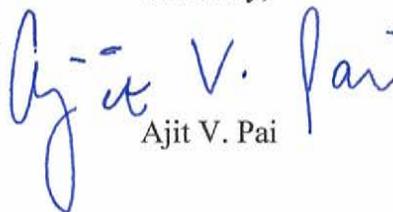
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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 6, 2017

The Honorable Rodney Davis
U.S. House of Representatives
1740 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Davis:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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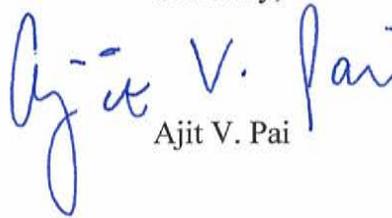
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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 6, 2017

The Honorable Peter A. DeFazio
U.S. House of Representatives
2134 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman DeFazio:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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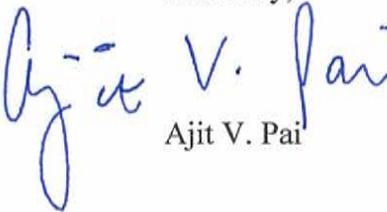
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Ajit V. Pai



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 6, 2017

The Honorable Diana DeGette
U.S. House of Representatives
2368 Rayburn House Office Building
Washington, D.C. 20515

Dear Congresswoman DeGette:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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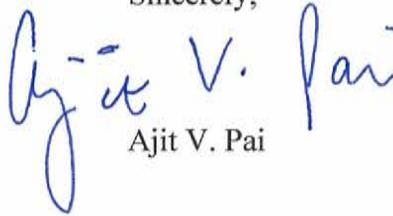
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OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 6, 2017

The Honorable Sean P. Duffy
U.S. House of Representatives
2330 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Duffy:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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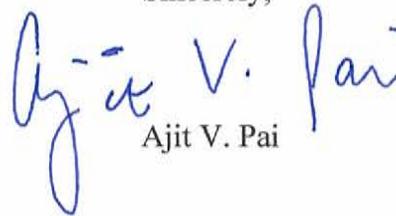
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 6, 2017

The Honorable Jeff Duncan
U.S. House of Representatives
2229 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Duncan:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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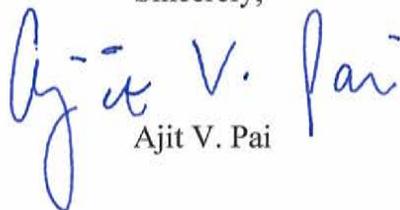
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OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 6, 2017

The Honorable Tom Emmer
U.S. House of Representatives
315 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Emmer:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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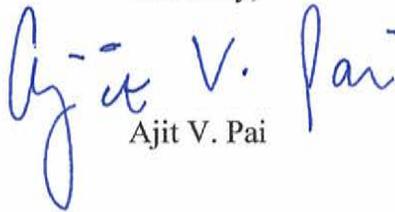
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OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 6, 2017

The Honorable Blake Farenthold
U.S. House of Representatives
2331 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Farenthold:

Thank you for your letter regarding the importance of delivering affordable access to high-speed Internet to all Americans—including those in high-cost rural areas. As you know, I grew up in Parsons, Kansas and during my time at the Commission have traveled to locations ranging from Barrow, Alaska to Laurens, Iowa, and Carthage, Mississippi. Through these experiences and meeting with countless Americans and carriers across the country, I have seen 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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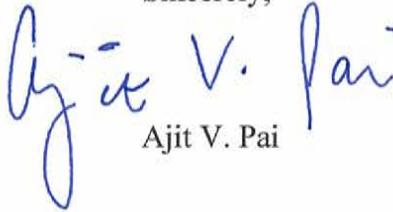
To provide some relief, my colleagues in recent months have urged me to work through a punch list of lingering issues from the *Order*. I have accordingly directed staff to work through that list. In April, the Commission amended a rule that would have disallowed capital expenses to any project exceeding 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, looped initial "A".

Ajit V. Pai