



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

September 13, 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 in support of the Commission's Connect America Fund (CAF) Phase II competitive bidding process. I agree that moving the auction process forward is an important part of our efforts to close the digital divide. Your views will be entered into the record of the proceeding and considered as part of the Commission's review.

In my first remarks to FCC staff as Chairman on January 24, I declared that my highest priority would be making sure every American who wants high-speed Internet access can get it. As you well know, if you live in rural America, there's a better than 1-in-4 chance that you lack access to fixed high-speed broadband at home, compared to a 1-in-50 probability in our cities. The bottom line is this: Rural Americans deserve the same digital access as those living in more urban areas.

That's why I was pleased that as part of Rural Broadband Month at the FCC, our agenda for the open meeting on August 3 featured several items that will help bridge the digital divide, including a Public Notice to initiate the pre-auction process for the CAF Phase II Auction.

Following the Commission's bipartisan vote on February 23, the auction will offer almost \$2 billion over the next ten years to broadband providers that commit to offer voice and broadband services to fixed locations in unserved high-cost areas in our country. As you note, the auction rules are structured to induce new entrants to participate—competitive entrants like wireless Internet service providers, small-town cable operators, and electric utilities. The *CAF II Auction Order* adopted auction weights designed to give every bidder—no matter what technology they use—a meaningful opportunity to compete for federal funds, while ensuring the best value for the American taxpayer. With this Public Notice, we are seeking comment on the procedures to be used during this auction. Part of this Public Notice seeks comment on an issue you raise: namely, how to make sure bidders are appropriately qualified for fulfilling their obligations in the event they win. These actions put us on track to conduct the auction in 2018, and I agree with you that it is important for the Commission to move quickly in this proceeding.

I appreciate your interest in this matter and I look forward to continue working with you as the Commission moves towards holding the CAF Phase II reverse auction. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in blue ink that reads "Ajit V. Pai".

Ajit V. Pai



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September 13, 2017

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

Dear Senator Peters:

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