



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

May 10, 2018

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

Dear Senator McCaskill:

Thank you for your letter regarding the Connect America Fund (CAF) Phase II auction. In my first remarks to FCC staff as Chairman, I declared that my highest priority would be closing the digital divide—that is, making sure every American who wants high-speed Internet access can get it. Rural Americans deserve the same digital access as those living in urban areas. That is why I am pleased the Commission is moving forward with the \$2 billion Connect America Fund Phase II auction in July. Through this auction, providers in Missouri and every other state will have a full and fair opportunity to bid for funding to build out high-speed Internet access to unserved rural Americans.

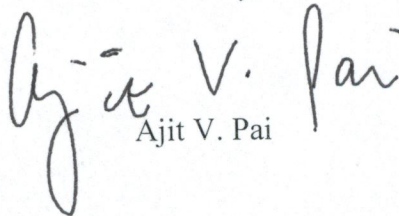
I agree that safeguards in any broadband funding program are critical to ensure success in getting Internet access to as many unserved Americans as possible and in preventing waste and fraud. That's why the Commission decided earlier this year to require applicants to establish baseline financial and technical capabilities to bid and to preclude applicants from bidding for support at speed tiers and latencies that are inconsistent with their underlying technologies. Indeed, we expressly required applicants to submit sufficient information before the auction to demonstrate they are reasonably capable of meeting the relevant obligations that would attach to a winning bid—with propagation maps being one way of proving that capability. Measures like these will give the American public confidence that the universal service dollars allocated in the CAF II auction will be money well-spent.

Additionally, we have structured the CAF II mechanism to promote competition and efficiency, which will maximize the value of the program to the American people. In particular, we have established rules to encourage a variety of eligible entrants to participate, including electric co-operatives, while requiring all applicants to undergo a rigorous review process before they are eligible to bid.

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

Sincerely,

A handwritten signature in cursive script that reads "Ajit V. Pai". The signature is written in dark ink and is positioned above the printed name.

Ajit V. Pai