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Congress of the United States
House of Representatives

May 17, 2018

The Honorable Steven Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20500

The Honorable Ajit Pai
Chairman
Federal Communications Commission
445 12th St SW
Washington, DC 20554

Re: Transfer of Universal Service Fund

Dear Secretary Mnuchin and Chairman Pai,

We are writing to inquire about procedures and safeguards that have been put in place by the U.S. Department of Treasury (Treasury) and the Federal Communications Commission (FCC) in connection with the transfer of Universal Service Fund (USF) banking services from a private banking institution to the Treasury. We would like to know what processes are in place for oversight and maintenance of the funds, and we seek assurance that the change in banking services will not cause disruptions in providing telecommunications access to Americans in fulfillment of the mission of universal service.

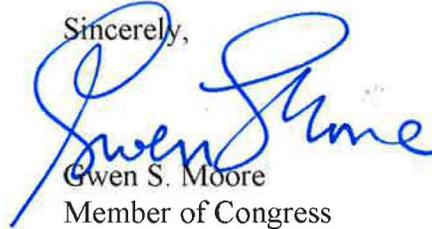
Congress codified the USF with bipartisan support over twenty years ago to promote universal access to telecommunications in the United States. The USF plays a key role in helping bridge the digital divide in rural and urban populations across the country. It provides access to telemedicine in rural areas through increased connectivity (Rural Health Care Program), phone and broadband services for low-income Americans (Lifeline Program), discounts to schools and libraries (E-Rate Program), and funding to support availability and affordability of voice and broadband services in rural America (the High-Cost Program).

Program funds are generated through contributions from service providers, and this process is overseen by the Universal Service Administrative Company. Up until now, these funds have been deposited in a private account. Given the vital role that USF plays in promoting access to essential services, we seek to ensure that, notwithstanding the movement of such funds to the Treasury, the funds collected in furtherance of the USF mission will continue to be used for their congressional intent – and will not be used to pay down the federal debt or for other general funding purposes – and also that they will continue to remain available during the event of a government shutdown, just as they were when retained previously in a commercial bank account.

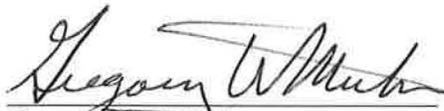
As of the date of this letter, despite the transfer of funds, we have not seen any detailed, publicly stated explanations or documented plans indicating how the FCC and/or Treasury will ensure that these funds will remain dedicated to their intended purpose, separated from other funds retained by Treasury, and available for continued distribution for the specific purpose of universal service, particularly in the event of a government shutdown (two of which have occurred in the last five months). We therefore seek a clear explanation of what procedures and safeguards are in place at Treasury and/or within the FCC to address these concerns, and we also ask for a clear explanation of how the FCC plans to address the USF funding shortfalls that will be created by the loss of interest income that was generated previously by keeping such funds with a private banking institution.

These funds are important to the communities which rely on them and it is important that there is a rigorous system in place to ensure their stability, distribution and purposeful use regardless of the government's operating status. We look forward to your response.

Sincerely,



Gwen S. Moore
Member of Congress



Gregory W. Meeks
Member of Congress



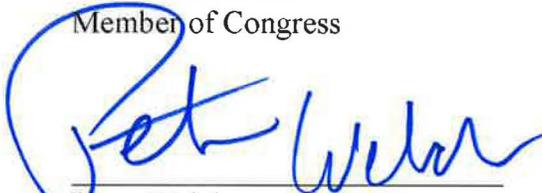
John Garamendi
Member of Congress



Richard M. Nolan
Member of Congress



Eleanor Holmes Norton
Member of Congress



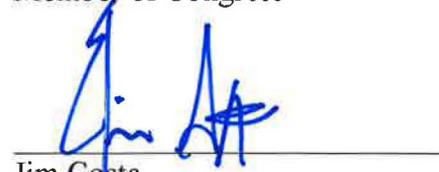
Peter Welch
Member of Congress



Anna G. Eshoo
Member of Congress



Carol Shea-Porter
Member of Congress



Jim Costa
Member of Congress