



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

November 13, 2018

The Honorable Jennifer González Colón  
U.S. House of Representatives  
1529 Longworth House Office Building  
Washington, D.C. 20515

Dear Congresswoman González Colón:

Thank you for your letter regarding the communications restoration efforts in Puerto Rico after Hurricane Irma and Hurricane Maria devastated the island. I'm grateful for your advocacy on this issue as well as the hospitality and insights you shared during my visit to Puerto Rico earlier this year.

Ever since the 2017 hurricane season, our energies have been focused on responding to the aftermath of the storms—namely, ensuring the recovery and strengthening of communications networks. My proposal this past March to create the Uniendo a Puerto Rico Fund was the centerpiece of this approach, and I'm glad my colleagues joined me in approving it in an Order earlier this year.

In the near term, the Order provides more than \$51.2 million in additional funding this year to make sure network recovery continues in Puerto Rico. That's in addition to the \$67 million in advanced funding provided in 2017, which the Commission decided in the Order will not be recovered from future universal service support payments. The Order allows existing providers who have been serving the islands but were not previously getting universal service funds to access this funding once they obtain an Eligible Telecommunications Carrier designation. Including those providers who have been invested in the territories will promote competition and consumer choice.

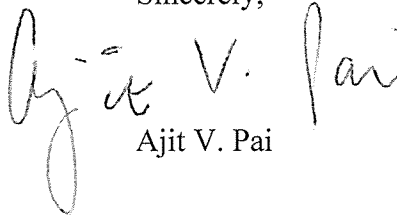
But I recognize that this is a marathon, not a sprint. Rebuilding networks will require more support. In the Notice of Proposed Rulemaking accompanying the Order, we look toward the long term and consider \$700 million in funding to Puerto Rico to enhance connectivity and help future-proof the territories' networks. Making the right calls now will help ensure that funding is fiscally responsible and enables as many people as possible in the territories to benefit from fixed and mobile communications.

More specifically, we seek comment in the Notice on revisiting the existing spending mechanism established in 2014 to ensure there is sufficient support for the long-term rebuilding of the network and that such support is distributed in a cost-efficient manner. Each year, the high-cost fund directs \$36 million to fixed services in Puerto Rico and \$79.2 million to mobile services. However, none of the funding has ever been tied to specific, accountable build-out targets. Given the situation, we propose reconsidering the existing high-cost support mechanism and replacing it with a competitive mechanism that would allocate additional funding to a fixed network for a decade and a mobile network for three years and establish clear build-out

obligations. The Fund would make available at least \$100 million in new funding for Puerto Rico to rebuild and restore communications networks damaged in last year's storms—with most of that new funding going to rebuilding the wireline networks. I appreciate that additional support beyond this \$100 million increase may well be necessary to rebuild, improve, and expand service in Puerto Rico. As such, I look forward to reviewing the record of this proceeding and discussing it with my colleagues.

I appreciate your leadership and, again, your hosting me earlier this year. 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 black ink and is positioned to the left of the printed name.

Ajit V. Pai