



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

November 30, 2018

The Honorable Dave Loebsack
U.S. House of Representatives
1527 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Loebsack:

Thank you for your letter on the importance of high-speed broadband access to rural Americans, including those in Iowa. Closing the digital divide is our foremost mission as an agency, and I appreciate your recognition of our work thus far to foster deployment in the most remote corners of our country.

I agree with your concerns that budget limitations in the Universal Service Fund's high cost program for legacy rate-of-return providers could result in undue reductions in support for broadband deployment in Iowa. Those cuts were the legacy of the last Administration's *2016 Rate-of-Return Reform Order* (from which I dissented in part as a Commissioner).

We started to address this problem in March, when the Commission dedicated an additional \$500 million to support small, rural carriers deploying broadband to the farthest reaches of America. And I expect that we will finish our work in December. I have now circulated to my colleagues a proposed order that would reform our high-cost program for small carriers to increase its efficiency, its sufficiency, and its predictability, all while ensuring rural Americans get the high-quality services they need and deserve.

First, we're promoting efficiency by offering rate-of-return carriers opportunity to opt in to model-based support, which would give them a guaranteed revenue stream for a decade in exchange for meeting specified buildout requirements. *Second*, we're ensuring support is sufficient by offering additional funding to carriers that currently receive model-based support and who agree to meet increased buildout requirements. We're also increasing funding for carriers who do not receive model-based support. *Third*, we're making the program more predictable by setting a new long-term budget for rate-of-return carriers who choose not to opt in to model-based support and ending arbitrary funding cuts. And *fourth*, we're increasing the target speeds for subsidized deployments from 10/1 Mbps to 25/3 Mbps. Long story short, we're making the Universal Service Fund a more effective means of closing the digital divide.

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

Sincerely,

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

Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

November 30, 2018

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 on the importance of high-speed broadband access to rural Americans, including those in Iowa. Closing the digital divide is our foremost mission as an agency, and I appreciate your recognition of our work thus far to foster deployment in the most remote corners of our country.

I agree with your concerns that budget limitations in the Universal Service Fund's high cost program for legacy rate-of-return providers could result in undue reductions in support for broadband deployment in Iowa. Those cuts were the legacy of the last Administration's *2016 Rate-of-Return Reform Order* (from which I dissented in part as a Commissioner).

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WASHINGTON

OFFICE OF
THE CHAIRMAN

November 30, 2018

The Honorable Steve King
U.S. House of Representatives
2210 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman King:

Thank you for your letter on the importance of high-speed broadband access to rural Americans, including those in Iowa. Closing the digital divide is our foremost mission as an agency, and I appreciate your recognition of our work thus far to foster deployment in the most remote corners of our country.

I agree with your concerns that budget limitations in the Universal Service Fund's high cost program for legacy rate-of-return providers could result in undue reductions in support for broadband deployment in Iowa. Those cuts were the legacy of the last Administration's *2016 Rate-of-Return Reform Order* (from which I dissented in part as a Commissioner).

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

November 30, 2018

The Honorable David Young
U.S. House of Representatives
240 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Young:

Thank you for your letter on the importance of high-speed broadband access to rural Americans, including those in Iowa. Closing the digital divide is our foremost mission as an agency, and I appreciate your recognition of our work thus far to foster deployment in the most remote corners of our country.

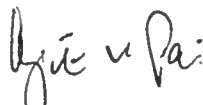
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Sincerely,


Ajit V. Pai

Very grateful for your support during my time at the FCC and your leadership on behalf of the 3rd District. Please don't hesitate to call on me if I can help advance our shared goals.