



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

November 30, 2018

The Honorable Heidi Heitkamp
United States Senate
516 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Heitkamp:

Thank you for your letter on the importance of high-speed broadband access to rural Americans, including those in North Dakota. Closing the digital divide is one of my top priorities, and I appreciate your recognition of our work thus far to foster broadband 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 North Dakota. 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". The signature is written in a cursive, flowing style.

Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

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THE CHAIRMAN

November 30, 2018

The Honorable Kevin Cramer
U.S. House of Representatives
1717 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Cramer:

Thank you for your letter on the importance of high-speed broadband access to rural Americans, including those in North Dakota. Closing the digital divide is one of my top priorities, and I appreciate your recognition of our work thus far to foster broadband deployment in the most remote corners of our country.

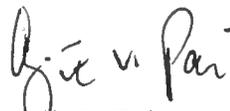
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Sincerely,


Ajit V. Pai

Grateful for your strong advocacy on rural broadband issues and look forward to continuing to advance our shared goals in your new position!



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November 30, 2018

The Honorable John Hoeven
United States Senate
338 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Hoeven:

Thank you for your letter on the importance of high-speed broadband access to rural Americans, including those in North Dakota. Closing the digital divide is one of my top priorities, and I appreciate your recognition of our work thus far to foster broadband deployment in the most remote corners of our country.

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