

**Congress of the United States**  
Washington, DC 20510

October 1, 2018

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The Honorable Ajit Pai  
Chairman  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, DC 20554

Dear Chairman Pai:

We write to express support for prompt action to eliminate the punitive “rate floor” policy by which the Federal Communications Commission (FCC) effectively compels increases in local telephone rates for consumers in certain rural areas of the United States, which includes areas of our state of Arkansas. In 2011, the FCC adopted this policy, and it has been subject to several reconsideration petitions over the years as new facts emerged about its harmful impacts. Currently, this policy is frozen due to an ongoing rulemaking proceeding by the FCC in which the record closed nearly one year ago. This policy will take effect again next year, however, if the FCC does not act to remedy concerns with respect to this policy once and for all.

Although this policy was initially aimed at addressing concerns that consumers across the country should not subsidize unreasonably low rates for local telephone service in rural areas, this policy has long since outlived its utility and that initial purpose. Rather than aiming for “reasonably comparable” rates as required by law, the rate floor was set at the exact urban average rate nationwide, which means that in many urban areas where there may be tens of thousands or even millions of customers within a local calling area, many urban customers are paying less for basic telephone service than the rural consumer who can call perhaps only a few thousand customers locally. Over time, as predicted by many stakeholders, the rate floor has escalated rapidly, to the point now where it would be in excess of twenty-five dollars but for the current freeze, which is more than fifteen dollars above where the rate floor started only seven years ago, and more than seven dollars above the eighteen-dollar level at which it was frozen last year.

Multiple stakeholders have raised concerns with respect to this policy’s implications for the affordability of basic services and the statutory mission of universal service. We join these groups in urging the FCC to quickly address within the next several months the concerns raised regarding the rate floor. It is imperative that the FCC act quickly on the pending rulemaking because the process needed to implement the next set of rate increases could commence in some states as soon as January 2019.

We are grateful for your continued commitment to universal service, and your willingness to consider measures to promote the availability and affordability of communications in rural Arkansas as well as throughout rural America.

Sincerely,



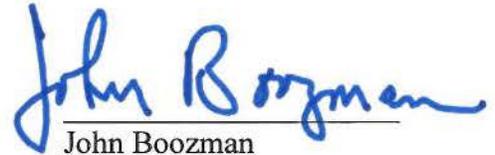
Tom Cotton  
United States Senator



Rick Crawford  
Member of Congress



Steve Womack  
Member of Congress



John Boozman  
United States Senator



French Hill  
Member of Congress



Bruce Westerman  
Member of Congress