

Congress of the United States
Washington, DC 20515

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October 29, 2019

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

Dear Chairman Pai:

We write to express our concern about potential loopholes within Universal Service Fund (USF) Schools and Libraries Program (E-Rate) that have allowed Federal dollars to be used to overbuild existing broadband networks in our home state of Texas. Federal assistance for constructing new broadband networks should be reserved for only the most unserved parts of our country or areas that are not already served by private or other Federally supported broadband networks. Accordingly, we urge the Federal Communications Commission (FCC) to reform USF E-Rate in a way that ensures finite Federal resources are being used efficiently to close the digital divide without overbuilding existing networks, especially networks already constructed with USF or other Federal support.

On May 22, 2019, a group of rural broadband operators in Texas filed a Petition for Rulemaking asking the FCC to revise its rules and prevent the use of USF support to overbuild existing networks. In their case, E-Rate funding was approved to construct a Wide Area Network (WAN) in Texas to deliver fiber to a host of areas that already have broadband access, many of which receive USF support, creating government subsidized competition against both private and public providers. In Texas alone, more than \$100 million in E-Rate funds have already been allocated under the authority of "special construction projects" to overbuild rural fiber networks that receive federal assistance. It has since come to our attention that similar pending and approved E-Rate projects in Arizona, Utah, and Michigan include funding to overbuild existing networks.

Our first priority for E-Rate assistance should be rural schools and libraries that still lack even the most basic Internet connection. Instead of duplicating existing networks with limited Federal dollars, Federal projects should work in a complementary fashion to reach areas where private investment is not suitable. Using Federal subsidies to produce artificial competition disincentivizes private investment and raises costs for consumers, all without measurable benefit to rural areas.

As representatives of Texas, we share a common goal of closing the digital divide. We commend your work as chairman to help bring broadband out to the far reaches of our country. Thank you for your consideration of this important request.

With great respect,



Bill Flores
Member of Congress

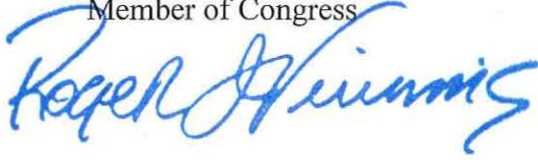


K. Michael Conaway
Member of Congress

The Honorable Ajit V. Pai



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