



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

January 24, 2020

The Honorable Frank Pallone
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Pallone:

Thank you for your letter regarding the Federal Communications Commission's staff report on the investigation into the Mobility Fund Phase II coverage maps and my recent announcement proposing the establishment of the new 5G Fund. Closing the digital divide is my top priority, and ensuring access to mobile wireless service is an important part of accomplishing that objective. I have seen firsthand what access to mobile broadband can do for a community—for its families, hospitals, schools, farms, and businesses—and the impact of its absence.

That's why last month, I announced my plan to propose a new 5G Fund to my fellow commissioners that would make available to carriers up to \$9 billion in high-cost Universal Service Fund support over 10 years to deploy advanced 5G mobile wireless services in rural America and would set aside at least \$1 billion specifically for deployments to support precision agriculture needs. When the significant problems with the data in the Mobility Fund II proceeding came to light, it became clear to me that the Commission's focus going forward should be on deploying next-generation technologies so that Americans in rural areas are on the same footing as those living in cities. 5G has the potential to bring many benefits to American consumers and businesses. And in my view, it doesn't make sense for a multi-year support program to concentrate on funding a technology that is likely to be outpaced by 5G before the end of the program. (Similarly, I'm mindful of the feedback the Commission has received from numerous Members of Congress about the need for our Rural Digital Opportunity Fund to support the deployment of sustainable, future-proofed fixed broadband networks.) And at this point, I believe that focusing a 10-year high-cost support program on the deployment of 4G LTE would be akin to focusing our Rural Digital Opportunity Fund on the deployment of 10/1 Mbps fixed broadband.

In your letter, you raise four important questions. Each of those issues, along with many other details of the 5G Fund, will need to be determined by the full Commission through a notice-and-comment rulemaking process. I intend to circulate a Notice of Proposed Rulemaking in the coming months for the Commission's consideration, and I can assure you that each of the topics that you ask about will be discussed in that document. The Commission will then make decisions based on the record we compile.

With respect to your question about the safeguards the Commission will put in place to ensure that areas eligible for support are based on reliable coverage data, it is important to note that 5G deployment in rural America is currently in a much more nascent stage than the deployment of 4G LTE. Thus the most sensible and efficient approach for determining which areas in rural America will be eligible for a program focused on 5G will likely be different than the optimal approach for determining eligibility for a program focused on 4G LTE. This is an issue that will need to be resolved through the notice-and-comment rulemaking process, and the decision must be made based on consideration of a complete factual record.

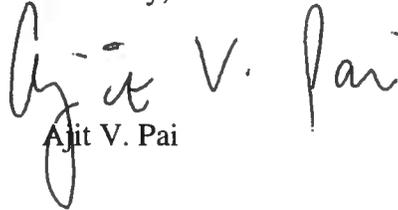
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With respect to your question regarding performance benchmarks, this issue will also be a focus of our notice-and-comment rulemaking process. As a reference point, however, in the *Mobility Fund Phase II Order*, the Commission unanimously decided that auction winners would have to demonstrate coverage of at least 40 percent by three years, 60 percent by four years, 80 percent by five years, and 85 percent by six years across all areas for which they would receive MF-II support in a state.

Turning to your question about the steps the Commission will take to ensure new services are sufficiently secure, this will also be an issue considered during the notice-and-comment rulemaking process. However, it is important to note that Commission rules already prohibit Universal Service Fund support, which would include support from the 5G Fund, from being used on any equipment or services from a company that the Commission has identified as a national security threat to communications networks or the communications supply chain. Thus, recipients of 5G Fund support would not be able to use universal service support to purchase, obtain, maintain, improve, modify, or otherwise support any equipment or services produced or provided by any company posing a national security threat to the integrity of communications networks or the communications supply chain.

In conclusion, I believe that the 5G Fund represents a unique opportunity to put rural Americans on an equal footing with their urban counterparts as this exciting new technology develops. And I look forward to working with you as the Commission addresses the critical issues you have identified in this proceeding.

Sincerely,

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Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
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January 24, 2020

The Honorable Mike Doyle
Chairman
Subcommittee on Communications and Technology
Committee on Energy and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Doyle:

Thank you for your letter regarding the Federal Communications Commission's staff report on the investigation into the Mobility Fund Phase II coverage maps and my recent announcement proposing the establishment of the new 5G Fund. Closing the digital divide is my top priority, and ensuring access to mobile wireless service is an important part of accomplishing that objective. I have seen firsthand what access to mobile broadband can do for a community—for its families, hospitals, schools, farms, and businesses—and the impact of its absence.

That's why last month, I announced my plan to propose a new 5G Fund to my fellow commissioners that would make available to carriers up to \$9 billion in high-cost Universal Service Fund support over 10 years to deploy advanced 5G mobile wireless services in rural America and would set aside at least \$1 billion specifically for deployments to support precision agriculture needs. When the significant problems with the data in the Mobility Fund II proceeding came to light, it became clear to me that the Commission's focus going forward should be on deploying next-generation technologies so that Americans in rural areas are on the same footing as those living in cities. 5G has the potential to bring many benefits to American consumers and businesses. And in my view, it doesn't make sense for a multi-year support program to concentrate on funding a technology that is likely to be outpaced by 5G before the end of the program. (Similarly, I'm mindful of the feedback the Commission has received from numerous Members of Congress about the need for our Rural Digital Opportunity Fund to support the deployment of sustainable, future-proofed fixed broadband networks.) And at this point, I believe that focusing a 10-year high-cost support program on the deployment of 4G LTE would be akin to focusing our Rural Digital Opportunity Fund on the deployment of 10/1 Mbps fixed broadband.

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With respect to your question about the safeguards the Commission will put in place to ensure that areas eligible for support are based on reliable coverage data, it is important to note that 5G deployment in rural America is currently in a much more nascent stage than the deployment of 4G LTE. Thus the most sensible and efficient approach for determining which areas in rural America will be eligible for a program focused on 5G will likely be different than the optimal approach for determining eligibility for a program focused on 4G LTE. This is an issue that will need to be resolved through the notice-and-comment rulemaking process, and the decision must be made based on consideration of a complete factual record.

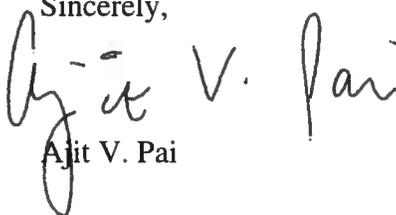
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In conclusion, I believe that the 5G Fund represents a unique opportunity to put rural Americans on an equal footing with their urban counterparts as this exciting new technology develops. And I look forward to working with you as the Commission addresses the critical issues you have identified in this proceeding.

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Ajit V. Pai



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January 24, 2020

The Honorable Greg Walden
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
2322A Rayburn House Office Building
Washington, DC 20515

Dear Congressman Walden:

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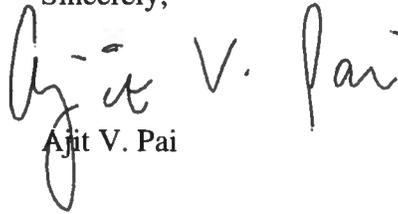
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The Honorable Bob Latta
Ranking Member
Subcommittee on Communications and Technology
Committee on Energy and Commerce
U.S. House of Representatives
2322A Rayburn House Office Building
Washington, DC 20515

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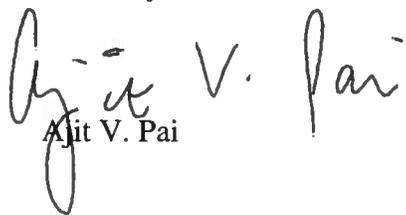
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