



James A. Himes
Congress of the United States
4th District, Connecticut

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January 16, 2020

The Honorable Ajit Pai
Chairman
Federal Communications Commission
445 12th St. SW
Washington, D.C. 20554

Dear Chairman Pai:

I write regarding what appears to be an addressable risk management issue brought to my attention by a number of telecommunications service providers in my congressional district. I am told that this issue, if unresolved, may make it difficult or impossible for service providers to participate in the Rural Digital Opportunity Fund (RDOF).

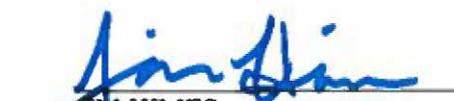
As the FCC finalizes the rules for the first phase of the RDOF, I am encouraged by the FCC's initiative to advance broadband deployment. While I appreciate the Commission's efforts to produce a timely order and the promise of a successful 2020 auction, it has come to my attention that potential participants in the auction share concerns regarding the need to significantly reduce the burdens of the letter of credit requirement.

Because the proposed letter of credit requirements would require the increase in the size of such letter over time, even as funds are deployed successfully, there may be adverse effects on a participating company's credit quality and funding availability over time. These adverse impacts may affect companies that are successfully meeting the RDOF's objectives. These issues could be particularly severe for smaller service providers.

I share the FCC's goal to effectively manage risk in this program; however, the FCC should explore other risk management measures that would maximize responsible participation in this program, not inhibit it.

I therefore respectfully request the FCC restructure the RDOF's approach to prudential risk management in a way that ensures providers are able to responsibly participate in this program.

Sincerely,


JIM HIMES
Member of Congress