

Congress of the United States
Washington, DC 20515

104

January 30, 2014

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554


Dear Chairman Wheeler:

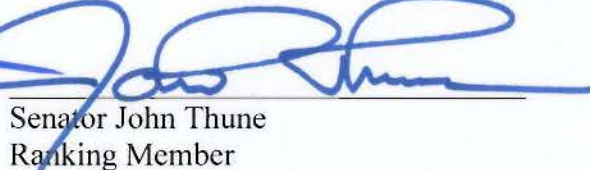
The Universal Service Fund, administered by the Universal Service Administrative Company with Federal Communications Commission (FCC) oversight, provides support through four mechanisms: High Cost, Low Income, Rural Health Care, and Schools and Libraries. In the past several months, there have been multiple proposals for reforms to the Schools and Libraries program, also known as E-rate, from members of Congress, the Administration, and the FCC itself. Many of these proposals could increase the size and cost of the E-rate program, and even the overall Universal Service Fund, which is ultimately paid for by Americans via their telephone bills. The contribution factor for the overall fund has already jumped from 9.5 percent in the first quarter of 2009 to 16.4 percent in the first quarter of 2014, an increase that is passed along to consumers. This growth is indicative of the need for a thorough and critical examination of any proposals that have the potential to further increase the bill for American families.

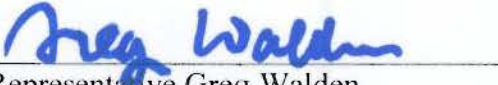
In these fiscal times, it is more important than ever to ensure that money is spent wisely and that these funds are allocated appropriately and effectively. This is why we urge you to refer evaluation of any E-rate expansion proposals to the Federal-State Joint Board on Universal Service. The Joint Board was established in 1996 to make recommendations to implement the universal service provisions of the Telecommunications Act of 1996. The Board, composed of FCC Commissioners, State Utility Commissioners, and a consumer advocate, is a mechanism to coordinate federal and state policies, and should be used as a tool for the Commission to ensure any changes to the fund achieve the statutory goals in an effective and appropriately tailored way. The recent Lifeline reform order reflecting the recommendations of the Joint Board demonstrates the contemplated use of the board.

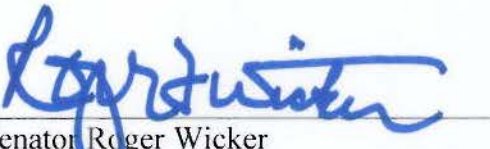
If you have any questions regarding this request, please have your staff contact David Redl with the House Energy & Commerce Committee staff at (202) 225-2927 or David Quinalty with the Senate Commerce Committee staff at (202) 224-0827.

Sincerely,


Representative Fred Upton
Chairman
Committee on Energy and Commerce


Senator John Thune
Ranking Member
Committee on Commerce, Science, and
Transportation


Representative Greg Walden
Chairman
Subcommittee on Communications and
Technology


Senator Roger Wicker
Ranking Member
Subcommittee on Communications, Technology,
and the Internet

cc: The Honorable John D. Rockefeller, Chairman
Senate Committee on Commerce, Science, and Transportation

The Honorable Henry A. Waxman, Ranking Member
House Committee on Energy and Commerce

The Honorable Mark Pryor, Chairman
Subcommittee on Communications, Technology, and the Internet

The Honorable Anna Eshoo, Ranking Member
Subcommittee on Communications and Technology

The Honorable Mignon Clyburn, Commissioner
Federal Communications Commission

The Honorable Jessica Rosenworcel, Commissioner
Federal Communications Commission

The Honorable Ajit Pai, Commissioner
Federal Communications Commission

The Honorable Michael O'Rielly, Commissioner
Federal Communications Commission