



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 27, 2014

The Honorable Ron Johnson
United States Senate
386 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Johnson:

Thank you for your follow-up letter supporting the implementation of a universal service mechanism to allow rural rate-of-return carriers to receive support for broadband-only lines. I understand and appreciate your concerns that this proposed policy not result in increasing the USF contribution factor that carriers pass onto their customers. Your views are very important, and will be included in the record of this proceeding and considered as part of the Commission's review.

The Commission sought comment on a proposed stand-alone broadband funding mechanism for rate-of-return carriers in the *Connect America Fund Further Notice of Proposed Rulemaking* that we adopted in April. In doing so, the Commission specifically proposed that such a mechanism be designed to remain within the existing rate-of-return budget. We expect a robust record on this topic, and I welcome a dialogue with you and other stakeholders as to how best to accomplish our shared objectives.

As you note, the landmark 2011 *USF/ICC Transformation Order and Further Notice of Proposed Rulemaking (FNPRM)* established the Connect America Fund to support the delivery of the best possible voice and broadband experiences to rural America within the confines of our Connect America budget. I look forward to continuing the work of reforming and modernizing the universal service fund high-cost program – as well as other components of the Fund – and to working with stakeholders, including rural carriers and consumers, to ensure that all Americans have access to robust voice and broadband services.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", with a long horizontal stroke extending to the right.

Tom Wheeler