



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

August 28, 2014

The Honorable Mark Udall
United States Senate
730 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Udall:

Thank you for your letter regarding the implementation of certain aspects of Phase II of the Connect America Fund (CAF II). In your letter, you express concerns that the overall mission of the CAF II program could be endangered if the Commission increases the current broadband speed benchmark for program recipients to 10 Mbps downstream /1 Mbps upstream without allowing flexibility in other elements of the program, and suggest several proposals to provide such flexibility. Your views are very important and will be included in the record of the proceeding and considered as part of the Commission's review.

I agree with you that high-speed broadband access is an essential component for economic growth in rural communities. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the United States of the 21st century. We are focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experiences to rural America within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion.

In April, the Commission voted to move forward with Phase II of the Connect America Fund for price-cap carriers. Among other things, the *Connect America Fund Phase II Report & Order* sets a term of 10 years for support awarded through the competitive bidding process to stimulate greater interest from participants and ensure that funding is targeted efficiently to expand broadband-capable infrastructure throughout the country. In addition, in the associated *Further Notice of Proposed Rulemaking (FNPRM)*, the Commission sought comment on a number of the issues you raise, including revising the current broadband performance obligations to require minimum speeds of 10 Mbps downstream, and applying the same performance obligations to all recipients of Phase II support and to rate-of-return carriers. The *FNPRM* also seeks comment on a proposal to allow recipients more flexibility as to other components of the program, such as the ability to substitute locations in partially-served census blocks for locations in the unserved census block for which it received support.

We expect a robust record on these topics and I welcome a dialogue with stakeholders as to how best to accomplish our shared objectives. I look forward to working with you as we continue reforming and modernizing the universal service fund high-cost program – as well as

Page 2—The Honorable Mark Udall

other components of the Fund – 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,

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Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

August 28, 2014

The Honorable Michael Bennet
United States Senate
458 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Bennet:

Thank you for your letter regarding the implementation of certain aspects of Phase II of the Connect America Fund (CAF II). In your letter, you express concerns that the overall mission of the CAF II program could be endangered if the Commission increases the current broadband speed benchmark for program recipients to 10 Mbps downstream /1 Mbps upstream without allowing flexibility in other elements of the program, and suggest several proposals to provide such flexibility. Your views are very important and will be included in the record of the proceeding and considered as part of the Commission's review.

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Page 2—The Honorable Michael Bennet

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Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

August 28, 2014

The Honorable Ed Perlmutter
U.S. House of Representatives
1410 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Perlmutter:

Thank you for your letter regarding the implementation of certain aspects of Phase II of the Connect America Fund (CAF II). In your letter, you express concerns that the overall mission of the CAF II program could be endangered if the Commission increases the current broadband speed benchmark for program recipients to 10 Mbps downstream /1 Mbps upstream without allowing flexibility in other elements of the program, and suggest several proposals to provide such flexibility. Your views are very important and will be included in the record of the proceeding and considered as part of the Commission's review.

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Page 2—The Honorable Ed Perlmutter

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Tom Wheeler