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Congress of the United States

House of Representatives

Washington, DC 20515-2507

September 28, 2017

The Honorable Ajit Pai
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20536

Dear Chairman Pai,

Ajit

I write to share with you a local example of how the Universal Services Fund (USF) High Cost Program budget shortfall is impacting access and affordability of broadband in rural southwest Missouri.

In Granby, MO, a small town of about 2,500 people, there is a rural local exchange carrier (RLEC) - Granby Telephone Company (GTC Broadband). They are a small family owned company which has operated in southwest Missouri since 1904. They were the first small company in Missouri to cut to dial telephone service in 1948. They were the first in southwest Missouri to offer DSL services in 1999. And, since 2008 they have been undergoing a total plant rebuild resulting in all underground fiber to the home (FTTH) covering their service area, all of which they have done without Rural Utilities Service (RUS) or Rural Telephone Bank (RTB) loans.

GTC Broadband has risen to the challenge of providing robust communications services to rural Missourians. However, there is still more work to be done, and USF shortfalls have made it difficult for them to continue planned investments. The regulatory hurdles and USF reductions during the past few years have delayed completion of their FTTH project, but they have been keeping it going as fast as they can with funding most internally. It's becoming increasingly difficult for them to secure funding for future plant investment due to uncertainty.

GTC Broadband can no longer make new plant investment by saving and investing; any plant investment must come from borrowed dollars due to the effects of the reductions and caps they've had to endure recently. It is essential the USF is properly funded, these caps and limits are removed, and the funds are "right-sized" for the current requirements. This correction is critical to ensure that future networks can meet the increasing demands in high-cost rural areas and that those investments can be recovered and loans repaid.

I appreciate the FCC's continued engagement on issues facing RLECs and am hopeful the USF budget shortfall can be resolved. Thank you for your attention to this matter.

*Great seeing
you last week!
Thanks again for
visiting Mo-7!*

Sincerely,


Billy Long
Member of Congress