

United States Senate

WASHINGTON, DC 20510

November 17, 2015

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Chairman Wheeler:

The Federal Communications Commission (FCC) plays an imperative and unique role in supporting rural connectivity. In the 21st century economy, robust telecommunications networks are increasingly important for today's users, and serve as the foundation of future innovation and economic progress. As the Commission continues to reform its universal service funding mechanisms to adapt to a changing technological environment, we commend the Commission's ongoing attention and support of underserved rural areas.

Unfortunately, deployment of these networks in rural communities continues to lag behind those in urban areas. Recently, the Commission announced over \$1.5 billion in annual funding as part of the second phase of the Connect America Fund (CAF). The primary purpose of these funds is supporting investments in the most underserved communities. The Commission has announced that ten telecommunications carriers have accepted this support, which will direct over \$9 billion to rural broadband development over the next six years. *The high cost to deploy networks in rural areas creates a heavy reliance on the federal funding provided by the FCC, and it is important that these funds are used efficiently.*

We agree with your recent remarks at the NTCA Fall Conference on the importance of ensuring accountability within the Commission's universal service program. While your statement was directed at reports of fraud and abuse by a handful of carriers, we believe the same commitment to responsible and efficient use of federal funds should be applied to all carriers who benefit from universal service program funding, including those supported by CAF. We also applaud your recent Public Notice reminding carriers to not use their funding in wasteful or fraudulent ways. Should we need stronger enforcement mechanisms to ensure that the Fund is used appropriately to advance rural broadband deployment, we would look forward to working with you on identifying the right solutions.

CAF is designed to advance critical broadband deployment in our rural communities and improve rural access. In order to ensure the success of the CAF program, we respectfully request a list of accountability mechanisms currently in place to ensure that recipients are using the funds for their intended purpose, that build-out requirements are being met, and that locations reported as newly served are actually receiving service that meets CAF II standards. As you may be aware, the general public has an increasing interest in the outcomes of CAF investments, and we

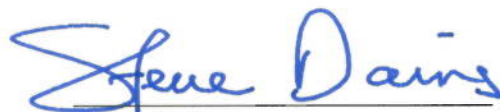
believe making these measures of accountability publicly available would be well received. We would also like to know what enforcement mechanisms will be implemented in cases where carriers fail to meet their obligations.

We believe strict enforcement measures, coupled with transparency around how, where, and when the funds are used, are necessary to ensure the integrity of the CAF program and the success of the FCC's efforts to advance rural broadband. We seek to maximize the success of the program and ensure that these limited funds are put to the best, appropriate use. We look forward to working with you to promote the continued adoption and expansion of broadband services, and to improve the efficiency and effectiveness of the Connect America Fund.

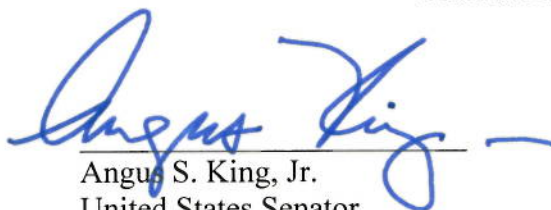
Sincerely,



Shelley Moore Capito
United States Senator



Steve Daines
United States Senator



Angus S. King, Jr.
United States Senator

cc: 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