

# United States Senate

WASHINGTON, DC 20510

October 24, 2019

The Honorable Ajit Pai  
Chairman  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

Dear Chairman Pai:

Since its establishment in 1996, the Universal Service Fund (USF) has promoted universal access to telecommunication services around the United States, and we acknowledge the Federal Communications Commission's significant work to streamline and modernize USF that has benefited countless Americans. Especially in rural areas, USF programs have been key to redefining access to services and ensuring that the most vulnerable Americans have the tools and bandwidth necessary to communicate with one another, receive telehealth services, and engage in teaching and learning online. As two of the nation's most rural and geographically isolated states, Hawaii and Alaska are uniquely situated to benefit from USF programs and to be harmed from any reduction in their services.

Accordingly, we were concerned to learn about the Commission's proposed plan to impose an overall cap on all USF programs and to combine the Rural Health Care (RHC) and Schools and Libraries (E-Rate) programs' funding under one cap. Although we recognize the Commission's stated goal to determine the effectiveness of each program, we believe that this proposal is contrary to Congress' intent in the Telecommunications Act of 1996, which explicitly directs the Commission to prioritize "specific, predictable, and sufficient" support for universal service.

We do not believe that capping USF overall will generate the data that will help the FCC improve the function of USF programs, and is actually the first step in creating an artificial budget crisis that will encourage the Commission to favor certain programs over others. Moreover, each individual program already has its own budget or cap in place, and so the addition of an overall cap will not provide any added benefit to USF's efficiency or effectiveness. To the contrary, it could raise significant uncertainty for the program and its beneficiaries around the country.


Furthermore, we believe that the Commission's plan to combine RHC and E-Rate into a single program with a unified spending cap will jeopardize the future of both of these programs. If the Commission goes forward with its plan to combine the budgetary caps of the E-Rate and RHC programs, increased demand in one program could lead to both programs becoming underfunded, which would pit the programs against one another in an unnecessary and unwise competition for funding. Such a result would stand in stark contrast to the Commission's duty under the law to provide "specific, predictable, and sufficient" support for schools, libraries, and health care providers.

The Commission's plan to introduce an overall cap on USF funding, in addition to its plan to combine funding for RHC and E-Rate programs, would conflict with Congressional intent as expressed in the statute and harm the effectiveness of USF. As representatives for two of the nation's most rural and remote states, we are concerned that this plan would do great harm to our constituents and disproportionately impact providers in Hawaii and Alaska. Therefore, we urge the Commission not to proceed down this path, and instead to consider other ways to support these critical programs that fulfill the mandate of Congress and that serve all Americans. We thank you for your attention to this matter.

Sincerely,



BRIAN SCHATZ  
United States Senator



LISA MURKOWSKI  
United States Senator



MAZIE HIRONO  
United States Senator



DAN SULLIVAN  
United States Senator