



August 13, 2012

Dear Member of Congress,

I sent you the attached correspondence dated July 12, 2012, outlining the considerable challenges that small rural community-based communications providers face as they struggle to comply with dramatic regulatory changes made by the Federal Communications Commission (FCC) in the wake of its national broadband plan. In particular, I underscored just how quickly and drastically these rule changes and further FCC proposals to modify the Universal Service Fund (USF) and intercarrier compensation (ICC) cost recovery systems are undermining the ability of rural entrepreneurs to continue providing consumers and small businesses with advanced communications services as envisioned by federal policy and statute.

We wanted to make you aware, however, that it is not just the rural sector of the communications industry that is alarmed by the FCC's rule changes to date and its further proposals. On July 25, 2012, both the Telecommunications Committee and the Board of Directors of the National Association of Regulatory Utility Commissioners (NARUC)—the regulators that sit closest to the consumers and businesses affected by the FCC's reforms—unanimously adopted the attached resolution calling upon the FCC to suspend implementation of one of the most troubling aspects of its recent USF/ICC reform until specific concerns are adequately addressed. The resolution also calls for any additional USF/ICC changes to be considered first by the Federal-State Joint Board on Universal Service, a body created by Congress for the specific purpose of advising the FCC on universal service policies.

To put the significance of this resolution in context, it is important to emphasize that it was unanimous in expressing concerns about the impacts of the FCC's changes on rural consumers and businesses even though NARUC itself is an extremely diverse body. Among others, Democratic and Republican regulators from jurisdictions as different as Rhode Island and Montana, the District of Columbia and South Dakota, and California and Nebraska all expressed common concern about the potential effects of certain FCC rule changes and the process by which any further changes might be considered.

As I stated in my earlier communication, we hope we can count on you to help steer the FCC's USF/ICC initiative back on the right track. At this critical juncture in our nation's road to recovery—as a unanimous group of those regulators sitting closest to the consumers have echoed—a USF and ICC transformation plan that contemplates cutting jobs, injects regulatory uncertainty into the marketplace and cuts off access to capital is no answer for America. Thank you for your time and willingness to engage on this critical issue for the future of sustainable broadband throughout rural America.

Sincerely,

Shirley Bloomfield
Chief Executive Officer

Attachments