

Congress of the United States

Washington, DC 20510

October 3, 2018

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

Dear Chairman Pai:

As the congressional delegation from the State of South Dakota, we write to express our strong support for immediate action by the Federal Communications Commission (FCC) to restore sufficiency and predictability to the Universal Service Fund's (USF) High Cost program's budget. Fully funding this program will help ensure rural South Dakotans have access to high-quality broadband and voice services comparable in quality and price to those available in urban areas.

While the Federal government has made rural broadband a national priority, the long-term insufficiency and uncertainty of the USF High Cost budget needlessly undermines investment in and planning for deployment in rural areas. Therefore, we were happy to hear you commit at the August 16, 2018, FCC oversight hearing to taking action by the end of this year.

The USF High Cost program is critical for millions of rural Americans and foundational for the success of reaching universal service goals in rural America. Yet the High Cost program budget has remained static at 2011 levels. It is essential that the High Cost program evolve and keep pace with technological advancements. It is also critical that after the High Cost budget is updated, it keep pace with inflation going forward.

The current budget limits are hindering rural broadband deployment and harming consumers. In South Dakota, the limit is estimated to cut support that carriers would otherwise have received for broadband deployment by more than \$11 million over a twelve-month period. These reductions in support will require providers to postpone or even cancel broadband investment, reducing the availability of rural broadband. These cuts also threaten to increase the cost of broadband service to consumers in rural areas and put at risk the ability of providers to repay loans for investments already made, undermining the viability and sustainability of broadband in rural areas. More than 75 percent of South Dakota's land mass is served by rural carriers, and it is crucial that these consumers are not left behind.

The responses to the FCC's USF High Cost Order and Further Notice of Proposed Rulemaking confirm the need to provide – and indicate broad support for – long-term, sufficient, and predictable funding to rural carriers, ensuring that rural consumers have access to affordable broadband.

Consistent with prior letters expressing concerns about High Cost budget shortfalls, we urge the Commission to establish a sufficient and predictable budget that will help eliminate the rural divide while also providing certainty to carriers planning deployment and maintenance of rural broadband.

Thank you for acknowledging the need to eliminate the digital divide by assuring affordable broadband for rural American consumers. We look forward to continuing to work with you in achieving a positive resolution on this important issue for rural America.

Sincerely,



JOHN THUNE
United States Senator



M. MICHAEL ROUNDS
United States Senator



KRISTI NOEM
Member of Congress