

**Congress of the United States**  
**Washington, DC 20515**

October 7, 2013

The Honorable Mignon Clyburn  
Acting Chairwoman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Chairwoman Clyburn:

We are writing to express our concern regarding the Commission's 2011 Universal Service Fund (USF) reform order and, specifically, the "Quantile Regression Analysis" (QRA) approach to providing high-cost support.

As you know, the USF provides small rate-of-return regulated telecom carriers with support for ongoing operations, which helps keep consumer rates affordable in high-cost areas. These small companies, in turn, use a limited number of public and private loan programs to make long-term capital investments to expand the reach and effectiveness of broadband in hard-to-serve areas. Both potential borrowers and lenders have indicated hesitation in moving forward with loans for broadband infrastructure improvements due to the uncertainties created by the 2011 reform order.

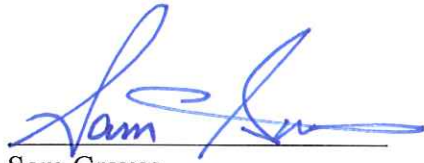
One of the main causes of uncertainty and resultant declining investment is the 2011 reform order's QRA approach to providing high-cost support for communities. A recent analysis by former FCC Chief Economist Simon Wilkie underscores this uncertainty, noting that the QRA caps and then redistributes USF support in arbitrary and unpredictable ways, fails to provide incentives for broadband deployment, and actually generates the regulatory uncertainty that is discouraging investment. While the FCC has taken some steps recently to relieve temporarily the impacts of the QRA approach, more must be done to resolve the lingering uncertainty it creates.

We urge the Commission to take immediate steps to re-establish predictability, sufficiency and transparency in the USF program so that telecom carriers can resume critical investments in broadband. We encourage re-examination of the QRA approach and the pursuit of common-sense steps that enable carriers to respond to consumer demand for broadband. At the same time, this process should neither upset nor slow progress on implementation of Phase II of the Connect America Fund for consumers in areas served by larger carriers.


The benefits to health, education and economic development from robust broadband infrastructure will be postponed or denied for many Americans unless the FCC re-examines the QRA approach. If not addressed and recalibrated soon, the 2011 reform order will have profound and long-lasting ill effects on communities.

Thank you for your consideration, and we look forward to your response.

Sincerely,



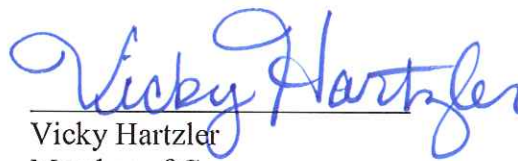
Sam Graves  
Member of Congress



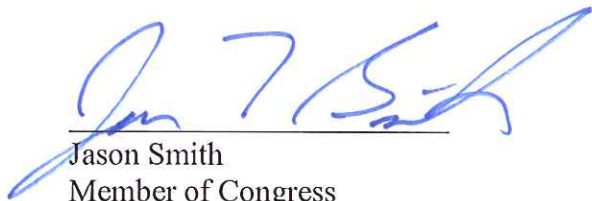
Billy Long  
Member of Congress



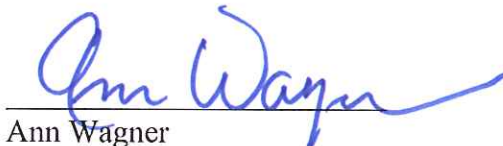
Blaine Luetkemeyer  
Member of Congress



Vicky Hartzler  
Member of Congress



Jason Smith  
Member of Congress



Ann Wagner  
Member of Congress