



FEDERAL COMMUNICATIONS COMMISSION

January 5, 2012

JULIUS GENACHOWSKI
CHAIRMAN

The Honorable Dan Benishek
U.S. House of Representatives
514 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Benishek:

Thank you for your letter regarding the Commission's proceeding to reform the Universal Service Fund (USF) and your concern about the proposal to cap total per line support for all eligible carriers. I understand your concern and am happy to provide additional information about the per-line limits and the waiver process.

In October, the Commission comprehensively reformed USF, taking a broken, outdated system designed for the 20th century and modernizing it for broadband – our 21st century essential infrastructure. As part of this reform, the Commission adopted a cap of \$250 per line monthly for all incumbent and competitive carriers.

This cap will be phased in for affected carriers over three years, beginning July 1, 2012, and ending June 30, 2014. As you note, the Commission adopted a waiver process to consider individual circumstances. Any carrier affected by the per-line cap may file a petition for waiver or adjustment of the cap, and must include additional financial data, information, and justification for the additional support. Carriers receiving waivers will be entitled only to support above the cap that they can show is necessary – not the amount they received previously – and they will be expected to re-validate their need for the additional support periodically.

I appreciate your interest in this very important matter. Please let me know if you have any further questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Julius Genachowski", written over a horizontal line.

Julius Genachowski