

September 9, 2014

976

Mr. Tom Wheeler  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

Dear Chairman Wheeler:

We write to you to express our concerns regarding the Federal Communications Commission's (FCC) ongoing plan to raise the "rate floor" for phone rates of rural consumers across the country. While we understand the FCC's need and statutory obligation to ensure fairness in rates for all consumers who contribute to the Universal Service Fund, we fear that current policies could ultimately harm some rural consumers.

Under your leadership, the FCC has taken important first steps to blunt the impact of a drastic increase of the rate floor on rural consumers by delaying the implementation of the new increase and phasing in additional future increases. This was a reasonable and prudent action, and we appreciate your responsiveness to those who requested such steps.

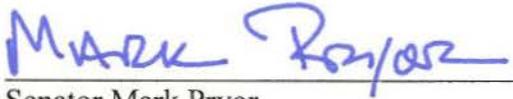
Nonetheless, as currently constructed, the rate floor puts rural telephone companies in an untenable position in which they must choose between raising rates to levels that, in some cases, are more than the rates their urban counterparts charge many of their customers, or receiving reduced universal service support. This is in spite of the fact that these rural exchanges often do not resemble their urban areas along key metrics like population, geography, and income, as well as other demographics.

Though we support policies that ensure that all ratepayers, both urban and rural, are not unreasonably subsidizing artificially low rates, the current rate floor structure does not take into account the diversity of rural exchanges in our states nor gives those exchanges flexibility to meet their individual challenges. Ultimately, we believe a better rate floor policy can be created to discourage artificially low phone rates and protect rural consumers from unnecessary rate increases.

As the FCC will soon begin to receive data on rural phone rates, we believe the Commission should use this opportunity to reevaluate the structure of the rate floor and consider changes to ensure that rural consumers are protected from unnecessarily excessive rate hikes. We believe such reasonable measures can be undertaken in coordination with the Commission's important goal of ensuring that rural and urban consumers alike are not subsidizing artificially low rates for a small number of consumers in some states.

We hope the Commission will address this issue promptly, and we look forward to your response.

Sincerely,



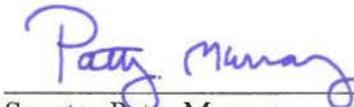
Senator Mark Pryor



Senator James M. Inhofe



Senator Tom Harkin



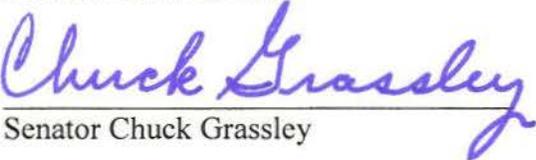
Senator Patty Murray



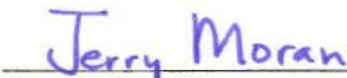
Senator Roy Blunt



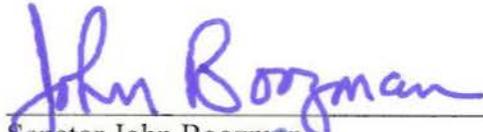
Senator Susan Collins



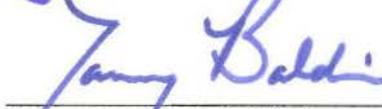
Senator Chuck Grassley



Senator Jerry Moran



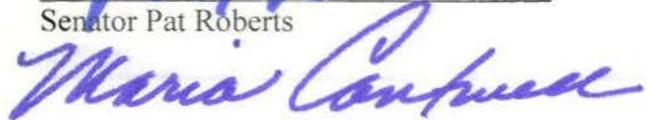
Senator John Boozman



Senator Tammy Baldwin



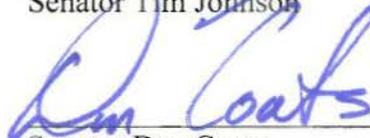
Senator Pat Roberts



Senator Maria Cantwell



Senator Tim Johnson



Senator Dan Coats



Senator Amy Klobuchar



Senator Al Franken