



November 17, 2017

**Via ECFS**

Chairman Ajit Pai  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
8<sup>th</sup> Floor  
Washington, DC 20554

Commissioner Mignon Clyburn  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
8<sup>th</sup> Floor  
Washington, DC 20554

Commissioner Michael O’Rielly  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
8<sup>th</sup> Floor  
Washington, DC 20554

Commissioner Brendan Carr  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
8<sup>th</sup> Floor  
Washington, DC 20554

Commissioner Jessica Rosenworcel  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
8<sup>th</sup> Floor  
Washington, DC 20554

Dear Chairman Pai, Commissioner Clyburn, Commissioner O’Rielly, Commissioner Carr and Commissioner Rosenworcel:

As executives of broadband companies serving rural and small-town America, we are writing to express our shared concern about the economic divide in our country evident in the slower growth and progress in many of the economically distressed communities we serve. As Chairman Pai recently noted in his “Morning in Digital America” speech at the Ronald Reagan Presidential Library, “In recent years, 52% of new jobs and 57% of new businesses have been created in prosperous communities representing only 27% of our nation’s population. By contrast, about one in six Americans—52 million people—live in economically distressed communities that have been declining for years.” Likewise, we equally are concerned by the technology divide separating the digital “haves” in our nation from the “have-nots,” especially in our country’s rural areas.

We write today to ask the Federal Communications Commission to make it easier for us and other innovators to offer services that will bridge the digital divide in the communities we serve. Returning broadband service to the Title I light-touch framework that provided the foundation for the growth and success of the broadband-enabled Internet is essential to getting and keeping communities connected.

Absent the right regulatory environment – one that includes a common-sense federal framework to shield providers and consumers alike from divergent and burdensome state and local requirements – a portion of our fellow citizens will remain unable to access many of the transformative opportunities and benefits broadband can bring. The Commission should, where necessary, adopt sensible regulations that provide incentives for companies to keep building and investing in areas that are unserved or underserved. The Commission also must target – and properly fund – Universal Service support to small towns and rural America. As providers on the front lines serving these customers, we have been saying for years that market-based, light-touch regulation will enable us to maximize private investment and public funding to

ensure continued and expanded deployment of broadband infrastructure, including fiber-rich wireline networks and fifth generation (5G) fixed and mobile wireless.

The data on investment trends suggest that regulatory structures matter. Since the Commission reclassified broadband internet access service as a public utility-like service in 2015, broadband investment has been headed in the wrong direction. In 2016, capital expenditure for broadband providers was \$76 billion, down from \$77.9 billion in 2015 and \$78.4 billion in 2014. That's \$2.4 billion lower in 2016 than in 2014, the year before the FCC adopted Title II utility-style regulations. As predicted, our nation's broadband innovators as a whole have reacted to reclassification by investing less than we would have otherwise. This makes it even less likely that Americans living in economically distressed communities in rural America will get access in the near term to the modern broadband services they deserve and increasingly require.

Finally, because the Commission has repeatedly held that broadband is jurisdictionally – and self-evidently – an interstate service, it is important that states and localities not be allowed to impose common carrier-like regulations, including economic regulations, on broadband providers. Clarity from the Commission on this point is necessary to ensure providers are not burdened with multiple, and possibly conflicting, state and local requirements and Constitutionally-protected interstate commerce and competition can continue to thrive across our great nation.

We strive every day to provide state-of-the-art broadband services to our nation's rural communities and small towns, and we continue to stand ready to work with the Commission in shaping a new era of smart, common-sense and pro-consumer 21st century rules that will close, once and for all, the digital divide separating too many Americans. We appreciate the Commission's thoughtful attention to this important effort.

Sincerely,

Anand Vadapalli  
President & CEO  
Alaska Communications Systems  
Anchorage, Alaska  
Chair, Board of Directors  
USTelecom

Russell Moore  
General Manager / COO  
Big Bend Telephone Co.  
Alpine, TX 79830  
Chair, Leadership Committee  
USTelecom

Kay H. Mount, Ph.D.  
President & General Manager  
Beggs Telephone Company, Inc.  
Beggs, Oklahoma

Jason Williams  
CEO  
Blackfoot Telecommunications Group  
Missoula, Montana

Roger Anderson  
General Manager  
Cooperative Telephone Exchange  
Stanhope, Iowa

Trent Boaldin  
President & CEO  
EPICTOUCH  
Elkhart, Kansas

Scott Barber  
President & CEO  
Hawaiian Telcom  
Honolulu, Hawaii

Robert Hunt  
Vice President  
GVTC  
New Braunfels, Texas

Michelle Baudino  
Secretary/Treasurer  
Kinsman Mutual Telephone Company  
Kinsman, Illinois

Kenneth Doughty  
President  
Hinton Telephone Company  
Hinton, Oklahoma

Bruce Hanway  
Secretary/Treasurer  
Monon Telephone Company, Inc.  
Monon, Indiana

Richard Ruhl  
General Manager  
Pioneer Telephone Cooperative  
Kingfisher, Oklahoma

Brad Lyon  
General Manager  
Moapa Valley Telephone  
Overton, Nevada

Royster Tucker  
President & CEO  
North State  
High Point, North Carolina

Arne Haynes  
Chairman  
Rainier Connect  
Eatonville, Washington

Christopher French  
President & CEO  
Shentel  
Edinburg, Virginia

Gary Gilmer  
President  
Southwest Texas Communications  
Rocksprings, Texas

Dan Overland  
Senior Vice President  
Pottawatomie Telephone Company  
Earlsboro, Oklahoma

Tom Walden  
General Manager  
Rice Belt Telephone Company  
Weiner, Arkansas

Darby McCarty  
CEO/Chairman of the Board  
Smithville Communications  
Ellettsville, Indiana

Jack Keen  
CEO & Chairman of the Board  
Western New Mexico Telephone Co.  
Silver City, New Mexico