



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

January 15, 2016

The Honorable Tim Scott  
United States Senate  
113 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Scott:

Thank you for your letter regarding broadband networks owned by municipal governments. Your views are very important and will be included in the record of the proceeding and considered as part of the Commission's review.

The deployment of broadband is, as you know, a powerful platform that encourages economic growth and facilitates improvements in education, health care, public safety, and other key policy areas. This is particularly true for small and rural communities, where the availability of high quality broadband can be the difference between economic decline and a vibrant future.

Though private sector companies have invested billions of dollars in broadband deployment in the past decade—greatly benefitting our Nation in many ways—that investment has not reached every corner of America. Around the country, communities have focused on the importance of ensuring that their citizens receive the benefits of broadband. Some of these communities have concluded that investing in their own broadband efforts or authorizing others to invest on their behalf will provide more competition, allowing improved economic and social benefits that accompany competition for their residents and businesses. Section 706 of the Telecommunications Act of 1996 charges the Federal Communications Commission with ensuring that broadband is being deployed to all Americans in a reasonable and timely fashion. I believe that competition is a strong means to that critical goal.

In response to your specific questions:

1. Please provide the total dollar amount that the FCC has committed to municipal broadband providers through the Universal Service Fund's Rural Broadband Experiments program. Do any limitations exist to prevent government-owned networks from using universal service funds to compete with private sector networks?

**Response:** The Commission has not authorized any municipal broadband providers to receive rural broadband experiments support at this time. With respect to limitations, before receiving any form of federal high-cost universal service support, an entity, including a municipal broadband provider, must first be designated as an eligible telecommunications carrier (ETC) by the relevant state commission or by the FCC, if the state commission lacks jurisdiction.

2. Please clarify whether there is a situation in which the emergence of a new government-owned network could result in the loss of universal service funding for an existing private sector provider.

**Response:** Under the Commission's existing rules, if a municipally-owned provider deployed a voice and broadband network covering 100 percent of a rate-of-return incumbent telephone company's service area with service that meets the Commission's minimum requirements, that would result in a loss of support for the rate-of-return company. However, that situation does not exist today.

3. Please detail any plans the FCC has to adopt additional policies relating to municipal broadband. For example, does the FCC intend to extend its February 2015 decision to additional states?

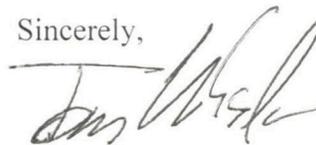
**Response:** The Commission's February 2015 decision with respect to provision of broadband by municipally-owned entities in Tennessee and North Carolina was in response to specific petitions filed with the Commission. Currently, there are no such petitions pending before the Commission

4. Please highlight the FCC's outreach plans for fiscal year 2016 with respect to government-owned networks. Please identify any state or local officials with whom the FCC plans to meet and why.

**Response:** Commission officials and staff have regular contact with both private and public sector parties around the country about broadband deployment and competition. At this time, I know of no fiscal year 2016 outreach plans focused on municipal-owned broadband networks.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,



Tom Wheeler