March 5, 2014

The Honorable Thomas Wheeler
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Chairman Wheeler:

This letter is sent by the undersigned organizations and entities to urge the Federal Communications Commission (FCC) to move forward as quickly as possible to implement a Connect America Fund (CAF) mechanism for small, rural, rate-of-return-regulated carriers that will provide sufficient and predictable support for broadband-capable networks across all of rural America.

The organizations and entities signing below represent a wide array of consumers and businesses, but we share an overriding common interest in the well-being and prosperity of rural areas for the benefit of our nation as a whole. Our groups include representatives of agribusiness, farmers and ranchers, rural health care providers, rural educational initiatives, economic development agencies, utilities, lenders and other sectors that are indispensable to our rural and national economies. Many of us have joined together in the past to write to the FCC about various reform proposals and the need for changes to essential Universal Service Fund (USF) programs, and we are greatly appreciative of the FCC’s efforts to take our comments and concerns into account. For example, many of the undersigned groups wrote to the FCC in November 2012 to express concern about the unpredictable, retroactive caps placed on the USF support that smaller carriers serving rural areas receive, and we were encouraged by your comments during a December 2013 congressional hearing that you have directed FCC staff to evaluate ways to eliminate those caps.

We recognize that USF reform involves many complex issues and difficult trade-offs. For example, nearly four years ago, a group of larger carriers that serve certain rural areas proposed a new model-based CAF mechanism for USF support. The FCC ultimately adopted this model-based support concept, but several years later, the FCC still continues to wrestle with implementation of the model for the 13 larger carriers to which that model would apply. The FCC’s ongoing work includes both general refinement of the model, as well as consideration of specific changes to reflect unique operating conditions in certain rural areas such as Alaska, Hawaii, Puerto Rico and the U.S. Virgin Islands.

At the same time that these difficult questions surrounding implementation of model-based CAF support for certain rural areas served by these larger carriers remain under review, there remains a significant need to address how smaller carriers that serve rural areas can obtain broadband-focused CAF support of their own. The FCC has rightly indicated that the model under consideration for these larger carriers’ rural serving areas should not apply to the operations of smaller providers, but it also has signaled that it intends to explore the voluntary use of model-based support by smaller carriers in the future.
We ask that the FCC not wait until a model-based CAF program is implemented for larger carriers before adopting and implementing a broadband-focused CAF support program for smaller carriers that serve rural areas. Given that the FCC’s work on developing a model that applies to the operations of only 13 larger carriers has yet to be completed after almost four years of review, and given that the model under consideration is still being adjusted to reflect the unique conditions faced by a handful of those companies, it would seem likely that the development, refinement, testing and implementation of such a model for more than 1,000 smaller carriers—each of which serves relatively unique rural areas—will be an immense challenge indeed, if it can be achieved at all.

Our members’ operations help to drive rural economies and provide essential resources for the entire nation. Our members’ businesses—and their customers’ businesses and well-being—depend on affordable access to robust broadband. Although there is significant value in both quality voice and broadband services, and while both services should be available to every American on an affordable basis as a matter of good public policy, no consumer or business should be compelled as a matter of federal law to purchase regulated voice service simply to obtain affordable broadband. Yet, this is precisely the case in rural areas served by smaller carriers today because there is no updated CAF mechanism in such areas. Rather than awaiting development, refinement, testing and possible implementation of a model-based CAF support mechanism for smaller carriers that would likely take years to achieve (if it can be achieved at all), and instead of perpetuating a system that compels consumers and businesses to purchase regulated voice service just to obtain affordable broadband service, the undersigned organizations and entities urge the FCC to take immediate, targeted action to update existing high-cost USF mechanisms for smaller carriers so that the availability and sufficiency of support of multiuse networks will not be affected by any given user’s choice of the individual services that he/she may want. The policy justifications for such a targeted and tailored CAF program for smaller carriers are clear. For the good of all rural consumers and businesses, this issue should not wait any longer for resolution.

We thank you for the FCC’s continuing interest in rural broadband, and for the agency’s interest in taking into account the comments and concerns of rural stakeholders. We are hopeful that the FCC will consider a timely and targeted CAF mechanism for small rural carriers as recommended by this letter, so that these companies can continue to build and maintain robust broadband-capable networks that allow consumers and businesses across all of rural America to have sustainable access to a variety of affordable essential services of their choosing.

Sincerely,

AGCO CORPORATION  
By: /s/ David G. Webster  
David G. Webster  
Director HHP Tractors and Advanced Technology Solutions  
(770) 232-8213

AGRICULTURAL RETAILERS ASSOCIATION  
By: /s/ Jeff Sands  
Jeff Sands  
Director of Public Policy  
(202) 457-0825
<table>
<thead>
<tr>
<th>Organization</th>
<th>By: /s/ Name</th>
<th>Title/Position</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Association of Community Colleges</td>
<td>/s/ Laurie Quarles</td>
<td>Legislative Associate</td>
<td>(202) 728-0200</td>
</tr>
<tr>
<td>Farm Credit Council</td>
<td>/s/ Robbie Boone</td>
<td>Vice President, Government Affairs</td>
<td>(202) 626-8710</td>
</tr>
<tr>
<td>American Farm Bureau Federation</td>
<td>/s/ Bob Stallman</td>
<td>President</td>
<td>(202) 406-3600</td>
</tr>
<tr>
<td>Farm Equipment Manufacturers Association</td>
<td>/s/ Vernon Schmidt</td>
<td>Executive Vice President</td>
<td>(314) 878-2304 x 102</td>
</tr>
<tr>
<td>American Library Association</td>
<td>/s/ Ted Wegner</td>
<td>Grassroots Coordinator</td>
<td>(202) 628-8410</td>
</tr>
<tr>
<td>Independent Community Bankers of America</td>
<td>/s/ Mark Scanlan</td>
<td>Senior Vice President, Agriculture &amp; Rural Policy</td>
<td>(202) 659-8111</td>
</tr>
<tr>
<td>American Telemedicine Association</td>
<td>/s/ Gary Capistrant</td>
<td>Senior Director of Public Policy</td>
<td>(202) 223-3333</td>
</tr>
<tr>
<td>John Deere</td>
<td>/s/ Mark N. Lewellen</td>
<td>Deere Spectrum Manager</td>
<td>(240) 472-2843</td>
</tr>
<tr>
<td>Association of Equipment Manufacturers</td>
<td>/s/ Nick Tindall</td>
<td>Director, Government Affairs</td>
<td>(202) 701-4287</td>
</tr>
<tr>
<td>National Association of Development Organizations</td>
<td>/s/ Susan Howard</td>
<td>Director of Government Relations and Legislative Affairs</td>
<td>(202) 624-8590</td>
</tr>
<tr>
<td>Cobank</td>
<td>/s/ Robert F. West</td>
<td>Senior Vice President, Communications Banking Group</td>
<td>(202) 650-5864</td>
</tr>
<tr>
<td>Community Action Partnership</td>
<td>/s/ Don Mathis</td>
<td>President &amp; CEO</td>
<td>(202) 449-9774</td>
</tr>
<tr>
<td>National Association of Federally Impacted Schools</td>
<td>/s/ John Forkenbrock</td>
<td>Executive Director</td>
<td>(202) 624-5455</td>
</tr>
</tbody>
</table>
NATIONAL ASSOCIATION OF STATE DIRECTORS OF CAREER TECHNICAL EDUCATION
By: /s/ Kimberly A. Green
Kimberly A. Green
Executive Director
(301) 588-9630

NATIONAL CORN GROWERS ASSOCIATION
By: /s/ Ethan Mathews
Ethan Mathews
Director of Public Policy
(202) 628-7001

NATIONAL COUNCIL OF FARMER COOPERATIVES
By: /s/ Kevin Natz
Kevin Natz
Vice President
(202) 626-8700

NATIONAL FARMERS UNION
By: /s/ Mike Stranz
Mike Stranz
Government Relations Representative
(202) 544-1600

NATIONAL GRANGE
By: /s/ Grace Boatright
Grace Boatright
Legislative Director
(202) 628-3507

NATIONAL INFORMATION SOLUTIONS COOPERATIVE
By: /s/ Vern Dosch
Vern Dosch
President & CEO
(866) 999-6472

NATIONAL RURAL EDUCATION ADVOCACY COALITION
By: /s/ Ray Patrick
Ray Patrick
Executive Director
(660) 747-8050

NATIONAL RURAL EDUCATION ASSOCIATION
By: /s/ Dr. John Hill
Dr. John Hill
President
(765) 494-0096

NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION
By: /s/ Martha Duggan
Martha Duggan
Senior Principal, Regulatory Affairs
(703) 907-5848

NATIONAL RURAL HEALTH ASSOCIATION
By: /s/ Maggie Elehwany
Maggie Elehwany
Vice President of Government Affairs and Policy
(202) 639-0550

NATIONAL RURAL TELECOMMUNICATIONS COOPERATIVE
By: /s/ Jack Harvey
Jack Harvey
President
(703) 787-0874

NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION
By: /s/ Michael Williams
Michael Williams
Vice President of Government Relations, Treasurer
(636) 349-6204
NTCA–THE RURAL BROADBAND ASSOCIATION
By: /s/ Michael Romano
Michael Romano
Senior Vice President of Policy
(703) 351-2000

REBUILD AMERICAS SCHOOLS
By: /s/ Robert Canavan
Robert Canavan
Chair
(202) 462-5911

RURAL AND AGRICULTURE COUNCIL FOR AMERICA
By: /s/ Jack Alexander
Jack Alexander
President
(202) 870-3867

RURAL COMMUNITY ASSISTANCE PARTNERSHIP
By: /s/ Robert Stewart
Robert Stewart
Executive Director
(202) 470-1583

RURAL SCHOOL AND COMMUNITY TRUST
By: /s/ Robert Mahaffey
Robert Mahaffey
Director of Communications and Marketing
(202) 822-3919

STAND UP FOR RURAL AMERICA
By: /s/ Sandra Rosenblith
Sandra Rosenblith
Director
(202) 255-9388

STATE AGRICULTURE AND RURAL LEADERS
By: /s/ Dr. Carolyn Orr
Dr. Carolyn Orr
Executive Secretary
(765) 893-8209