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United States Senate

WASHINGTON, DC 20510-3205

May 13, 2016

The Honorable Thomas Wheeler
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington D.C. 20554

Dear Chairman Wheeler:

I write in support of the proposal submitted by the New York Public Service Commission (PSC) and Empire State Development (ESD) that the Federal Communications Commission (FCC) adopt auction rules that would ensure that Connect America Fund II (CAF) funds originally intended for the State of New York not be diverted to other regions of the country. The Commission's consideration of rules for the disbursement of Connect America Fund (CAF) funds is critical to ensuring that all New York State residents have access to high-speed, affordable broadband service.

This request is necessary following the decision of telecommunications carriers to decline their CAF funds. As the FCC determines how best to disburse these unused funds, I believe it is imperative that the share of funding originally intended for New York State remain committed to New York rather than, for example, put into a national competition where the funding could be used by other areas around the country. Not only were these funds originally designated for New York, but it is also worth pointing out that over the past five years, New York State residents and businesses have made net contributions of more than \$1 billion to the federal Universal Service Fund programs. If the FCC does decide to proceed with an approach that does not directly award New York the funds originally intended for the state, I want to echo the PSC and ESD's proposal that the FCC should, at a minimum, award bidding credits to carriers that have committed broadband funding in state-funded programs. The Commission should also implement an auction bidding floor, as the PSC and ESD proposed, to ensure that no affected census block receives less funding than was originally allocated under the original CAF funding model.

Not only is this an issue of fairness, but awarding the funds to New York State would complement the state's sizable \$500 million investment in broadband deployment. Recognizing the opportunity for effective federal-state partnerships in achieving universal access to broadband, the FCC should consider rules that support state-driven approaches to broadband funding and promote fiscal responsibility by providing CAF funds directly to states that sponsor their own broadband programs. Partnering with states like New York -- that are dedicating their own funds to broadband deployment -- would create a positive incentive and encourage other states to create their own broadband funding programs.

New York and other states should not be unfairly punished and at-risk of losing funding because telecommunications carriers declined their CAF funds. I urge you to recognize this, and hope that the FCC will join with the State of New York in achieving the critical goal of providing high-quality broadband to all of our residents.

Sincerely,

A handwritten signature in blue ink that reads "Kirsten Gillibrand". The signature is written in a cursive, flowing style.

Kirsten Gillibrand
United States Senator

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