

Congress of the United States
Washington, DC 20510

August 23, 2018

The Honorable Richard Shelby
Chairman
Senate Committee on Appropriations
Room S-128, The Capitol
Washington, D.C. 20510

The Honorable Patrick Leahy
Ranking Member
Senate Committee on Appropriations
Room S-128, The Capitol
Washington, D.C. 20510

The Honorable Rodney Frelinghuysen
Chairman
House Committee on Appropriations
H-305, The Capitol
Washington D.C. 20515

The Honorable Nita Lowey
Ranking Member
House Committee on Appropriations
H-305, The Capitol
Washington, D.C. 20515

Dear Chairman Shelby, Chairman Frelinghuysen, Ranking Member Leahy, and Ranking Member Lowey:

As you move to Conference Committee on H.R. 6147, the minibus appropriations bill, which includes the Fiscal Year (FY) 2019 Financial Services and General Government; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies; Interior, Environment, and Related Agencies; and Transportation, Housing, and Urban Development and Related Agencies, we respectfully request that you maintain Senate report language encouraging the FCC to consider establishing a high cost set aside within the Mobility Fund Phase II for geographically challenged areas in the United States¹ in the final conference report.

As you know, last August, the FCC finally moved forward with Mobility Fund II which will award up to \$4.53 billion in universal service support over 10 years for mobile wireless carriers in unsubsidized areas that lack adequate mobile voice and broadband coverage. While we are strong supporters of this program and of recent efforts by the FCC to help stakeholders understand the challenge process and play an active role in improving the official coverage maps, we are concerned that states like ours will not see very much of this critical funding due to the program's reverse auction format. The auction for Mobility Fund Phase II is structured to provide the maximum return on investment meaning that flat areas that are easy to access and where a cell signal travels further are more likely to be chosen over states like ours, which have much more rugged and difficult landscapes to navigate and build on.

The additional obstacle of mountainous topography adds more work and time to the buildout process and incurs an even larger price tag. For example, during the first phase of

¹ Senate Report 115-281, Financial Services and General Government Appropriations Bill of 2019, June 21, 2018 page 69, lines 39-45 (<https://www.congress.gov/115/crpt/srpt281/CRPT-115srpt281.pdf>)

Mobility Fund, the average cost of Auction 901 greenfield sites constructed by U.S. Cellular in West Virginia came in at about \$1.2 million making it almost two and a half times more expensive than states like Iowa which only had an average cost of about \$500,000.

With the additional effort and higher costs associated with servicing places with difficult, mountainous topography, it is clear why providers would choose to avoid broadband deployment in high cost, geographically challenged areas. That is exactly why a high cost set aside for geographically challenged states is critical.

We hope that you will include the Senate provision (which received bipartisan support in the Senate Appropriations Committee) that encourages the FCC to consider a set aside within the Mobility Fund II for high cost, geographically challenged areas in the final conference report allowing states like ours to have a fair chance of receiving this vital funding.

Thank you for your leadership on the Appropriations Committees, and we look forward to working with you on this critically important piece of legislation.

Sincerely,



Joe Manchin III
United States Senator



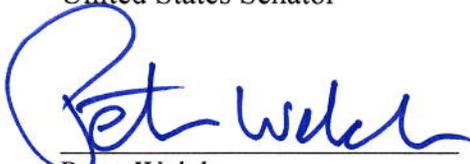
Dan Sullivan
United States Senator



Shelley Moore Capito
United States Senator



Jon Tester
United States Senator



Peter Welch
Member of Congress



David B. McKinley, P.E.
Member of Congress