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**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-5401**

COMMITTEES:  
EDUCATION AND LABOR  
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NATURAL RESOURCES

September 14, 2010

Raúl Gayá Nigaglioni  
President  
Puerto Rico Chamber of Commerce  
P.O. Box 9024033  
San Juan, PR 00902-4033

Dear Mr. Gayá,

Thank you for your letter of August 19, 2010, expressing the Puerto Rico Chamber of Commerce's concern over the failure of the Federal Communications Commission (FCC) to adopt universal service funding for insular areas. For more than 14 years, the FCC has failed to implement a congressional mandate in the Telecommunications Act of 1996 to adopt universal service funding for insular areas. I, too, am dismayed that the FCC has denied Puerto Rico much-needed infrastructure support. Since joining Congress in 2009, I have fought to secure the funding necessary to advance the Island's economic well-being, including helping to obtain a \$25 million grant from the Department of Commerce to fund broadband infrastructure. I will continue to seek funding to ensure all areas of our Island have fast and affordable telecommunications services.

Over the past year, I have written several letters and spoken directly with FCC Chairman Julius Genachowski to urge the FCC to establish an insular-specific universal service funding mechanism. Despite these efforts, on April 16, 2010, the FCC issued an Order that rejected a proposal to create such an insular-specific funding mechanism. After 14 years of delay, the Commission's denial of wireline infrastructure support will impede Puerto Rico's efforts to provide basic telephone and Internet services to all of its residents. The FCC has recognized that the current telephone penetration rate in Puerto Rico is "materially lower" than the national average and far below all mainland states. Broadband deployment similarly lags significantly behind the rest of our nation. Addressing such inequities was precisely Congress' rationale in directing the FCC in the 1996 Act to adopt universal service funding policies to ensure that consumers in "rural, insular, and high cost areas" have access to telecommunications and information services (1) that are reasonably comparable to the services provided in urban areas and (2) that are available at rates that are reasonably comparable to the rates charged in urban areas.

To advance Puerto Rico's efforts to meet its telecommunications needs, I fully supported the grant application submitted by Critical Hub Network, Inc. to obtain funding for the Puerto Rico

Bridge Initiative. The Initiative will address the high cost of internet services on the Island by creating a high capacity, undersea broadband "bridge" between Puerto Rico and Florida. Through this bridge, the Initiative will reduce backhaul costs by nearly 90%, improve Puerto Rico's interconnectivity, and bring broadband service to underserved areas of the Island. As a result of Critical Hub Network's and my efforts, we were able to secure over \$25 million in funding for the Initiative.

The people of Puerto Rico have long lacked access to the same basic telephone and information services enjoyed by the rest of our nation. I will continue to do everything in my power to obtain the telecommunications funding Puerto Rico needs to advance the Island's economic interests.

Sincerely,

A handwritten signature in cursive script, appearing to read "Pedro R. Pierluisi".

Pedro R. Pierluisi  
Member of Congress