COMMITTEE ON APPROPRIATIONS
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
CHAIRMAN, SUBCOMMITTEE ON EMERGENCY MANAGEMENT, INTERGOVERNMENTAL RELATIONS, AND THE DISTRICT OF COLUMBIA

MARK BEGICH
ALASKA

United States Senate
WASHINGTON, DC 20510

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
CHAIRMAN, SUBCOMMITTEE ON OCEANS, ATMOSPHERE, FISHERIES AND COAST GUARD
COMMITTEE ON VETERANS' AFFAIRS
COMMITTEE ON INDIAN AFFAIRS

April 25, 2013

Honorable Frank Lautenberg
Chairman
Subcommittee on Financial Services and General Government
Senate Appropriations Committee
Senate Dirksen Building, 133
Washington, DC 20510

Honorable Mike Johanns
Ranking Member
Subcommittee on Financial Services and General Government
Senate Appropriations Committee
Senate Hart Building, 125
Washington, DC 20510

Dear Chairman Lautenberg and Ranking Member Johanns:

As the subcommittee begins its consideration of an appropriation bill for the agencies within the jurisdiction of the Subcommittee on Financial Services and General Government, I respectfully request support for the report language requested below.

1. **Title:** Universal Service
Description: Suspension of Funds for the Wireline Competition Bureau
Fiscal Year 2014 President's Budget Request: $37.8 million
Bill Language: Under this section, not more than 25 percent of the funds appropriated shall be made available until the Federal Communications Commission has corrected the variables in the Quantile Regression Analysis negatively impacting carriers' ability to deliver Universal Services to populations residing in high-cost, rural areas.
Accompanying Report Language: The Wireline Competition Bureau was directed by Congress to fix existing errors with three geographic factor variables in the Quantile Regression Analysis negatively impacting carriers' ability to receive reimbursement for costs associated with delivering Universal Services for Americans in rural, high-cost areas. The Committee expects the Federal Communications Commission to address the issues with the geographic variables including climate, percentage of study area on tribal land, and regional location, in order to achieve Universal Service availability for all Americans. Therefore, the Committee recommends not more than 25 percent of the funds appropriated by this Act be made available for the Wireline Competition Bureau until the variables limiting delivery of Universal Services to high-cost, rural areas are addressed and a report detailing the corrections is delivered to the House of Representatives and Senate Committees on Appropriations.
Rationale: In 2011 the Federal Communications Commission established the Quantile Regional Analysis (QRA) for small, rural rate of return carriers, to accomplish a congressionally mandated goal of universal communication services for all Americans. In 2012 the Wireline Competition Bureau (WCB) released Order DA 12-646, *In the*

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Matter of Connect America Fund High-Cost Universal Service Support, creating benchmarks which set limitations on reimbursements by carriers for capital and operating costs recovered through the High Cost Loop Fund. However, the variables used by the WCB have disproportionately impacted reimbursement to carriers delivering services in rural, high-cost areas. Specifically, three variables used to predict capital and operating expidentures – regional location, percentage of the study area on tribal land and the climate – remain unaddressed. This provision will compel the WCB to fix the variables in order to ensure delivery of services to high-cost, rural areas.
Recipient: Federal Communications Commission, Wireline Competition Bureau

2. Title: Truman Scholarship Foundation
Description: The Harry S. Truman Scholarship Foundation was established by Congress in 1975 as the sole federal memorial to President Truman to support graduate education for young people committed to careers in public service. The authorizing statute mandated the trust fund be invested solely in U.S. Treasury Securities.
Fiscal Year 2014 President's Budget Request: $1.650 million
Additional Amount Requested: Support President's Budget
Rationale: As a result of declining interest rates on Treasury Securities, the annual yield from the trust fund has declined by 63 percent ($2.27 million) from Fiscal Year 2002 to Fiscal Year 2012. The Foundation has cut its expenditures by 40 percent during the same period. Even with these significant reductions, the Foundation anticipates a budget deficit of $1.65 million for Fiscal Year 2014 without the requested appropriation.
Recipient: Harry S. Truman Scholarship Foundation Trust Fund

Thank you for your consideration of these requests. Please do not hesitate to contact my staff member, Lindsay Kavanaugh, at (202) 224-1924 if additional information is required.

Sincerely,

Mark Begich
United States Senator