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34 Members of Congress Urge FCC Reform USF High Cost Fund

Call on FCC to Ensure Broadband Adoption is Central to Any USF Reform Plan

WASHINGTON, D.C. – Today, Congresswoman Doris O. Matsui (CA-05), a member of the House Energy and Commerce Committee’s Subcommittee on Communications & Technology, sent a letter to Federal Communications Commission Chairman (FCC) Julius Genachowski recommending that the FCC maintain its commitment to restrain any uncontrolled growth of the High Cost Fund to ensure adequate funding is available for other critical Universal Service Fund (USF) programs – including broadband adoption. The letter was signed by over thirty Members of Congress, including the Ranking Member of the Energy and Commerce Committee Henry Waxman (CA-30), Communications and Technology Subcommittee Ranking Member Anna G. Eshoo (CA-14), and Congressman Edward J. Markey (MA-07).

Signers of the letter urge the FCC to include limiting growth of the USF, which consumers contribute \$4.5 billion to annually, in their upcoming reforms, writing, “As the National Broadband Plan noted, unrestrained growth in the fund not only imposes a greater cost burden on consumers, who pay into the fund via a contribution factor that continues to reach higher and higher levels, but it could also jeopardize public support for the goals of universal service.”

The Members also state that the current level of consumer contributions should be adequate to fund essential programs, like deployment of broadband services to rural areas. At the same time, the letter expresses support that USF should also implement broadband adoption programs to spur adoption rates in both urban and rural areas. “While terrestrial broadband service today is available to 95 percent of U.S. households, only an estimated 67 percent of such households actually subscribe,” the letter reads. “The lack of subscribership is often not due to a lack of interest in broadband, but rather because the households may not have the necessary equipment, training or educational opportunities to take advantage of the benefits of Internet use. Other households simply cannot afford even basic broadband service.”

Congresswoman Matsui understands the necessity of the Internet in today's economy and how crucial the Universal Service Fund (USF) is in spurring broadband adoption rates across the nation in both urban and rural areas. She has continuously advocated for broader access to affordable broadband service, reintroducing the [Broadband Affordability Act](#) earlier this year.

Co-signers of Matsui's letter include: Representatives Joe Baca (CA-43), Howard Berman (CA-28), Timothy H. Bishop (NY-01), Lois Capps (CA-23), Dennis Cardoza (CA-18), Kathy Castor (FL-11), Donna Christensen (VI), Joe Courtney (CT-02), Joe Crowley (NY-07), Diana DeGette (CO-01), Michael F. Doyle (PA-14), Eliot L. Engel (NY-17), Anna G. Eshoo (CA-14), Bob Filner (CA-51), Raul M. Grijalva (AZ-07), James A. Himes (CT-04), Michael Honda (CA-15), Barbara Lee (CA-09), Zoe Lofgren (CA-16), Stephen F. Lynch (MA-09), Edward J. Markey (MA-07), James P. McGovern (MA-03), Jerry McNerney (CA-11), William L. Owens (NY-23), Laura Richardson (CA-37), Linda T. Sanchez (CA-39), Loretta Sanchez (CA-47), Jan Schakowsky (IL-09), Adam Schiff (CA-29), Allyson Y. Schwartz (PA-13), Brad Sherman (CA-27), Mike Thompson (CA-01), and Henry Waxman (CA-30)

A PDF copy of the signed letter is available [here](#).

The full text of the letter is below:

Dear Chairman Genachowski:

We commend the FCC on its efforts to ensure that all Americans have access to broadband services. Broadband has become essential to Americans' economic opportunities and civic life, and it is critical that the FCC take steps to bridge the digital gap between those Americans who are reaping the benefits of broadband and those who have yet to do so. An important element of bridging this "digital divide" is ensuring that sufficient Universal Service Fund (USF) support is available for broadband adoption programs.

Consumers today contribute \$4.5 billion annually toward the USF support for incumbent telephone companies in high-cost areas. As the National Broadband Plan noted, unrestrained growth in the fund not only imposes a greater cost burden on consumers, who pay into the fund via a contribution factor that continues to reach higher and higher levels, but it could also jeopardize public support for the goals of universal service. The collection of up to \$4.5 billion

per year, appropriately targeted to high-cost areas, should provide sufficient funding to support broadband deployment. Within that context, we believe it is clear that uncontrolled growth of the fund is unsustainable. Further, as the reform process moves forward, we encourage the Commission to maintain its firm commitment in the National Broadband Plan to impose responsible and enforceable budget discipline.

Taking such steps will not only promote the best use of consumer dollars for deployment, it is also critically important for ensuring sufficient funding for broadband adoption programs. While terrestrial broadband service today is available to 95 percent of U.S. households, only an estimated 67 percent of such households actually subscribe. In today's economy, the internet has become a necessity, not a luxury. We must do more to promote subscribership through adoption programs. The lack of subscribership is often not due to a lack of interest in broadband, but rather because the households may not have the necessary equipment, training or educational opportunities to take advantage of the benefits of Internet use. Other households simply cannot afford even basic broadband service. In fact, according to the recent FCC survey, more than 28 million Americans do not subscribe to broadband service because of barriers to broadband adoption. A truly complete USF program would include adequate funding to bring critical programs, like broadband adoption initiatives modeled after the Lifeline and Link Up, into the broadband era.

As the FCC considers how to reform the USF program, we urge you to remain mindful of the need for funding adoption programs as well as deployment. With appropriate fiscal responsibility, there is sufficient funding for both – without unduly burdening consumers with additional USF fees. Thank you for your attention to these important issues. Please make this letter available on the record in the appropriate FCC docket.

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