

For Immediate Release Thursday, June 14, 2007

Contact: Adam J. Segal, (202) 422-4673 or adam@keepamericaconnected.org

## NEW STUDIES STRONGLY SUPPORT JOINT BOARD RECOMMENDATION TO CAP USF PAYMENTS TO CETCS

## TEMPORARY PAUSE IN INCREASED SPENDING WILL HAVE NO NEGATIVE IMPACT ON WIRELESS SERVICE IN RURAL AREAS

Arlington, Va. – The Coalition to Keep America Connected released the following statement today concerning two new policy studies by Criterion Economics, on behalf of Verizon, providing strong support for a recommendation of the Joint Board on Universal Service that a temporary cap be imposed on payments from the Universal Service Fund (USF) to CETCs:

"These significant new studies provide powerful data in support of the Joint Board's recommendation. This analysis compellingly finds that bringing skyrocketing payments to CETCs under control will not threaten wireless service in rural areas.

"Specifically, the research finds there is no significant correlation 'between the amount of subsidies paid and the proportion of the population or land area that has wireless coverage.' In fact, according to the analysis, unsubsidized wireless carriers cover 38.5 percent more people than their subsidized counterparts. The unsubsidized providers offer coverage to an impressive 97 percent of the population in those areas, as compared to the subsidized carriers 70 percent.

"The studies expose the myths CETCs have been promoting in a regrettable campaign to block the FCC from acting quickly to preserve and strengthen the Universal Service Fund as a permanent, long-term solution can be identified.

"The Coalition reiterates it strong support for the Joint Board's recommendation and encourages the FCC to continue its commendable efforts to address the mounting crisis that threatens the viability of the Universal Service Fund."

## ###

The Coalition to Keep America Connected is dedicated to ensuring that all consumers have access to affordable telecommunications services and the latest technologies-no matter where they live. The effort is organized by four rural telecom associations, whose memberships include 700 small and midsize communications companies. Together these companies serve millions of consumers and 40% of the landmass across America. Visit us at www.keepamericaconnected.org.