



**For Immediate Release**

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**Rural Telecom Associations Send Letter to Joint Select Committee on Deficit Reduction  
Urging Committee Members to Refrain From Viewing Universal Service Fund  
as Public Monies Available for Debt Reduction**

*No Legislative or Congressional Basis to View USF as Public Monies*

September 26, 2011 (Washington, DC) – Today, the Rural Telecom Associations, composed of the National Telecommunications Cooperative Association (NTCA), the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) and the Western Telecommunications Alliance (WTA), sent a letter to the Joint Select Committee on Deficit Reduction urging the committee members to recognize the long history and legal precedent of the Universal Service Fund as private funds and that those funds are unavailable for use by the Committee to aid in their efforts to reduce the Federal debt.

The joint letter explains: It is imperative that as a member of the Select Committee, you understand the unique nature of the federally mandated, yet privately funded and managed, USF. Throughout its long history, the USF has always been maintained outside the U.S. Treasury and managed by a non-government entity. While the Telecommunications Act of 1996 amended the previously existing framework of the USF, and thereafter the Office of Management and Budget displayed the private USF in the federal budget, there is no legislative or other official indication that Congress ever intended to fundamentally change the manner in which the fund is maintained and administered. Likewise, legal precedents and guidance definitively confirm that the USF monies do not constitute “public monies” that are received for the use of the United States, but rather are private funds that are merely derived and distributed at the discretion of federal statute.

“NTCA appreciates the hard work and leadership of the members of the Joint Select Committee on Deficit Reduction,” NTCA CEO Shirley Bloomfield stated. “As part of their leadership effort, members of the committee must also recognize the Universal Service Fund (USF) does not constitute public money. To avoid disrupting ongoing USF reform efforts and to remain consistent with legislative intent they should not use USF for deficit reduction purposes.”

“Any taking of money from the Universal Service Fund would not result in an actual cut in the federal deficit,” OPASTCO Vice President of Legislative Policy Randy Tyree stated. “This sort of taking would only result in job loss and inadequate communications services.”

The universal service fund is a tremendously successful program,” said WTA’s Executive Vice President Kelly Worthington. “In the last century it enabled telephone service to reach more than 90% of the U.S. population and is now being reformed to expand broadband access in the 21<sup>st</sup> Century. The American people have contributed to this fund expecting their money to be spent on communications networks, not redirected to fund general revenue expenditures. It would be inappropriate, and unwise, for Congress to take money from this off-budget trust fund to pay down the deficit and risk the future deployment of a robust broadband network that is vital for today’s and tomorrow’s communications and economic needs.

A copy of the letter is attached.

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*The **National Telecommunications Cooperative Association** is the premier association representing more than 570 locally owned and controlled telecommunications cooperatives and commercial companies throughout rural and small-town America. NTCA provides its members with legislative, regulatory and industry representation; meetings; publications; and educational programs; and an array of employee benefit programs. Visit us at [www.ntca.org](http://www.ntca.org).*

*The **Organization for the Promotion and Advancement of Small Telecommunications Companies** (OPASTCO) is the leading voice for rural telecommunications, representing approximately 460 small incumbent local exchange carriers serving rural areas of the United States. Its members include both commercial companies and cooperatives, which collectively serve more than 3 million customers. OPASTCO represents rural telecommunications interests before federal regulatory bodies and Congress, provides publications, and holds two conventions annually in January and July of each year, addressing the needs of the small telecommunications industry. The association has an affiliate 501(c)(3) nonprofit the foundation for Rural Education and Development (FRED). Visit us at [www.opastco.org](http://www.opastco.org).*

***Western Telecommunications Alliance** (WTA) is a trade association whose membership is comprised of approximately 250 rural telecommunications carriers providing high-quality voice, video and data services throughout rural areas in the 24 states west of the Mississippi River. On average, WTA member companies serve fewer than 3,000 access lines with fewer than 500 customers in each exchange. WTA’s members serve some of the most rural and hard-to-serve communities in the country and are on the forefront of bringing 21st Century telecommunications services to rural America. Visit us at [www.w-t-a.org](http://www.w-t-a.org).*