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[Coalition to Keep America Connected logo]

Wireless Carriers Oppose USF Reform, Threaten Future Viability of Initiative Crucial to Consumers and U.S. Economic Competitiveness
Wireless Attacks on Federal-State Joint Board Recommendations 'Disappointing'

Arlington, Va. – The Coalition to Keep America Connected released the following statement today concerning efforts by the wireless telephone carriers to oppose interim reforms designed to strengthen the Universal Service Fund (USF):

“It is urgent that public officials and the private sector work constructively to reform and modernize the Universal Service Fund. Failure to make these improvements will threaten the achievements and sustainability of a program crucial to consumers and our nation’s future economic competitiveness.

“Attempts by wireless carriers to obstruct efforts to preserve and strengthen the Universal Service Fund are deeply disappointing and inconsistent with good public policy.

“The Federal-State Joint Board on Universal Service’s recent recommendation to cap at current levels payments to competitive carriers represents a rational and responsible step as the Federal-State Joint Board and the Federal Communications Commission (FCC) develop a long-term solution. The Federal-State Joint Board has made a decision that will bring run-away excessive funding for multiple competitive eligible telecommunications carriers (CETCs) under control, an action that is indispensable to modernizing the universal service program and keeping phone bills low.

“The Joint Board’s decision seeks to remedy the very problem that has appropriately concerned FCC Chairman Martin: USF support payments to wireless carriers have been growing at the rate of 101 percent per year since 2002. It is for this reason that Congressman Lee Terry, coauthor of legislation to strengthen the universal service program, also has applauded the Joint Board’s action in a May 18 letter to Joint Board Chair Deborah Tate.

“Wireless service in rural markets will not be affected negatively by the Joint Board’s recommendation. The more than \$1 billion for wireless and other CETCs received today will continue to flow; it just will not grow at the unsustainable levels of the past several years. The recommended action would not stop support of wireless in rural markets. Rather, it would provide funds at current levels, which ultimately ensures lower telephone bills each month for all communications consumers.

“We hope wireless carriers will end their obstructionism and participate in the bi-partisan effort now underway to ensure that USF continues to offer all Americans access to the enormous benefits of telecommunications networks.”

Editor’s Note: A new fact sheet, with more information on this topic, is available from the Coalition to Keep America Connected.

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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.