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WTA Applauds Committee Approval of FAIR Contributions Act

WASHINGTON, D.C. (May 11, 2022) – Today, the Senate Committee on Commerce, Science, and Transportation approved S. 2427, the Funding Affordable Internet with Reliable (FAIR) Contributions Act. WTA – Advocates for Rural Broadband supports this bipartisan bill introduced by Sens. Roger Wicker (MS), Todd Young (IN) and Shelley Moore Capito (WV) and applauds the Committee for its action.

The FAIR Contributions Act requires the Federal Communications Commission (FCC) to seek public comment on and then study and report on the feasibility of funding the Universal Service Fund (USF) through contributions supplied by edge providers.

“WTA supports efforts to modernize the USF contributions system. It makes no sense to be assessing long-distance voice revenue to fund what is now a broadband-focused fund,” said Derrick Owens, Senior Vice President of Government & Industry Affairs. “One of the proposed solutions is to assess large companies that are making a lot of money off of the availability of a ubiquitous broadband network. This would be a way to shift the burden of supporting the priorities of USF from customers to edge providers. We support the FCC studying this issue to better understand the feasibility of this idea and the affects this action could have on the stability of USF.”

The USF currently helps support the construction, operations, and maintenance of rural broadband networks, the subsidization of broadband connections for low-income Americans, and the connection of school, libraries, and rural health care institutions to the Internet. USF is funded by an assessment on telecommunications provider revenue from long-distance voice service. This revenue has been decreasing for over 15 years. The contributions factor, or the percentage assessment that gets passed onto customers, has been rising over that same time period, from just over 11% in 2007 to over 23% today.

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WTA – Advocates for Rural Broadband is a national trade association that represents more than 360 small, rural telecommunications carriers providing voice, broadband and video-related services in the United States. 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. To learn more about WTA, visit www.w-t-a.org.