

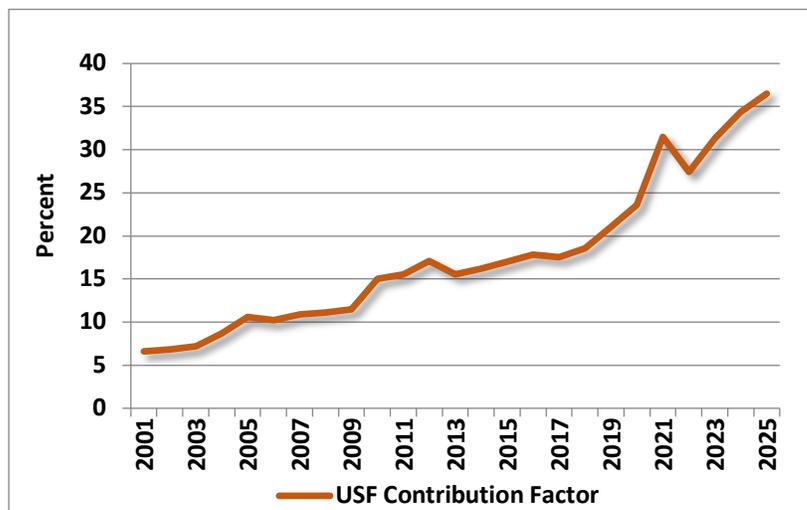
S. 1651/H.R. 4032 The Lowering Costs for Broadband Consumers Act

BACKGROUND

In 1996, Congress codified the federal Universal Service Fund (USF) with the goal of ensuring all Americans have access to affordable communications services. Today, the USF's four programs, which are administered by the Federal Communications Commission (FCC), support network buildout in rural America (High-Cost Program), and the provision of broadband to low-income consumers (Lifeline Program), schools and libraries (E-rate Program), and rural health care providers (Rural Health Care Program). While originally focused on telephone service, the FCC has modernized the distribution of funding from all four programs so that they support broadband access.

THE PROBLEM

The USF mechanism that funds the four programs is paid for from assessments on revenues from voice-based services. This revenue, on a quarterly basis, has declined from around \$17 billion 15 years ago to around \$8 billion today. Declining revenue means that in order to continue to meet the needs of the fund, the percentage assessed on that revenue must go up. This percentage, or contributions factor, has risen to over **37% in 2026**, up from 5.5% when the contribution factor was initially assessed, a more than 600% increase. These trends are not expected to change, which makes the current mechanism unsustainable.



THE SOLUTION

The Lowering Costs for Broadband Consumers Act (S. 1651/H.R. 4032), bipartisan, bicameral legislation introduced by Senators Markwayne Mullin (R-OK) and Mark Kelly (D-AZ) and Representatives Randy Feenstra (R-IA) and Teresa Leger Fernandez (D-NM), would modernize the contributions methodology so that it no longer relies on long-distance voice revenue to support a broadband-focused fund, but requires all users of the broadband network to contribute.

The bill requires the FCC to complete a rulemaking to reform the USF contributions base so that large edge providers and broadband providers contribute on an equitable and nondiscriminatory basis to the specific, predictable, and sufficient mechanisms authorized by Congress and established by the FCC to preserve and advance universal service. The legislation also requires the FCC to modernize the network costs that are eligible for reimbursement under USF to include aspects that were not applicable in the past.

The benefits of a ubiquitous high-speed broadband network to which all Americans can afford access are indisputable. Just like our transportation network, where the heaviest users of the highway system pay a little more to build, upgrade, and maintain the network, so too should heavy users of the broadband network contribute to its upkeep and expansion. Support the Lowering Broadband Costs for Consumers Act!