KEEP OUR COMMUNITIES CONNECTED

September 15, 2025

Senator Deb Fischer of Nebraska
Chairwoman of the Universal Service Funding Working Group, Telecommunications and Media Subcommittee
448 Russell Senate Office Building
Washington, DC 20510

Subject: Universal Service Fund (USF) Working Group - Request for Comment

Dear Honorable Senator Fischer,

On behalf of Keep Our Communities Connected (KOCC) and the signatories below, I am pleased to submit this response to the Universal Service Fund (USF) Working Group's Request for Comment. As a movement dedicated to preserving and modernizing the USF, we advocate for a coordinated, bipartisan approach that unites diverse stakeholders—from advocacy and civil rights groups to industry organizations—to mobilize grassroots support for affordable, high-speed broadband connection for all U.S. communities. This includes hosting an event on Capitol Hill in March 2025, which convened coalition members and supporters in Washington, D.C., to hear from members of Congress and representatives from the Federal Communications Commission (FCC), school districts, library associations, and parent advocacy groups about the need for affordable and accessible communication services for all Americans.

This past June, the U.S. Supreme Court upheld the constitutionality of the USF's contribution factor, reinforcing its role as the backbone of America's connectivity infrastructure and policy. Despite this validation, the USF faces profound challenges: an eroded funding base, outdated definitions, and uneven availability and outcomes across its programs. Our responses to the Request for Comment emphasize the need for Congress to modernize the Fund, safeguard its fiscal sustainability, implement transparency and accountability measures, including better data collection from the FCC, and ensure that it remains future-ready to support education, healthcare, and economic mobility for all Americans.

How should Congress evaluate the effectiveness of each USF program in achieving their respective missions to uphold universal service?

Congress should evaluate the effectiveness of the USF's programs through an outcomes-based framework rooted in the lived realities of communities. Traditional measures, such as coverage maps, fail to capture whether households and institutions are truly connected. These metrics should include:

- **Availability:** Whether the available broadband meets or is above the FCC benchmark of 100 Megabits per second (Mbps) download and 20 Mbps upload speeds, a standard set in 2024.

- **Affordability:** Whether low-income, rural, and Tribal households can access broadband without disproportionate financial strain, including with the inclusion of pricing data in annual analysis provided by the FCC.
- **Adoption and Use:** Program enrollment and sustained use of broadband services by households, schools, libraries, and health facilities.
- **Reliability and Resiliency:** Network performance (latency, downtime, redundancy) and the ability to withstand disruptions.
- **Community Impact:** Demonstrated benefits in education (student learning outcomes and E-Rate-supported remote learning), health (telehealth utilization and insurance coverage rates), and participation in the local workforce and economy.

Evaluations must be made public and acknowledge the barriers and realities of geography, limited infrastructure, and costs, particularly for rural and Tribal communities. Lastly, USF programs should be evaluated on whether they close persistent connectivity gaps and sustainability in places where the private market has not invested. Any evaluation framework must center on whether communities are connected, not just markets.

How well has each USF program fulfilled Section 254 of the Communications Act of 1996?

Section 254 of the Communications Act of 1996 established a list of guiding Universal Service principles, a funding mechanism, and is the backbone for the current four USF programs. Each program has contributed to the USF's mission of "access to telecommunications and information services should be provided in all regions of the Nation."

- **E-Rate** has connected schools and libraries to high-speed internet, equalizing opportunities for students regardless of their family's income status. This was particularly beneficial during the COVID-19 pandemic when schools were shuttered and had to shift to remote learning. School districts, particularly those with a high population of low-income students, would have struggled to connect their students to the internet and their schooling without access to E-Rate funds. Following the pandemic, E-Rate funds have enabled students to access out-of-school learning, tutoring, or internship opportunities that were previously inaccessible to them. To this end, data from 2023 shows that 74% of school districts provide internet access at speeds sufficient to support digital learning (a 57.4% increase since 2020), and 16 states have 80% or more of their districts operating at 1 Mbps per student. While these improvements are significant, E-Rate must maintain its mission of providing access in all regions.
- **Rural Health Care** has enabled telehealth access in hard-to-reach regions, like rural or Tribal communities. This program was particularly beneficial during the COVID-19 pandemic, as previously in-person appointments transitioned to virtual, enabling patients to be seen by their doctors from anywhere, at any time. Without the Rural Health Care USF program, 16,000 rural health care providers

would lack access to high-speed broadband and face greater financial difficulties, potentially impacting their services.

- **Lifeline** has provided crucial subsidies for broadband and phone services to millions of low-income households across the U.S. However, the subsidy has become insufficient for modern connectivity needs, with broadband service costs far exceeding the subsidy amount. As a result, enrollment in the program has steadily declined in recent years, with rising broadband costs compounded by a burdensome enrollment process, strict eligibility requirements, limited access to providers, and low public awareness.
- **High-Cost**, the most extensive USF program by funding, has provided critical support for broadband infrastructure in hard-to-reach areas, such as rural and Tribal communities. However, the availability of broadband services in these areas remains dramatically behind the rest of the country.

In addition to the points we raise for each of the USF programs above, we urge Congress to align Section 254's mission and redefine universal service funding for "last-mile" and "middle-mile" infrastructure to enhance regional connectivity and network redundancy and establish a new standard for a minimum threshold for speed, latency, reliability, and data capacity to meet contemporary needs. As we lay out, each USF program has contributed to the mission of Section 254, but digital divides between regions and classes remain.

Has the FCC adequately assessed each USF program against consistent metrics for performance and advancement of universal service?

We urge the FCC to establish mechanisms for publicly reporting accurate and timely information. This requires modernized data collection and reporting systems, such as a publicly available dashboard that displays the speed, latency, and reliability of broadband services for each program, the number of people actively connected to the network via USF programs, and highlights regions of the country where access is lacking.

Therefore, we urge the FCC to adopt:

- **Uniform KPIs** for speed, latency, reliability, and data capacity for each program.
- **Use modernized data collection processes** to provide real-time reporting.
- **Publish a public-facing dashboard** so stakeholders, policymakers, and service providers can track program performance.

High-quality data collection and reporting must be the backbone of any future decision-making, be used to verify that funds are being efficiently allocated, to measure program performance against FCC-established benchmarks for "fast" and "reliable" broadband service, and to ensure that the USF programs are leading to an increased number of students, people, households, schools, or hospitals connected to the internet.

What reforms within the four existing USF programs would most improve their:

- **Transparency:** A unified, publicly available dashboard mapping program disbursements, network performance, and adoption outcomes for each program. Additionally, the FCC should mandate audits of the programs and their alignment with the FCC's uniform KPIs, as called for above. Independent, third-party evaluators should commission this dashboard and audits to ensure that the data is free from interference or political arguments.
- **Accountability:** Mechanisms that broaden the responsibility for contributions to include a larger spectrum of entities that benefit from broadband connectivity, including large technology and social media companies and edge providers.
- **Cost-effectiveness:** Funding for USF programs should prioritize future-proof technologies, such as fiber and middle-mile infrastructure. This ensures that funding is efficiently and effectively allocated for the development of scalable, resilient, and enduring infrastructure.
- **Administration:** We urge the Universal Service Administrative Company (USAC) to streamline its administration, application, and compliance processes for all USF programs. Aside from public awareness, one of the most significant barriers to accessing USF funds is the burdensome application process to receive and remain in compliance with program requirements. Artificial intelligence (AI) tools, including automated network monitoring, could be used to help collect information for the application and compliance requirements.
- **Role supporting universal service:** The FCC must define what "universal service" entails for modern, contemporary internet use. This requires establishing minimum download and upload thresholds, defining what constitutes "affordable" broadband access, implementing cybersecurity requirements, developing resiliency plans, and ensuring interoperability. We suggest:
    - **Minimum speeds** of a baseline of 100 Mbps download / 20 Mbps upload, scalable over time; at a minimum of 1 Gbps for anchor institutions.
    - **Affordability** thresholds that establish a maximum market rate for high-speed internet service.
    - **Cybersecurity requirements** that ensure Americans' service, data, and information are protected from malware or cyberattacks. This includes training system administrators on risk mitigation strategies.
    - **Resiliency requirements** for both cyberattacks and physical threats posed by weather events or climate change.
    - **Interoperability** with other commercial, public, and government networks, preventing the creation of isolated data sets and enhancing communications across ecosystems.

What reforms would ensure that the USF contribution factor is sufficient to preserve universal service?

The current contribution factor for the USF is outdated, doesn't reflect the ubiquitous integration of the internet in our lives, and is expected to run dry within the next decade, reflecting an urgent need for reform. The current scheme is also inefficient, as it burdens

a small, price-sensitive, and declining base, and is regressive, with a higher proportional burden falling on those least able to afford it. The taxable base for telecommunications services has steadily declined from $70 billion in 2003 to $30 billion in 2022, a decrease of more than 50%. This decline is due to consumers having multiple means of communication, many of which are free, making them less inclined to use taxed services. As the pool of taxable telecommunication revenues decreased with the move to more data usage, the FCC has had to increase the tax rate from 14% in 2010 to over 34% in 2024 to maintain the revenues spent by the USF.

Therefore, we urge Congress to reform the contribution system towards a broader base of funds that includes services and entities that benefit from this ubiquitous broadband ecosystem. This could include incorporating revenue from the Broadband Internet Access Service (BIAS), large technology or social media companies, and edge providers in the contribution factor pool. Lastly, USF revenue cannot be tied to annual Congressional Appropriations to ensure that funding is depoliticized, stable, sustainable, and predictable for the millions of Americans and communities who benefit from the programs.

What reforms would reduce waste, fraud, and abuse in each of the four USF programs?

Continuing to support the establishment of public trust and transparency is paramount for the effectiveness and sustainability of the USF. Therefore, we recommend the following steps to safeguard USF programs from waste, fraud, or abuse:

- **Eligibility Verification:** Establish an efficient but stringent application and compliance process that ensures USF funding is fulfilling the mission of providing universal service.
- **Independent Auditing:** A third-party, independent auditor must be installed to evaluate the effectiveness of USF programs and to minimize any politicization or bias in the results.
- **Transparent Reporting:** A public dashboard, commissioned by Congress but independent of the FCC, should display where USF funds are disbursed, regions of the country that are covered, and real-time information on connectivity and network speeds.
- **Tiered Enforcement:** Penalties for misusing USF funds must be tiered by who is misusing the funds. In other words, penalties for service providers cannot be the same as those for a small rural school district and can be dependent on the severity of the misuse. This ensures that enforcement doesn't disproportionately burden or harm communities that benefit most from USF programs but are also held accountable for using funds appropriately.

What actions would improve coordination and efficiency among USF programs and other FCC programs, as well as broadband programs housed at other federal agencies?

Coordination across USF programs is critical for ensuring efficiency, reducing waste or fraud, and achieving universal service.

- **Interoperability Standards:** We urge the FCC to establish interoperability standards to ensure that data is uniformly reported and can be easily analyzed by independent auditors and the public.
- **Program Eligibility Clarity:** Communities may qualify for multiple USF programs, leading to confusion and burdensome application processes. Therefore, the FCC should align application and compliance processes for specific communities and situations to ensure that they have access to the maximum support available from USF programs.

For any recommendations on reforms, does the Commission currently have the feasibility and authority to make such changes?

The FCC has the authority to modernize reporting, enforce anti-fraud safeguards, streamline administration, and institute speed, affordability, interoperability, cybersecurity, and resiliency requirements for USF programs. However, as we have called for, broadening the contribution base and redefining "universal service" would require Congressional action.

Is the USF administrator, the Universal Service Administrative Company (USAC), sufficiently accountable and transparent? Is USAC's role in need of reform?

The USAC has the technical expertise to ensure sufficient accountability and transparency. However, we urge the USAC to modernize its data-driven oversight, reporting, and accountability measures to better achieve universal service, including examining the use of emerging technologies to streamline application processes and reduce overhead costs. These measures would improve USF accountability and accessibility without undermining the USAC's legislated abilities. Therefore, we urge Congress to urge the USAC to:

- Create real-time public dashboards to visualize USF program disbursements and outcomes.
- Improve communications about eligibility and decision-making.
- Undertake governance reforms to ensure responsiveness to underserved communities.
- Further, the development of more automated application processes, verification, and data modernization efforts to enhance transparency and accountability

The Universal Service Fund reflects a national commitment that every American, regardless of their location or income, should have access to affordable, high-speed broadband services. For nearly three decades, it has helped close digital divides in education, healthcare, and economic participation; however, its sustainability remains in jeopardy. Without reform, the USF risks insolvency at a time when broadband access has become most essential for learning, working, and engaging in civic life. With reform—aligned in fiscal integrity and sustainability, transparency, and accountability—the USF can continue to connect every student, patient, and family member. We urge Congress to act swiftly and decisively to preserve and modernize this

critical program before today's digital divides become permanent barriers to economic mobility and prosperity.

We appreciate the opportunity to provide input on the Universal Service Fund Working Group's Request for Comment and welcome further discussion on these recommendations.

Please reach out to Erin Mote (erin@innovateedunyc.org), Chief Executive Officer of InnovateEDU, if there is anything that we can do to support the development or implementation of the Universal Service Fund Working Group.

Sincerely,

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