

# A Permanent Solution for Saving the Affordable Connectivity Program: Modernize Universal Service Contributions

**T**he Affordable Connectivity Program (ACP) remains a transformative force, connecting more than 23 million households to the internet, but funding is expected to expire in April. The Universal Service Fund (USF) supports broadband connectivity and affordability but is primarily supported by a shrinking number of voice telephone customers.

Here are four concrete and achievable steps Congress can take to solve both of these issues:

## STEP ONE: PROVIDE STOP-GAP FUNDING FOR ACP

- ▶ Congress should provide immediate funding to keep the ACP operational while a permanent fix is put in place.
- ▶ Congress can avoid the need for an appropriation by granting the FCC limited borrowing authority, to access the \$7 billion needed to temporarily fund the ACP and repay the U.S. Treasury through an expanded base of USF contributors.

## STEP TWO: MODERNIZE UNIVERSAL SERVICE FUNDING

- ▶ The USF has been and will continue to be the source of the nation's commitment to ensuring low-income households, rural Americans, as well as health, education and library facilities all have access to modern communications.
- ▶ A dwindling base of landline voice customers, just one in four Americans, disproportionately foot the bill for USF. This is an unsustainable burden on telephone customers, especially older Americans.
- ▶ By modernizing USF contributions, Congress can reduce the USF fee on wireless and landline customer bills by 65% or more each month.

## STEP THREE: BRING BIG TECH TO THE TABLE

- ▶ Congress should give the FCC the legislative tools needed to ensure Big Tech and other parts of the Internet ecosystem become partners in the effort to support USF.
- ▶ Universal connectivity is the foundation of the financial success of Big Tech companies like Alphabet, Apple, Amazon, Meta and Microsoft. Yet, none of these companies contribute a dime to support USF's connectivity programs. These dominant Big Tech companies that benefit financially from the connectivity that USF makes possible should contribute to our shared goals of connectivity and affordability.

## STEP FOUR: STREAMLINE AND SIMPLIFY

- ▶ A modern funding formula can secure the future of both the ACP and USF programs. Congress should direct the FCC to modernize the USF funding base and merge the ACP into the USF to ensure a collective, coordinated national commitment to our shared goals of connectivity and affordability.

With nearly 80% of the country lining up in support of the ACP, this 4-step plan could be one of the most meaningful real-world deliverables for Congress this year. **The time is now for Big Tech and others to join with us in helping to ensure all Americans are connected.**