

WASHINGTON - Today, House Energy and Commerce Committee Members Rick Boucher (D-Va.) and Lee Terry (R-Neb.) introduced the Universal Service Reform Act of 2007 to improve the Universal Service Fund (USF) and ensure its continued viability by broadening the base of contributions into the Fund, controlling distributions from the Fund, and assisting with the rollout of high speed broadband access.

"The Universal Service Fund provides essential communications services to millions of customers in rural areas and the legislation we introduce today will encourage the deployment of broadband, especially in rural areas, by allowing recipients for the first time to use universal service support to deploy broadband within their service areas. The Universal Service Act of 2007 will control the spiraling growth of the Universal Service Fund while ensuring that universal service support is available to rural carriers, which rely on it to provide service. Our measure will expand who pays into the Fund, cap the growth of the Fund and modernize the Fund by allowing its use for the deployment of high speed broadband service," Boucher said.

"The commonsense approach embodied in this measure will ensure that Universal Service support remains available for the preservation of local exchange and broadband service, particularly in rural and underserved

areas, far into the future," Terry said. "This consensus measure will lessen demand for universal service support by limiting the number of eligible telecommunications carriers and compensating such carriers based on their actual costs of providing service. Reforming USF is a significant step in closing the gap between rural and urban , allowing for all of to compete in the global market place with both products and ideas."

Since enactment of the Telecommunications Act of 1996, a variety of new providers of voice services, which are exempt from USF payments, have entered the market, resulting in greater USF funding burdens being placed on traditional service providers. The Universal Service Reform Act of 2006 responds to these developments by adding providers of services which substitute for traditional service and providers of connections to the broadband network to contributors to the USF.

The Universal Service Reform Act of 2007 controls the growth of the USF by capping all high-cost support mechanisms of the USF.

The measure will also encourage the deployment of broadband, especially in rural areas, by allowing recipients to use universal service support to deploy broadband within their service areas and by requiring recipients of universal service support to deploy broadband with a download speed of 1 megabit per second or greater within 5 years of enactment.

The Universal Service Reform Act of 2007 has received the endorsement of major telecommunications carriers and leading industry groups included AT&T, Qwest, Embarq, the National Telephone Cooperative Association (NTCA), the Independent Telephone and Telecommunications Alliance (ITTA), Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) and the Western Telecommunications Alliance.

"After a lengthy process of consultation with industry representatives and others with an interest in the Universal Service Fund, we are introducing this measure, which reflects broad areas of consensus," Boucher concluded.

"I look forward to working with Mr. Boucher and my colleagues on the Energy and Commerce Committee to bring this legislation forward for consideration," Terry said. "USF reform is critical to the future of broadband roll-out to bolster rural and urban American competitiveness."

Congressmen Boucher and Terry look forward to hearings on universal service reform and to working with their colleagues on the House Energy and Commerce Committee and in the Congress to enact this consensus measure into law.

