

One year ago this month , Rep. Lee Terry (R-NE) told his fellow members of the Congressional Rural Caucus that the Universal Service Fund needed to be strengthened and made available to companies that are deploying broadband in rural areas. "Nobody knows the importance of the Universal Service Fund better than the Members of this Caucus and their constituents ," he said then. "The USF is vital to the future growth of telecom service in our districts , states , and country. That is why it is critical that Congress take the initiative and reform the current program before rural is left completely out in the cold , without broadband services that millions of other Americans enjoy."

He and Rick Boucher (D-VA) had assembled a draft of a bill that would free up USF money for broadband and would expand the financial reach of the program. It was designed to accompany the expected overhaul of the 1996 Telecommunications Act , but that overhaul died last year and the USF provisions disappeared into the Congressional graveyard.

Well , it's *Night of the Living Dead* in Congress , as many Senators and Representatives have already tweaked and reintroduced legislation that previously failed to pass. Boucher and Terry have also revived their USF initiative , but are busy making tweaks to the proposal before submitting it to Congress later this spring.

Boucher told the Congressional Internet Caucus this week that the USF bill was alive and well , and that most of the parties involved had accepted the idea. According to the [National Journal](#) , the current plan has three parts. First up is funding: how to pay for the plan? The bill would tax any provider who offers a network connection , which means that fees would certainly be passed on to consumers who use broadband connections or VoIP services.

The money would be used to fund rural broadband service , but the legislation requires broadband providers to make an agreement with the government--in return for the cash , any company which accepted any sort of USF money would have to meet some performance targets for offering broadband. Rural communities like this , but companies don't.

The bill will also include language less palatable to rural communities , though: there will no longer be a requirement to ensure that prices in rural areas are equivalent to those in major cities , which means that prices could rise. Whether this compromise agreement can pass remains to be seen , but Boucher said that there is broad agreement on the bill throughout Congress.

Is this what's needed to stimulate more broadband access in the US ? Critics aren't so sure , largely because they [don't believe that the USF is well-administered](#) . The FCC , for its part , claims that broadband access is only unavailable in 1 percent of US ZIP codes , but the Commission's odd methodology (counting a ZIP code as "served" if it has a single broadband connection of any kind) obviously fails to do justice to the reality of living in rural areas , where it's often impossible to get a cable or DSL connection. (Satellite , the one option available to most rural residents , has a least one tremendous drawback: lag).

<http://arstechnica.com/news.ars/post/20070202-8757.html>



