



Press Release

The Debate on Universal Service Fund Reform: A Primer

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The Universal Service Fund (USF) aims to ensure that all Americans have access to essential telecommunication services and is, according to the Federal Communications Commission, the cornerstone of federal efforts to bridge the digital divide. In a new primer, Technology and Innovation Policy Analyst Juan Londoño outlines the current functioning of the USF, challenges of its funding mechanism, and three major proposals to reform it.

Key points:

- The Universal Service Fund (USF) is a decades-old program that aims to ensure that all Americans have access to essential telecommunication services; while initially focused on telephone services, it now covers “advanced services” such as broadband.
- The USF is funded through contributions from telecommunications companies, which must pay a percentage of its interstate and international revenues from its traditional telecommunications services, such as voice telephony.
- As the fund’s scope has been broadened to cover new services, there has been a push to reform its contribution mechanism, especially as the subscription rate to landline voice services has been steadily declining; there is no consensus over what the appropriate funding mechanism should be, however.
- The introduction of new programs aimed at low-income populations such as the Emergency Broadband Benefit/Affordable Connectivity Program raises the question of whether the USF has become redundant.

[Read the analysis](#)