



# NEWS

**Federal Communications Commission**  
445 12<sup>th</sup> Street, S.W.  
Washington, D. C. 20554

News Media Information 202 / 418-0500  
Internet: <http://www.fcc.gov>  
TTY: 1-888-835-5322

---

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.  
See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

---

**FOR IMMEDIATE RELEASE:**  
April 21, 2010

**NEWS MEDIA CONTACTS:**  
Mark Wigfield: 202-418-0253  
Email: [Mark.Wigfield@fcc.gov](mailto:Mark.Wigfield@fcc.gov)

## **FCC KICKS OFF UNIVERSAL SERVICE REFORM**

### *Reform Key to Making Broadband Available for Millions of Americans Who Lack Access*

Washington D.C. – The Federal Communications Commission today took its first step toward a once-in-a-generation transformation of the Universal Service Fund from supporting networks providing plain old telephone service into an effective and efficient tool for making affordable, high-quality broadband communications service available to all Americans.

The National Broadband Plan that the Commission sent to Congress last month identified the need for comprehensive universal service reform that does not unnecessarily burden consumers. Today's Notice of Inquiry (NOI) and Notice of Proposed Rulemaking (NPRM) begin the hard work of implementing the Plan's recommendations, which include cutting inefficiencies in existing support of voice services and creating a Connect America Fund (CAF) that directly supports broadband without increasing the size of the Universal Service Fund over the current baseline projection.

The NOI asks for public comment on the use of an economic model to precisely target support for areas where there is no private-sector business case for carriers to provide broadband and voice services. The economic model developed in the Plan estimates the gap between the cost of deploying broadband services to Americans living in unserved areas and the potential additional revenue generated from the broadband investment. The NOI seeks comment on how that model could be adapted to determine efficient levels of universal service support to provide all Americans with broadband access.

The NOI also seeks comment on how to quickly provide consumers in unserved areas with broadband access while the Commission is considering final rules to implement fully the new CAF funding mechanism.

The NPRM seeks comments on a number of proposals to cut legacy universal service spending in high-cost areas and to shift support to broadband communications. These proposals include capping the overall size of the high-cost program at 2010 levels; re-examining the current regulatory framework for smaller carriers in light of competition and growth in unregulated revenues; and phasing out support for multiple competitors in areas where the market cannot support even one provider.

Action by the Commission April 21 by Notice of Inquiry and Notice of Proposed Rulemaking (FCC 10-58). Chairman Genachowski, Commissioners Copps, McDowell, Clyburn, and Baker. Separate statements issued by Chairman Genachowski, Copps, McDowell, Clyburn, and Baker.

Docket 10-90

-FCC-

News and information about the Federal Communications Commission is available at [www.fcc.gov](http://www.fcc.gov).