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For Immediate Release

FCC ACTS TO LOWER RURAL BROADBAND PRICES

***Provides Relief from Rule Unfairly Driving Up Cost of Service
for Subset of Rural Providers and Their Customers***

WASHINGTON, June 7, 2018—Continuing its push to close the digital divide in rural America, the Federal Communications Commission today set aside enforcement of rules that were unfairly driving up the cost of broadband service for the customers of certain rural providers.

Access to affordable broadband service is key to education, information, and economic development, and nowhere is the need more critical than in rural areas. Yet, current FCC rules impose disparate financial burdens on certain rural broadband providers, and in turn, increase the cost of broadband for their customers. Specifically, unlike all other Internet access services providers, or ISPs, certain small, rural “rate-of-return” providers must pay into the FCC’s Universal Service Fund (USF) fees on the revenues they earn from broadband Internet access transmission service. These fees ultimately get passed on to their customers and can add seven dollars or more a month to a subscriber’s bill.

To level the playing the field among all ISPs and reduce the cost of broadband in many rural areas, the FCC today granted a petition for forbearance that will, in effect, waive the requirement for small, rural carriers to contribute to the USF on their broadband Internet access transmission service revenues. The relief the FCC adopted today will make broadband service more affordable for these carriers’ customers in rural America.

Action by the Commission June 7, 2018 by Order (FCC 18-75). Chairman Pai, Commissioners O’Rielly, and Carr approving. Commissioner Rosenworcel concurring. Chairman Pai, Commissioners O’Rielly, Carr, and Rosenworcel issuing separate statements.

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