Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
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Petition of NTCA—The Rural Broadband Association and the United States Telecom Association for Forbearance Pursuant to 47 U.S.C. § 160(c) from Application of Contribution Obligations on Broadband Internet Access Transmission Services	)	WC Docket No. 17-206

ORDER

Adopted: June 7, 2018 **Released: June 8, 2018**

By the Commission: Chairman Pai and Commissioners O'Rielly, and Carr issuing separate statements; Commissioner Rosenworcel concurring and issuing a statement.

I. INTRODUCTION

1. In this Order, we address a petition filed by NTCA—The Rural Broadband Association (NTCA) and the United States Telecom Association (USTelecom) (collectively, Petitioners) for forbearance from the application of Universal Service Fund (USF or Fund) contribution requirements under the Communications Act of 1934, as amended (the Act), and the Commission's rules to broadband Internet access transmission services provided by rural incumbent local exchange carriers (rural LECs).[1]

2. We find that forbearance in this instance is warranted under section 10 of the Act,[2] and we therefore grant the petition. Forbearance will level the playing field between certain rural LECs and other Internet service providers by eliminating disparities in the USF contribution requirements imposed on those rural LECs that choose to provide broadband Internet access transmission services on a common carriage basis. Moreover, forbearance supports the Commission's fundamental mission to promote competition, consumer protection, and universal service. Accordingly, we forbear from applying section 254(d) of the Act and section 54.706 of the Commission's rules to all broadband Internet access transmission services.

II. BACKGROUND

3. *USF Contribution Obligations of Broadband Internet Transmission Providers.* Section 254(d) of the Act directs that "[e]very telecommunications carrier that provides interstate telecommunications services shall contribute, on an equitable and nondiscriminatory basis, to the specific, predictable, and sufficient mechanisms established by the Commission to preserve and advance universal service."[3] Section 254(d) also gives the Commission permissive authority by providing that "[a]ny other provider of interstate telecommunications may be required to contribute to the preservation and

[1] Petition for Forbearance of NTCA – The Rural Broadband Association and the United States Telecom Association, WC Docket No. 06-122 (filed June 14, 2017) (Petition). The Wireline Competition Bureau issued a Public Notice seeking comment on the Petition on August 14, 2017. *Pleading Cycle Established for Comments on NTCA and USTelecom's Petition for Forbearance from USF Contribution Requirements*, WC Docket No. 17-206, Public Notice, DA 17-765 (WCB 2017). *See* Appendix A for a full list of commenters in this proceeding.

[2] 47 U.S.C. § 160(a).

[3] *Id*. § 254(d).

advancement of universal service if the public interest so requires."[4] To this end, the Commission has determined that common carriers and private carriage providers that provide interstate telecommunications for a fee generally must contribute to the USF based on their interstate and international end-user telecommunications revenues.[5]

4. Although the Commission does not, and has never, imposed contribution obligations on retail broadband Internet access service,[6] current rules carve out one component of that service for potential contribution. Specifically, rural LECs that choose to offer broadband Internet access transmission service as a common-carriage service in order to participate in the National Exchange Carrier Association, Inc. (NECA) pooling arrangements or other tariffed rate structures that reflect rate-of-return regulations must contribute based on their revenues from these common-carriage offerings.[7] Notably, our federal universal service rules require such treatment for these small, legacy rate-of-return carriers alone—otherwise, expenditures for broadband services would be excluded from support. By contrast, carriers supported by other mechanisms (such as those receiving model-based support) may instead integrate their transmission services into their finished broadband Internet access service offerings, rendering them exempt from contribution requirements.

5. *Petition for Forbearance.* On June 14, 2017, Petitioners filed a petition seeking forbearance from the application of USF contribution requirements to rural LECs' provision of broadband Internet access transmission services.[8] Petitioners request targeted, temporary forbearance from USF contribution requirements applied pursuant to section 254(d) of the Act and section 54.706 of the Commission's rules for rural LEC-provided broadband Internet access transmission services, until the Commission reaches a decision on the contribution obligations of any and all broadband services.[9] Petitioners argue that pending comprehensive contributions reform that considers the disparate treatment of the contribution obligations of rural LEC-provided broadband Internet access transmission services vis-à-vis other

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[4] *Id.*

[5] The Commission also requires certain other providers of interstate telecommunications to contribute to the Fund. 47 CFR § 54.706(a). Although the Commission exercised its permissive authority to assess a contribution requirement on private carriage providers, it exempted certain government entities, broadcasters, schools, libraries, systems integrators, and self-providers from that requirement. *Id*. § 54.706(d).

[6] *See, e.g.*, *Universal Service Contribution Methodology; A National Broadband Plan for our Future*, WC Docket No. 06-122, GN Docket No. 09-51, Further Notice of Proposed Rulemaking, 27 FCC Rcd 5357, 5389-92, paras. 65-72 (2012) (seeking comment on whether the Commission should impose contributions on broadband Internet access services); *Protecting and Promoting the Open Internet*, WC Docket No. 14-28, Report and Order on Remand, Declaratory Ruling, and Order, 30 FCC Rcd 5601, 5835-37, paras 488-91 (2015) (forbearing from the application of universal service contributions to broadband Internet access services).

[7] *Appropriate Framework for Broadband Access to the Internet Over Wireline Facilities et al.*, CC Docket Nos. 02-33, 01-337, 95-20, 98-10, WC Docket Nos. 04-242, 05-271, Report and Order and Notice of Proposed Rulemaking, 20 FCC Rcd 14853, 14900-01, 14909, 14915-16, paras. 89 & n. 269, 103, 113 & n.357 (2005) (*Wireline Broadband Classification Order*).

[8] Section 10(c) states that "any telecommunications carrier, or class of telecommunications carriers, may submit a petition to the Commission requesting that the Commission exercise authority granted under this section with respect to that carrier or those carriers, or any service offered by that carrier or carriers." 47 U.S.C. § 160(c). NTCA and USTelecom are not themselves a carrier or class of carriers. Their members, however, are telecommunications carriers and individually would have standing to request forbearance under section 10, so we find NTCA and USTelecom to be appropriate entities to submit a petition on their behalf. *Cf. Warth v. Seldin*, 422 U.S. 490, 511 (1975) (stating that, as a general matter, a trade association has standing to act on behalf of a member where the association alleges that its member would suffer an injury as a result of the challenged action, and the injury is of a sort that would make out a justiciable case had an association member challenged the action directly); *Office of Communication of the United Church of Christ v. FCC*, 359 F.2d 999 (D.C. Cir. 1966). In any event, the Commission has authority to forbear on its own motion.

[9] Petition at 2.

broadband Internet access providers, forbearance is necessary to level the playing field among competitive providers of these services in the near term.[10]

6. Specifically, Petitioners argue that rural LECs that elect to offer their broadband Internet access transmission service on a common carrier basis in order to obtain cost recovery for such services via access rates are at a disadvantage vis-à-vis the majority of other broadband Internet access providers that are not required to contribute to the Fund.[11] Petitioners argue that this disparate treatment has become more pressing in the wake of the Commission's 2016 *Rate-of-Return Reform Order,* which granted contributions relief to rate-of-return carriers receiving model-based support.[12] The subset of rural LECs that do not elect model-based support and continue to offer a separate transmission service must incur USF contribution obligations (borne ultimately by their customers in most cases) in order to receive high-cost support.[13]

7. Petitioners argue that requiring certain rural LECs to contribute to the Fund while others are not required to do so is anti-competitive because it imposes pricing pressures on rural LECs that "are materially higher than those faced by any other operator."[14] According to Petitioners, this disparate treatment "makes it difficult, if not impossible, for rural LECs to provide services at rates that are 'reasonably comparable' to those in urban areas where providers do not contribute to the viability and sustainability of USF programs."[15]

8. Petitioners assert that forbearance from contribution requirements on the transmission component provided by rural LECs would eliminate the current disparate treatment of rural LEC-provided broadband Internet access transmission services relative to all other broadband services, and the corresponding anti-competitive effects of that treatment.[16] Petitioners also assert that forbearance would decrease the costs of broadband service for rural consumers and that the requested relief would have a *de minimis* effect on USF contribution levels.[17]

III. DISCUSSION

9. The Act requires the Commission to forbear from applying any requirement of the Act or of our regulations to a telecommunications carrier or telecommunications service if and only if the Commission determines that: (1) enforcement of the requirement is not necessary to ensure that the charges, practices, classifications, or regulations by, for, or in connection with that telecommunications carrier or telecommunications service are just and reasonable and are not unjustly or unreasonably discriminatory; (2) enforcement of that requirement is not necessary for the protection of consumers; and

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[10] Petition at 6-7

[11] Petition 6-9.

[12] *See Connect America Fund* 31 FCC Rcd at 3096, para. 20. Broadband providers who receive model-based USF support (including rural LECs who voluntarily elected to receive support calculated by the Alternative Connect America Cost Model) do not need to offer a separate telecommunications service component as part of their Internet access services to receive support. Such carriers may choose to offer broadband Internet access services directly to the consumer or to offer private carriage transmission services without incurring USF contribution obligations, and are still eligible to recover model-based USF support. In contrast, legacy rural LECs that receive high-cost support through cost-based mechanisms do not receive the same relief. Specifically, legacy carriers that offer a broadband Internet access transmission service on a private carriage basis would not have a contribution obligation but would be unable to recover those costs under the cost-based mechanisms.

[13] Petition at 6-13.

[14] Petition at 8.

[15] *Id.*

[16] Petition at 3.

[17] *Id.*

(3) forbearance from applying that requirement is consistent with the public interest.[18] Forbearance is warranted only if all three criteria are satisfied.[19] As discussed below, these criteria are satisfied here, and we therefore grant Petitioners' request for forbearance from application of section 254(d) of the Act and section 54.706 of the Commission's rules to all rural LEC-provided broadband Internet access transmission services.[20]

10. *Section 10(a)(1)*. Under section 10(a)(1) of the Act, we must determine whether the provision or regulation at issue is necessary to ensure that charges or practices in connection with a telecommunications carrier or telecommunications service are "just and reasonable and are not unjustly or unreasonably discriminatory."[21] We conclude that exacting contributions from small, rural carriers for a component of their broadband Internet access service is not so necessary.

11. The Commission has consistently declined to impose USF contribution obligations on retail broadband Internet access service.[22] We therefore find that requiring a subset of rural LECs that provision a component of that service as a common-carriage offering to comply with our legacy rate-of-return rules is not "necessary" to ensure that the rural LECs' charges or practices in connection with this service are "just and reasonable." If anything, imposing that obligation on a limited group of rural providers of this service is in itself "unreasonably discriminatory" because it raises the prices of consumers in rural areas served by these small carriers. This is exactly the opposite of the statutory command to ensure that rates are not "unjustly or unreasonably discriminatory."[23]

12. *Section 10(a)(2)*. Next, under section 10(a)(2) of the Act, we must consider whether enforcement of the contribution rules in this context is necessary to protect consumers. We find that it is not.

13. We find no record evidence that enforcement of USF contribution requirements on rural LEC-provided broadband Internet access transmission services offered on a common-carrier basis (but not any other input to broadband Internet access service nor that same input when provided by other carriers) serves any significant consumer protection purpose. In fact, we find that such enforcement negatively impacts customers of those rural LECs by effectively requiring them, but not other broadband consumers, to bear additional costs—even though they are most likely to live in areas that are already

[18] 47 U.S.C. § 160(a). In making the public interest determination, the Commission must also consider, pursuant to section 10(b) of the Act, "whether forbearance from enforcing the provision or regulation will promote competitive market conditions." *Id.* § 160(b).

[19] *CTIA v. FCC*, 330 F.3d 502, 509 (D.C. Cir. 2003) (explaining that the three prongs of section 10(a) are conjunctive and that the Commission could properly deny a petition for failure to meet any one prong).

[20] Because we must forbear pursuant to section 10 when its criteria are met, *see* 47 U.S.C. § 160(a) ("[T]he Commission shall forbear . . . if the Commission determines . . ."), as they are here, we reject NASUCA's claim that forbearance cannot be granted at this time. *See* National Association of State Utility Consumer Advocates, Reply, WC Docket Nos. 17-206, 06-122 at 2-3 (filed Sep. 28, 2017). Moreover, NASUCA's request that the Commission extend USF contribution requirements to all providers of broadband services is beyond the scope of this forbearance proceeding and is a subject of the Commission's pending rulemaking proceeding on USF contributions reform. *See Universal Service Contribution Methodology; A National Broadband Plan For Our Future,* WC Docket No. 06-122, GN Docket No. 09-51, Further Notice of Proposed Rulemaking, 27 FCC Rcd 5357 (2012); *Federal State Joint Board on Universal Service; Universal Service Contribution Methodology: A National Broadband Plan For Our Future,* WC Docket No. 06-122, GN Docket No. 09-51, Order, 29 FCC Rcd 9784 (2014).

[21] 47 U.S.C. § 160(a).

[22] *Inquiry Concerning High-Speed Access to the Internet Over Cable and Other Facilities; Internet Over Cable Declaratory Ruling; Appropriate Regulatory Treatment for Broadband Access to the Internet Over Cable Facilities*, GN Docket No. 00-785, CS Docket No. 02-52, Declaratory Ruling and Notice of Proposed Rulemaking, 17 FCC Rcd 4798 (2002); *Wireline Broadband Classification Order,* 20 FCC Rcd 14853.

[23] 47 U.S.C. § 160(a).

expensive to serve.[24]

14. *Section 10(a)(3)*. Finally, under Section 10(a)(3) of the Act, we must determine whether forbearance from applying USF contribution requirements to rural LEC-provided broadband Internet access transmission services is in the public interest. As part of its public interest analysis, the Commission must consider whether forbearance will promote competitive market conditions.[25] We conclude that the requested forbearance promotes competitive market conditions and furthers the public interest.

15. The vast majority of broadband services provided by all other types of carriers are not subject to our contribution rules, and we do not find good cause to treat certain rural LECs any differently from these other providers solely because they provide a separate broadband Internet access transmission service on a common carriage basis.[26] Doing so frustrates the Commission's universal service objective by distorting the competitive landscape and subjecting certain consumers to higher prices for broadband services. Because these rural LECs must contribute on the revenues associated with broadband Internet access transmission services and these costs are usually recovered from end users, their customers are paying universal service charges in addition to their subscription fees.[27] This places rural LECs offering broadband at a disadvantage vis-à-vis their competitors whose broadband Internet access service, as well as its components, are not assessable for contribution purposes.[28] By forbearing from application of USF contribution requirements to rural LEC-provided broadband Internet access transmission services, we eliminate the disparate treatment of these services and level the playing field to allow rural LECs to compete more effectively with other broadband providers.

16. In addition, we find that enforcement of the contribution obligation in this circumstance is not necessary to ensure the sufficiency of the Fund. We agree with Petitioners that the amount of contributions collected based on rural LEC-provided broadband Internet access transmission services is *de minimis*; we estimate the revenues associated with rural LEC-provided broadband Internet access transmission services to be significantly less than one percent of total USF contributions.[29] We therefore conclude that any lost contribution revenues will minimally impact the Fund. Moreover, we find that the potential benefits of forbearing from assessing these services—including a more level playing field and decreased costs for consumers—outweigh the minimal additional funding base that would be available for universal service programs absent grant of forbearance. Thus, we find enforcement of the contribution requirements upon rural LEC-provided broadband Internet access transmission services offered on a common-carrier basis to not be in the public interest.

17. In sum, we conclude that the standard for forbearance under section 10 of the Act is met, and we therefore forbear from applying USF contribution requirements to rural LEC-provided broadband

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[24] *See* Petition at 13; WTA Comments at 5-6. Under the Commission's rules, carriers are permitted to recover the cost of their universal service contributions from end users, *see* 47 CFR § 54.712(a), and rural LECs typically recover the cost of their USF contributions on broadband Internet access transmission services from their end users. *See* Petition at 16.

[25] 47 U.S.C. § 160(b).

[26] *See* WTA Comments at 6 ("Equivalent treatment of all customers clearly serves the public interest.").

[27] Petition at 16.

[28] *Id.*

[29] The projected transmission revenue for rate-of-return carriers from July 2017 through June 2018 in the National Exchange Carrier Association pool is $206,787,379. FCC, Electronic Tariff Filing System, https://apps.fcc.gov/etfs/public/tariff.action?idTariff=110 (Transmittal No. 1519 – Volume 1 Exhibits). Because the current Adjusted Quarterly Contribution Base for Universal Service Support Mechanism is approximately $10.73 billion, the increase in the contribution factor as a result of granting the instant Petition will be approximately 0.1 percent. *See Proposed Second Quarter 2018 Universal Service Contribution Factor*, CC Docket No. 96-45, Public Notice, DA 18-234 (OMD Mar. 9, 2018).

Internet access transmission services offered on a common carrier basis.

18. Forbearance will be effective for the third quarter of 2018, beginning July 3, 2018 to coincide with the effective date of the 2018 annual access charge tariff filings.[30] We also extend the June 15, 2018 Form 499-Q revision deadline only for carriers affected by the forbearance granted in this Order.[31] Such carriers may file revised Forms 499-Q for the third quarter until July 2, 2018, and we direct USAC to accept any late-filed Forms until that date, pursuant to the terms of this Order. Finally, we delegate authority to the Wireline Competition Bureau to waive any rules or administrative requirements as necessary to effectuate the forbearance adopted in this Order.

IV. ORDERING CLAUSES

19. Accordingly, IT IS ORDERED that, pursuant to the authority contained in sections 4(i), 4(j), 10, 214, and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 160, 214, 254, the petition for forbearance filed by NTCA—The Rural Broadband Association and the United States Telecom Association IS GRANTED to the extent discussed herein.

20. IT IS FURTHER ORDERED that, pursuant to the authority contained in sections 4(i), 4(j), 10, 214, and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 160, 214, 254, we forbear from applying section 254(d) of the Act and section 54.706 of the Commission's rules, 47 C.F.R. § 54.706, to all rural LEC-provided broadband Internet access transmission services.

21. IT IS FURTHER ORDERED that, pursuant to section 1.103(a) of the Commission's rules, 47 C.F.R. § 1.103(a), this order SHALL BE effective upon release.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary

[30] *July 1, 2018 Annual Access Charge Tariff Filings*, WC Docket No. 18-100, Order, DA 18-335 (WCB Apr. 6, 2018) 2018 WL 1693061. The effective date for the July 2018 annual access charge tariff filings is July 3, 2018.

[31] *Federal-State Joint Board on Universal Service, et al.*, CC Docket No. 96-45 et al., Report and Order and Second Further Notice of Proposed Rulemaking, 17 FCC Rcd 24952, 24972, para. 36 (2002). *See also* https://www.usac.org/cont/about/when-to-file.aspx.

APPENDIX A

List of Commenters in WC Docket No. 17-206

Parties filing comments

- GVNW Consulting, Inc.
- Pennsylvania Public Utility Commission
- WTA—Advocates for Rural Broadband

Parties filing reply comments

- Eastern Rural Telecom Association
- National Association of State Utility Consumer Advocates
- U.S. Telecom Association

STATEMENT OF
CHAIRMAN AJIT PAI

Re: *Petition of NTCA—The Rural Broadband Association and the United States Telecom Association for Forbearance Pursuant to 47 U.S.C. § 160(c) from Application of Contribution Obligations on Broadband Internet Access Transmission Services*, WC Docket No. 17-206.

With today's *Order*, we take another step toward closing the digital divide in rural America. The details are no doubt wonky but the result is straightforward: we're making broadband cheaper for many rural Americans.

Over the years, the FCC has consistently declined to impose Universal Service Fund (USF) contribution obligations on broadband Internet access services. But under our current rules, one and only one class of broadband providers—rural carriers that offer certain broadband Internet access transmission services—are required to contribute to the USF based on those offerings. In other words, these small, rural carriers—which serve areas that are already among the most difficult and expensive to serve—have to pay broadband taxes that their competitors don't. And these small, rural providers have no choice but to pass those taxes on to their customers, who as it is tend to have less ability to pay than their urban counterparts.

Today, we end this discriminatory treatment. Specifically, we relieve rural carriers from having to pay USF taxes on their common-carriage broadband Internet access transmission services. And in the process, we lower the cost of broadband for their customers. Indeed, these consumers could see savings of $7.00 or more on their monthly bills for Internet access.[1]

This win for rural consumers would not have been possible without the hard work of Commission staff. I'd like to thank Claudia Fox, Trent Harkrader, Kris Monteith, Ryan Palmer, Arielle Roth, Karen Sprung, and Suzanne Yelen of the Wireline Competition Bureau as well as Malena Barzilai, Billy Layton, Rick Mallen, and Linda Oliver from the Office of General Counsel.

[1] *See* Petition for Forbearance of NTCA—The Rural Broadband Association and the United States Telecom Association, WC Docket No. 17-206, at 16 (filed June 14, 2017); Comments of WTA – Advocates for Rural Broadband, WC Docket No. 17-206, at 3 (filed Sept. 12, 2017).

STATEMENT OF
COMMISSIONER MICHAEL O'RIELLY

Re: *Petition of NTCA—The Rural Broadband Association and the United States Telecom Association for Forbearance Pursuant to 47 U.S.C. § 160(c) from Application of Contribution Obligations on Broadband Internet Access Transmission Services*, WC Docket No. 17-206.

While I support granting the petition, this item's most significant aspect is the Commission's unequivocal reaffirmation that it does not impose fees on broadband Internet access service. In other words, we don't tax the Internet.

As Chair of the Federal-State Joint Board on Universal Service, I am occasionally asked whether the Commission would be willing to expand the base of USF contributors to include broadband users. Having studied the issue and worked for years on Internet tax freedom, enshrined in the Permanent Internet Tax Freedom Act, I have made clear that expanding the contribution base is something I cannot entertain absent Congressional direction. With this order, I hope that any lingering uncertainty regarding the Commission's willingness to consider new broadband fees has been put to rest and, instead, we can focus our attention on adopting an overall cap on USF.

I vote to approve.

STATEMENT OF
COMMISSIONER BRENDAN CARR

Re: *Petition of NTCA—The Rural Broadband Association and the United States Telecom Association for Forbearance Pursuant to 47 U.S.C. § 160(c) from Application of Contribution Obligations on Broadband Internet Access Transmission Services*, WC Docket No. 17-206.

Plymouth County, Iowa has three times the number of gravel roads as paved ones. They pass farms and ranches where the right now the green shoots of this year's grain crops are just starting to push through. A few miles down one of those gravel roads, next to a small family farm where there is no other structure in sight, I spent time with a small broadband provider last week as they were hard at work bringing fiber to the community. They were using a directional drill to bore underneath a creek that ran along the road. While it only took about 30 minutes to cover the 60 feet or so, the total cost of trenching fiber along just one mile of these roads can run as high as $30,000. That's a significant expense considering that there's often just one residence per mile.

The experience gave me a new appreciation for the hard, often gritty work that goes into bringing more broadband to more Americans. And it served as a reminder of the work we need to do at the Commission to eliminate the unnecessary regulatory burdens that make these deployments only more difficult for providers and more expensive for consumers.

Today's Order is another good step in that direction. By reducing the contributions obligation that raised costs for just one set of rural broadband providers, we are allowing them to compete on a more level playing field, while also decreasing the costs that rural consumers pay for broadband. In fact, this reform is expected to cut around $5 to $10 off of a family's monthly bill for broadband. That might not sound like a lot by D.C. standards, but it can make the difference between a family being able to afford broadband or getting left on the wrong side of the digital divide.

So I want to thank the staff of the Wireline Competition Bureau for your work on this item. I am pleased to support it.

CONCURRING STATEMENT OF
COMMISSIONER JESSICA ROSENWORCEL

Re: *Petition of NTCA—The Rural Broadband Association and the United States Telecom Association for Forbearance Pursuant to 47 U.S.C. § 160(c) from Application of Contribution Obligations on Broadband Internet Access Transmission Services*, WC Docket No. 17-206.

Our high-cost universal service fund program is designed to bring modern communications to rural America. That's a noble goal. But the system we have to do so is not just complex, it's Byzantine. With the advance of time and technology, regulatory reforms have multiplied. As a result, there are real quirks and strange inequities in our rules.

Today we remedy one of them. We grant non-model rural incumbent local exchange carriers forbearance from the universal service contributions related to one component of broadband internet access service.

You got that? Like I said, it's complicated.

I concur in this decision. As a matter of equity, I think it is important to put these carriers on equal footing with their peers. But the analysis in this decision is lacking. Moreover, while I think this is the right call today, I also believe it's time for some basic math. By granting this forbearance, we forego roughly $40 million in funding for broadband in rural America. Add to this the $55 million in lost interest income that the FCC just gave up by shifting universal service bank accounts without even a vote and you have nearly $100 million in universal service funds that have disappeared.

So I don't just worry that our high-cost universal service system is complicated. I worry that despite our noble rhetoric about closing the digital divide in rural America, we are draining this agency of the funds necessary to do so.