

SUPPORT UNIVERSAL SERVICE FUND REAUTHORIZATION RECONFIGURATION

ACTION NEEDED:

Urge your Members of Congress to support the reauthorization and reconfiguration of the Universal Service Fund. In 2025, the U.S. Fifth Circuit Court of Appeals ruled in *Consumer's Research v. FCC* that the mechanism underlying the Federal Communications Commission's (FCC) Universal Service Fund (USF) is unconstitutional. The decision comes on the heels of months of uncertainty in Congress around the long-term fiscal sustainability of the USF, which has operated for nearly 30 years in providing subsidy support for achieving universal service to telecommunications services across the country.

BACKGROUND:

The USF plays a crucial role in providing universal service to communications services and expanding broadband infrastructure, connecting low-income households with affordable internet, providing subsidized internet service to facilities like libraries and schools, and supporting connectivity for rural health care services. The USF relies on a base of traditional cable and telephone provider revenues that is dwindling, due to the continued rise of internet use and adoption to streaming services across the last 15 years in favor of traditional providers' services. Broadband providers are not currently required to contribute to the USF.

The USF has operated in its current form for nearly 30 years under the Telecommunications Act of 1996, which established the goal of increasing access for all consumers at just, reasonable, and affordable rates. Current USF programs include the following, all of which provide direct or indirect benefits to counties and county residents:

- **The Lifeline Program:** This program helps make communications services including telephone, broadband internet, or bundled voice-broadband package services more affordable for low-income consumers. The program was originally established in 1985 for telephone services and has expanded to cover mobile and broadband services as technology has modernized. The program, although active, is considered a predecessor program to

THE USF PLAYS A CRUCIAL ROLE IN PROVIDING UNIVERSAL SERVICE TO COMMUNICATIONS SERVICES AND EXPANDING BROADBAND INFRASTRUCTURE, CONNECTING LOW-INCOME HOUSEHOLDS WITH AFFORDABLE INTERNET, PROVIDING SUBSIDIZED INTERNET SERVICE TO FACILITIES LIKE LIBRARIES AND SCHOOLS, AND SUPPORTING CONNECTIVITY FOR RURAL HEALTH CARE SERVICES

NACO SUPPORTS MODERNIZATION EFFORTS TO THE USF THAT WORK TO PRESERVE THE GOALS OF UNIVERSAL SERVICE.

To view the most up-to-date information, scan the QR code below:



2025 POLICY BRIEF

the *Affordable Connectivity Program*, the authorization of which is a key advocacy goal for NACo.

- **The High-Cost Program:** This program supports more than a dozen legacy funds that are designed to ensure that consumers in rural, insular, and high-cost areas have access to modern communications networks capable of providing voice and broadband service, both fixed and mobile, at rates that are reasonably comparable to those in urban areas. Recent programs include the 5G Fund for Rural America, the Rural Digital Opportunity Fund, the Connect America Fund, and others.
- **The Schools and Libraries (E-Rate) Program:** This program makes telecommunications and information services more affordable for schools and libraries, providing discounts for telecommunications, internet access, and internal connections to eligible schools and libraries. Annual funding for this program is capped at \$4.15 billion.
- **The Rural Health Care Program:** This program provides funding to eligible health care providers for telecommunications and broadband services necessary for the provision of health care. Eligible health care providers include local health departments or agencies, community mental health centers, rural health clinics, and other entities.

NACo supports modernization efforts to the USF that work to preserve the goals of universal service. NACo will continue to monitor developments to the USF and keep members updated accordingly.

KEY TALKING POINTS:

- Counties support the reauthorization and reconfiguration of the USF as a critical support mechanism for broadband services to reach rural, high-cost, and low-income residents through a variety of vital programs
- The Universal Service Fund provides vital connectivity support to rural counties; by subsidizing internet for schools and libraries, expanding broadband infrastructure, and increasing internet affordability for rural customers.

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