

March 17, 2022

Marlene H. Dortch, Secretary
Federal Communications Commission
45 L Street, NE
Washington, DC 20554

RE: WC Docket No. 21-476, *Report on the Future of the Universal Service Fund*

Ms. Dortch:

We, the undersigned stakeholders, are pleased to offer supplementary comments concerning the Federal Communication Commission's (FCC) proceeding seeking comment on the viability of the Universal Service Fund (USF).

The Universal Service Fund serves an essential purpose connecting unserved and underserved communities across America, including many communities of color. For the nearly 4 in 10 Black Americans who haven't adopted home broadband, USF programs like Lifeline, the Connect America Fund, E-Rate, and others play a leading role in connecting the unconnected.

Despite recent gains, internet adoption rates for Blacks, Hispanics, and Native Americans [are lower than the general population even when accounting for factors like income, age, and education. In some places, the gap is profound. For example, 38% of Black Americans in the Rural South report that they lack home internet access. The economic costs to broadband non-adopters are felt every day – and rising. For instance, over 6 in 10 Black Americans report that a lack of high-speed internet limits access to healthcare – compared to 49% of white adults. 52% of Americans believe that those without broadband service at home are at a “major disadvantage” when it comes to finding out about job opportunities or gaining new career skills.

The health and welfare of the Black community – and all communities of color – is tied to the success of these USF programs. As active stakeholders in the Black community, we write to express a simple fact: **the USF's current funding structure is unsustainable and in urgent need of transformational reform.**

Luckily, the recent enactment of the Infrastructure Investment and Jobs Act (IIJA) provides the Commission a unique opportunity to tackle the concurrent challenges of broadband access, affordability, and adoption. Included within IIJA, Congress invited the FCC to study the Fund's long-term trajectory to ensure the USF can meet our nation's pressing connectivity needs.

As the Commission begins the hard but vitally important work of connecting America, we would like to offer the following perspectives:

- 1) **The existing USF contribution mechanism is incapable of meeting growing connectivity demands solely by adding consumer broadband internet access services revenues to the assessable revenue base. Without otherwise broadening the contribution base, the FCC will only cause an increase in the amounts that consumers pay for broadband, and thereby ensure that some consumers remain on the wrong side of the digital divide.**
- 2) **The FCC should broaden the Fund to better reflect the realities of today's internet environment, to ensure that all companies who offer integrated services that include both telecommunications (transmission) and non-telecommunications components contribute their fair share, regardless of whether they own or operate their own transmission facilities or obtain them from third parties.**
- 3) **Guided by these principles, and consistent with the Commission's authorities under Section 54(d), the FCC should initiate a rulemaking to expand the Fund's contribution base.**

During the COVID-19 pandemic, the Commission responded to intimidating connectivity challenges with innovative ideas, most notably the Emergency Broadband Benefit (EBB) and Affordable Connectivity Program (ACP). While we share the Commission's vision to connect all Americans with fast, affordable internet, **we remain concerned that our connectivity goals cannot be accomplished within the existing USF framework.**

Despite these concerns, we're confident that the reforms suggested above will put our nation on a path toward universal connectivity so everyone can unlock the power of the internet. We appreciate the Commission's thoughtful consideration of this critical matter, and we eagerly anticipate future efforts to connect more communities of color to digital opportunities.

Sincerely,

Robert Branson
President and CEO
Multicultural Media Telecom and Internet Council

Ebonie Riley
Senior VP of Policy and Strategic Partnership
National Action Network

Patrice Willoughby
Vice President of Policy and Legislative Affairs

National Association for the Advancement of Colored People

Ron Busby, Sr.

President and CEO

U.S. Black Chambers, Inc.

CC: Jessica Rosenworcel, Chairwoman, Federal Communications Commission