



## MEMORANDUM

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To: Multicultural Media, Telecom and Internet Council (MMTC)

From: Davis Bowen, Henry Rivera Fellow

Re: The Impact of the End of the ACP and the Possibility of USF Reform

Date: December 10, 2024

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### **I. Introduction**

The Affordable Connectivity Program (ACP) has ended, and the outlook for the Universal Service Fund (USF) is uncertain. With the future of the USF in doubt, low-income households risk losing two government programs that have helped pay for broadband within the span of a year. This memo explores the history and potential end of both programs, the impact of the ACP ending, and possibilities for its continuation. Additionally, this memo discusses the USF and the recent United States Fifth Circuit Court of Appeals (Fifth Circuit) decision declaring its funding mechanism unconstitutional, as well as potential solutions and possible areas for reform of the program.

### **II. The Affordable Connectivity Program**

The Affordable Connectivity Program evolved from the Emergency Broadband Benefit (EBB), which was a program introduced in December 2020 to provide broadband subsidies during the COVID-19 pandemic.<sup>1</sup> The EBB provided up to \$50 per month for broadband service to eligible households, or up to \$75 for those living on qualifying tribal lands.<sup>2</sup> Additionally, subscribers could receive a \$100 subsidy for the purchase of a laptop, desktop, or tablet, with a co-payment of between \$10 and \$50.<sup>3</sup> As part of the Infrastructure Investment and Jobs Act of 2021 (IIJA), Congress replaced the EBB with the ACP and allocated nearly five times the funding—\$14.2 billion in total.<sup>4</sup>

The benefits remained mostly the same, except that the ACP only provided up to \$30 a month for households not on tribal lands.<sup>5</sup> To qualify, households must have earned less than 200% of the federal poverty line, which equaled around \$55,000 for a family of four or \$27,000 for an individual.<sup>6</sup> Households also qualified if a member of the household participated in specific assistance programs such as SNAP, Medicare, or Lifeline.<sup>7</sup> The program proved very popular, and over twenty-three million households enrolled.<sup>8</sup> However, the ACP ran out of funds on June 1, 2024, and Congress failed to provide additional funding.<sup>9</sup>

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<sup>1</sup> Federal Communications Commission, *Affordable Connectivity Program*, FED. COMM’NS COMM’N (June 13, 2024), <https://www.fcc.gov/acp>.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> Federal Communications Commission, *Affordable Connectivity Program FAQ*, FED. COMM’NS COMM’N (June 3, 2024), <https://www.fcc.gov/affordable-connectivity-program-consumer-faq#:~:text=To%20qualify%20for%20the%20ACP,/show%2Dyou%2Dqualify>.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> Federal Communications Commission, *Affordable Connectivity Program*, FED. COMM’NS COMM’N (June 13, 2024), <https://www.fcc.gov/acp>.

### **III. Impact of the End of the ACP**

The end of the ACP will likely result in millions of households reducing or eliminating their use of internet service. In December 2023, the Federal Communications Commission (FCC) conducted a survey of ACP enrollees to determine, among other things, how many enrollees would give up their service entirely.<sup>10</sup> In the FCC survey, 29% of those polled said they would drop their service altogether without the ACP, and 47% said they would choose a lower cost internet service.<sup>11</sup> Of the 29% who said they would drop their service entirely, 53% said it would leave them with no internet.<sup>12</sup> 53% of 29% amounts to roughly 15% of ACP subscribers who will no longer have internet at all, which equates to about 3.5 million households.<sup>13</sup>

These effects will disproportionately impact people of color. For instance, African-American and Latino households were more likely to be enrolled in the ACP than the national average: 23% of participating households were Latino and 23% were African-American<sup>14</sup>, while only 19.5% of Americans identify as Latino and 13.7% identify as African-American.<sup>15</sup> 31% of African-Americans were enrolled in the ACP, compared with 26% of the general population.<sup>16</sup> In addition, 17% of Latino households said they would cancel their service and 45% would downgrade their service, compared with 13% and 36% for the entire subscriber base polled.<sup>17</sup>

The loss of the ACP subsidies will have a ripple effect as households lose internet service, resulting in negative impacts that go beyond the financial loss of the subsidies themselves.

### **IV. Loss of Healthcare and Economic Benefits**

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<sup>10</sup> See Federal Communications Commission, *Measuring the Impacts of the ACP: Survey Results*, FED. COMM'NS COMM'N (June 3, 2024), <https://www.fcc.gov/sites/default/files/ACP-Survey-Results.pdf>.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> Benenson Strategy Group, *The Impact and Importance of the Affordable Connectivity Program*, BENENSON STRATEGY GRP. (2024), <https://www.bsgco.com/acp-fact-sheet>.

<sup>15</sup> United States Census Bureau, *QuickFacts*, U.S. CENSUS BUREAU, <https://www.census.gov/quickfacts/fact/table/US/RHI525223#RHI525223> (last visited Nov. 24, 2024).

<sup>16</sup> John B. Horrigan, *How the End of the Affordable Connectivity Program is Hurting Low-Income Households and the U.S. Economy*, BENTON INST. FOR BROADBAND & SOC'Y (July 8, 2024), <https://www.benton.org/blog/how-end-affordable-connectivity-program-hurting-low-income-households-and-us-economy>.

<sup>17</sup> *Id.*

In recent years, telehealth has emerged as a viable alternative to an in-person doctor's visit, saving patients money and travel time.<sup>18</sup> Data from Cigna showed that the average cost of a non-urgent virtual case visit is \$93 less than the average cost of an in-person visit.<sup>19</sup> The savings for a specialist visit are \$120 per visit, and \$141 for an urgent care visit.<sup>20</sup> The research group Chamber of Progress determined that enrollees of the ACP saved approximately \$300 per year in medical costs, totaling \$1.39 billion per year in savings to subscribers.<sup>21</sup> In addition, George W. Zuo in *American Economic Journal: Economic Policy* found that having broadband access generated \$2,200 per household per year due to increased employment rates.<sup>22</sup> In total, Chamber of Progress estimated a total of \$10.27 billion in lost benefits to ACP enrollees.<sup>23</sup>

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<sup>18</sup> *Convenient, cost-effective, and high-quality virtual care is here to stay*, CIGNA HEALTHCARE, <https://newsroom.cigna.com/convenient-cost-effective-and-high-quality-virtual-care-is-here-to-stay> (last visited Oct. 12, 2024).

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

<sup>21</sup> Kaitlyn Harger, *Low-Income Americans Will Take a \$20 Billion Hit When the Affordable Connectivity Program Expires*, MEDIUM (May 1, 2024), <https://medium.com/chamber-of-progress/low-income-americans-will-take-a-20-billion-hit-when-the-affordable-connectivity-program-expires-1f29038292b7>.

<sup>22</sup> *Id.*

<sup>23</sup> *Id.* It should be noted that Chamber of Progress estimated approximately 4.6 million subscribers losing broadband access. Using the three and a half million number we calculated above from the FCC survey, the total benefits lost would be \$1.08 billion in telehealth benefits lost and \$7.99 billion in economic benefits lost.

## V. The Ending of the ACP's Effect on BEAD

The end of the ACP may also adversely affect the deployment of broadband to rural areas.<sup>24</sup> The IIJA also authorized the Broadband Equity, Access, and Deployment (BEAD) Program, which allocated \$42 billion for states to grant to companies to build broadband infrastructure to unserved and underserved areas.<sup>25</sup> The plans for where to build the networks were made when the ACP was in effect and more customers could afford to use the new services.<sup>26</sup> Without the ACP, providers may not want to deploy to areas where people cannot afford to sign up.<sup>27</sup> Alan Davidson, Administrator of the National Telecommunications and Information Administration (NTIA), which administers the BEAD program, told Congress “We won’t be able to reach our goal of affordable networks without [the ACP].”<sup>28</sup>

There is also the question of how the ACP ending may exacerbate the problems with BEAD’s low-cost requirement. The IIJA requires that BEAD recipients offer “not less than one low-cost broadband service option,” with “low-cost” being defined on a state-by-state basis by the states themselves in their BEAD proposals to the NTIA.<sup>29</sup> More than thirty industry groups have already communicated concerns to Gina Raymondo, Secretary of the Department of Commerce, in which NTIA is located, that they would not be able to participate in BEAD due to the low-cost service requirement.<sup>30</sup> This was before the ACP officially ran out of funds, so the lack of its subsidies going forward will likely only make the issue worse. Thirty-seven out of fifty-six states and territories that have approved BEAD plans, plan to allow their low-cost level to increase over time, either based on inflation or by a periodic review.<sup>31</sup> If providers can point to the lack of ACP funds as a compelling reason that they need to raise the

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<sup>24</sup> Ryan Johnston, *What Happens to BEAD Without the Affordable Connectivity Program?*, BROADBAND BREAKFAST (Nov. 15, 2023), <https://broadbandbreakfast.com/ryan-johnston-what-happens-to-bead-without-the-affordable-connectivity-program/>.

<sup>25</sup> *Id.*

<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

<sup>28</sup> *Id.*

<sup>29</sup> Nicole Ferraro, *Industry Groups Demand NTIA Relax Low-Cost Service Rules for BEAD*, LIGHTREADING (July, 25, 2024), <https://www.lightreading.com/broadband/industry-groups-demand-ntia-relax-low-cost-service-rules-for-bead>.

<sup>30</sup> *Id.*

<sup>31</sup> Jake Varn, *The Affordability of BEAD: Low-Cost Options in Every State*, LINKEDIN (Nov. 19, 2024), (<https://www.linkedin.com/pulse/affordability-bead-low-cost-options-every-state-jake-varn-iyne/>).

low-cost level, consumers may face the compounding issue of the lack of ACP subsidy followed by the price of the lowest service going up. Providers participating in BEAD planned to use the ACP's verification program for their low-cost subscribers, but the verification system is being decommissioned with the expiration of the ACP, which will "hamper the state's ability to implement the low-cost broadband service option" according to the Alabama Department of Economic and Community Affairs.<sup>32</sup>

## **VI. Alternatives to the ACP**

Even though the ACP is gone, many internet service providers still provide some low-cost options for low-income households.<sup>33</sup> Verizon provides home internet for \$20 a month through "Verizon Forward", AT&T offers "Access from AT&T" plans for \$30 a month, and Comcast provides an "Internet Essentials" plan.<sup>34</sup> However, none of these plans will replace the fully subsidized plans many ACP customers subscribed to. For example, the AT&T plan was free when the ACP was in effect since the ACP paid the entire \$30.<sup>35</sup>

Additionally, so long as it still exists, many ACP customers will qualify for the Lifeline benefit, a federal program discussed later that provides a much smaller subsidy for internet or phone service.<sup>36</sup>

## **VII. Legislative Solutions**

There are currently several bills in the Senate and one in the House to re-fund the ACP. In the House, H.R. 6929 would provide a \$7 billion one-time allocation to the ACP until it runs out.<sup>37</sup> In the Senate, a similar bill was introduced – S. 3565 – which would do the same.<sup>38</sup> This was followed by S.4317, which would allocate \$6 billion to the program but also make many adjustments, such as reducing the income level required for eligibility, repealing the \$100 subsidy for devices, and requiring the FCC to develop and implement anti-fraud controls.<sup>39</sup>

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<sup>32</sup> *Id.*

<sup>33</sup> See Maddie Hicks, *Internet Providers Outline Post-ACP Plans*, TOTAL TELECOM (Apr. 18, 2024), <https://totaltele.com/internet-providers-outline-post-acp-plans/>.

<sup>34</sup> *Id.*

<sup>35</sup> *Id.*

<sup>36</sup> *Id.*

<sup>37</sup> Affordable Connectivity Program Extension Act, H.R. 6929, 118th Cong. (2024).

<sup>38</sup> Affordable Connectivity Program Extension Act, S. 3565, 118th Cong. (2024).

<sup>39</sup> Seamus Dowdall & Maxx Silvan, *U.S. Senate eyes funding the Affordable Connectivity Program through broader telecommunications package*, NAT'L ASS'N. OF CNTYS. (May 17, 2024), <https://www.naco.org/news/us-senate-eyes-funding-affordable-connectivity-program-through-broader-telecommunications>.

Two other Senate bills have been introduced to address the ACP. One is the Spectrum and National Security Act of 2024 (S.4207) which reauthorizes the FCC to auction off spectrum and includes \$7 billion in allocations from those auctions to fund the ACP.<sup>40</sup> The other is S.4208, discussed in a later section as it concerns both the USF and the ACP.

The question remains whether any of these bills will pass. The ACP was broadly popular, with support from 78% of voters.<sup>41</sup> Further, the ACP subsidies were split roughly evenly between Democrat-represented congressional districts and Republican-represented ones.<sup>42</sup> Despite these facts, the prospects of the renewal of the ACP seem unclear at best, and all these bills remain in committee—none have been brought to a vote.

### **VIII. The Universal Service Fund**

Aside from direct Congressional appropriation, another potential way the ACP could continue is by receiving funding through the USF. The USF was established by the 1996 Telecommunications Act and includes four connectivity programs: High Cost, E-Rate, Rural Healthcare, and Lifeline.<sup>43</sup> High Cost (now known as the Connect America Fund) provides funds to build broadband in rural areas, E-Rate supports communications services at schools and libraries, Rural Health Care provides funds to health care providers in rural communities, and finally, Lifeline provides subsidies to low-income households for telephone service.<sup>44</sup> Lifeline has also been expanded to include broadband services, making it very similar to the ACP except that households must be under 135% of the poverty line to qualify (200% for the ACP) and they only receive \$9.25 a month in subsidy.<sup>45</sup>

### **IX. The Fifth Circuit Decision in *Consumers' Research v. FCC***

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<sup>40</sup> *Cantwell Leads Innovative Spectrum Legislation to Strengthen National Security, Keep Millions of Consumers Connected & Boost US Global Leadership*, U.S. SENATE COMM. ON COM., SCI., AND TRANSP. (Apr. 26, 2024), <https://www.commerce.senate.gov/2024/4/cantwell-leads-innovative-spectrum-legislation-to-strengthen-national-security-keep-millions-of-consumers-connected-boost-us-global-leadership>.

<sup>41</sup> Joel Thayer, *New Poll: Broadband Affordability Program in Jeopardy But Has Overwhelming Bipartisan Support*, DIGITAL PROGRESS INST. (Mar. 1, 2023), <https://digitalprogress.tech/joels-blog/>.

<sup>42</sup> *Id.*

<sup>43</sup> Federal Communications Commission, *Universal Service*, FED. COMM'NS COMM'N), <https://www.fcc.gov/general/universal-service>.

<sup>44</sup> *Id.*

<sup>45</sup> Federal Communications Commission, *Lifeline Support for Affordable Communications*, FED. COMM'NS COMM'N (Oct. 29, 2024), <https://www.fcc.gov/lifeline-consumers>.

In July of 2024, the Fifth Circuit, sitting *en banc*, found the funding scheme of the USF to be unconstitutional.<sup>46</sup> The fund is administered under the direction of the FCC by a private company called the Universal Service Administrative Company (USAC), which sets an amount of money that telecommunications companies must contribute to the fund every year.<sup>47</sup> The FCC sets the guidelines for how this number is to be calculated and does not have to accept USAC's numbers, though it always has.<sup>48</sup>

The Fifth Circuit held that Congress had not provided the FCC "intelligible principles" on which to base the USF, and that the definition of universal service was too broad.<sup>49</sup> The court further held that the "double delegation" of the administration of the fund to USAC by the FCC, coupled with Congress's overly-broad guidance to the FCC, was an unconstitutional delegation of legislative power, without specifically holding that either delegation, individually, rendered the USF's funding mechanism unconstitutional.<sup>50</sup> The Fifth Circuit then remanded the case, giving the FCC the opportunity to address the issues discussed in the decision.<sup>51</sup> However, it seems unlikely the FCC can fix the issues presented without action from Congress.

On November 22, 2024, the Supreme Court granted certiorari and agreed to hear the FCC's appeal of the *Consumers' Research* case, a decision that was widely expected due to the circuit split.<sup>52</sup>

## **X. USF Reform and Funding**

Congress could address the issues raised in the Fifth Circuit's decision regarding the USF by being more specific about what universal service means and giving the FCC stricter guidelines, such as what services are to be provided and to whom, specifically addressing whether the FCC can delegate the administration of the USF to

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<sup>46</sup> *Consumers' Rsch. Cause Based Commerce, Inc. v. Fed. Comm'n Comm'n*, 109 F.4<sup>th</sup> 743, 786 (5<sup>th</sup> Cir. 2024).

<sup>47</sup> *Id.* at 750.

<sup>48</sup> *Id.*

<sup>49</sup> *Id.* at 756–61.

<sup>50</sup> *See id.* at 756.

<sup>51</sup> *Id.* at 786.

<sup>52</sup> *Consumers' Rsch. Cause Based Commerce, Inc. v. Fed. Comm'n Comm'n* No. 24-354, 2024 U.S. LEXIS 4771 (Nov. 22, 2024).



USAC, and so forth.<sup>53</sup> It is also possible that the Supreme Court will overturn the Fifth Circuit’s holding and the USF will continue as before.<sup>54</sup>

If either result were to happen, the ACP could be incorporated into the USF, but the USF still has issues that have needed reform for some time. Primarily, the contribution base is mostly made up of “telecommunications” revenue, which does not include broadband connections, video chat, texting, and other services that make up the bulk of telecom revenue.<sup>55</sup> As a result, the contribution factor has ballooned to 35.8% for the fourth quarter of 2024<sup>56</sup>, up from 16.1% in 2014<sup>57</sup> and 8.9% in 2004.<sup>58</sup>

Research group Brattle Group found that if the contribution base was expanded to include broadband internet access, the contribution factor would be lowered to 3.7%, and consumers would not face a significant price increase.<sup>59</sup> Its research suggests that many consumers would actually save money overall due to the lower contribution factor on voice service.<sup>60</sup> The FCC could also expand the base to “edge” providers such as Facebook and Amazon, but this would require Congress to explicitly allow the FCC to assess those providers.<sup>61</sup> However, if done, this could expand the base enough to reduce the contribution factor to 0.4%.<sup>62</sup>

As mentioned above, there are currently bills in the Senate to expand the USF’s contribution base. S. 3321, the “Lowering Broadband Costs for Consumers Act of 2023”, would expand the USF contribution base to include

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<sup>53</sup> Edgar Class et al., *Fifth Circuit Declares Universal Service Fund Unconstitutional; Issue Likely Headed for U.S. Supreme Court*, WILEY (July 29, 2024), <https://www.wiley.law/alert-Fifth-Circuit-Declares-Universal-Service-Fund-Unconstitutional-Issue-Likely-Headed-for-US-Supreme-Court>.

<sup>54</sup> *Id.*

<sup>55</sup> COLEMAN BAZELON, ET AL., THE BRATTLE GROUP, THE ECONOMICS OF UNIVERSAL SERVICE FUND REFORM 7 (2023), available at [https://www.incompas.org/Files/filings/2023/The%20Economics%20of%20USF%20Reform%20Brattle\\_FINAL.pdf](https://www.incompas.org/Files/filings/2023/The%20Economics%20of%20USF%20Reform%20Brattle_FINAL.pdf).

<sup>56</sup> Federal Communications Commission, *Public Notice on Proposed Fourth Quarter 2024 Universal Service Fund Contribution Factor*, DA 24-924 (2024), <https://docs.fcc.gov/public/attachments/DA-24-924A1.pdf>.

<sup>57</sup> Federal Communications Commission, *Public Notice on Proposed Fourth Quarter 2014 Universal Service Fund Contribution Factor*, DA 14-1315 (2014), [https://docs.fcc.gov/public/attachments/DA-14-1315A1\\_Red.pdf](https://docs.fcc.gov/public/attachments/DA-14-1315A1_Red.pdf).

<sup>58</sup> Federal Communications Commission, *Public Notice on Proposed Fourth Quarter 2004 Universal Service Fund Contribution Factor*, DA 04-2976 (2004), <https://docs.fcc.gov/public/attachments/DA-04-2976A1.pdf> <https://docs.fcc.gov/public/attachments/DA-04-2976A1.pdf>.

<sup>59</sup> COLEMAN BAZELON, ET AL., THE BRATTLE GROUP, THE ECONOMICS OF UNIVERSAL SERVICE FUND REFORM 23 (2023), available at [https://www.incompas.org/Files/filings/2023/The%20Economics%20of%20USF%20Reform%20Brattle\\_FINAL.pdf](https://www.incompas.org/Files/filings/2023/The%20Economics%20of%20USF%20Reform%20Brattle_FINAL.pdf).

<sup>60</sup> *Id.*

<sup>61</sup> Federal Communications Commission, Letter from Jessica Rosenworcel, Chairwoman, to Ben Ray Lujan, Senator, U.S. Senate (Jan. 12, 2024) <https://docs.fcc.gov/public/attachments/DOC-400113A1.pdf>.

<sup>62</sup> *Id.*

broadband and edge providers.<sup>63</sup> S. 4208, mentioned above, is titled the “Promoting Affordable Connectivity Act”, and would expand the USF’s contribution base to broadband and edge providers and fund the ACP through the USF.<sup>64</sup> Like the other bills mentioned above, neither of these have come to a vote.

The USF could be funded through direct appropriation. However, FCC Chairwoman Jessica Rosenworcel said that the USF program requires “certainty of funding” and that “the annual appropriations process is unpredictable.”<sup>65</sup> Despite the inability to respond to changing demands, direct appropriation would at least be predictably safe from judicial challenge, since appropriating money directly for a public program is something that Congress is clearly entitled to do.

## **XI. Changes Under a Second Trump Administration**

The incoming administration will likely make changes to the USF, if it continues.

FCC Commissioner Brendan Carr will be the new FCC Chairman.<sup>66</sup> Carr has voiced support for shifting emphasis for universal service from broadband to satellite internet, specifically Trump ally Elon Musk’s Starlink.<sup>67</sup> Today, USF programs focus support on broadband deployment and subsidizing broadband internet, with none of the USF’s \$9 billion annual budget going to Starlink. Carr also supports the idea of expanding USF’s contribution base to include “Big Tech” companies, such as Google and Amazon.<sup>68</sup> However, this expansion may require Congress to change the underlying law, so Carr may not be able to make this change alone.

The new administration and Congress may also affect the possible future of the ACP.

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<sup>63</sup> The Lowering Broadband Costs for Consumers Act, S. 3321, 118th Cong. (2024).

<sup>64</sup> Promoting Affordable Connectivity Act, S. 4208, 118th Cong. (2024).

<sup>65</sup> *Id.*

<sup>66</sup> Joe Supan, *What Trump’s Victory Means for Internet Policy*, CNET (Nov. 6, 2024), <https://www.cnet.com/home/internet/what-trumps-victory-means-for-internet-policy/>.

<sup>67</sup> *Id.*

<sup>68</sup> BRENDAN CARR ET AL. MANDATE FOR LEADERSHIP 2025: THE CONSERVATIVE PROMISE 859 (2023), available at [https://static.project2025.org/2025\\_MandateForLeadership\\_CHAPTER-28.pdf](https://static.project2025.org/2025_MandateForLeadership_CHAPTER-28.pdf).

While Vice President-elect J.D. Vance backs the ACP<sup>69</sup>, Republican Speaker Mike Johnson oversaw its expiration in April 2024 and has not brought an ACP funding bill to a vote during his tenure as Speaker. It remains to be seen if he will bring any bills funding the ACP to a vote under the new Administration.

In the Senate, Republican Senator Ted Cruz will likely take over as chair of the Senate Commerce Committee<sup>70</sup> and has previously proposed continuing the ACP in a sharply reduced form, with stricter eligibility requirements and a decreased subsidy from \$30 to \$10.<sup>71</sup> Cruz is also a proponent of funding the USF through direct congressional appropriation, although he is open to funding the High Cost program through the normal USF mechanism.<sup>72</sup> Additionally, he wants to ensure the USF will not continuously fund companies deploying infrastructure with BEAD funds, and more aggressively go after waste in the programs, which might mean a more onerous signup processes.<sup>73</sup>

## **XII. Conclusion**

The ACP's termination will cause real harm beyond the direct loss of internet access to low-income households: health care access, economic opportunities, and educational opportunities will all be reduced. ACP's ending is also likely to harm deployment of rural broadband through the BEAD program.

The USF's future is unclear, but even if it survives the Supreme Court's review of the Fifth Circuit decision, reforms will need to be made to address the ballooning contribution factor. Expanding the contribution base to include at least broadband providers would drastically lower the contribution factor, and the ACP could also potentially be funded under the USF umbrella without needing recurring appropriation renewal.

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<sup>69</sup> Press Release, Senator JD Vance, Senator Vance Appeals to Senate for Affordable Connectivity Program Funding (May 9, 2024), <https://www.vance.senate.gov/press-releases/senator-vance-appeals-to-senate-for-affordable-connectivity-program-funding/>.

<sup>70</sup> Jake Neenan, *Cruz Wins Texas: Likely Senate Commerce Chair Supports Appropriations for USF*, BROADBAND BREAKFAST (Nov. 6, 2024), <https://broadbandbreakfast.com/cruz-wins-texas-likely-senate-commerce-chair-supports-appropriations-for-usf/>.

<sup>71</sup> Jericho Casper, *Republicans Launch New ACP Proposals Amid Legislative Stalemate*, BROADBAND & BREAKFAST (May 21, 2024), <https://broadbandbreakfast.com/republicans-launch-new-ideas-for-ACP-amid-legislative-stalemate/>.

<sup>72</sup> Jake Neenan, *Cruz Wins Texas: Likely Senate Commerce Chair Supports Appropriations for USF*, BROADBAND BREAKFAST (Nov. 6, 2024), <https://broadbandbreakfast.com/cruz-wins-texas-likely-senate-commerce-chair-supports-appropriations-for-usf/>.

<sup>73</sup> Senator Ted Cruz, U.S. Senate Committee on Commerce, *Science, and Transportation*, *Protecting Americans From Hidden FCC Tax Hikes* (Mar. 6, 2024), <https://www.commerce.senate.gov/services/files/45983F37-2FA5-4586-BCCA-8E044955E3AF>