

Changes in Washington That May Impact Your Telecom Services

The “Universal Service Fund” – a program overseen by the Federal Communications Commission (FCC) and funded by telecommunications providers across the country – has been essential in ensuring that rural consumers like you (living in difficult to serve areas) have access to high-quality networks and affordable services. But, new Federal regulations, and others under consideration, put rural networks and services at risk.

Like electricity and telephone service, reliable, high-speed broadband is becoming an essential part of daily life for businesses and consumers. Access is critical commerce, civic participation, health care, and education across the far reaches of rural America.

The new FCC rules, however, do not promote these objectives. Although the FCC has stated its intent to ensure that all of America has comparable access to the Internet, new FCC regulations will reduce support for many smaller, locally-based cooperatives and commercial telecom providers such as ours. Among other things, under the new rules, our company will face:

- New limitations on our ability to recover investments made years ago;
- New rules that will be subject to changes *every year*, making it difficult to for companies to plan ahead in accordance with unknown regulatory requirements;
- Federal requirements to increase consumer rates in order to qualify for full Universal Service Fund support; and
- Reduced payments from other (often larger) carriers who use rural networks

Even where carriers and rural consumers can adapt to these changes, however, the FCC is considering further rule changes that threaten to reduce the ability of rural carriers to recover their costs. The additional changes now being considered include:

- Reducing the opportunity for returns on rural telecom investment and operations;
- Applying additional limitations on the ability to recover costs; and
- Reducing Universal Service Fund support if a competitor serves even just a small part of a our serving area.

The Universal Service Fund cuts arising out of the new rules will put existing investment in rural broadband at risk, and they will discourage future investment in new broadband-capable networks by small companies such as ours. The FCC’s cuts could also lead to increased rates for many customers for telephone, broadband and other services.

From the earliest days of telephone service, Congress has enforced policies that require affordable access to reasonably comparable communications services throughout the Nation. The Universal Service Fund is essential to fulfilling this policy. But rather than supporting true universal service, the new FCC rules now being considered promise better service to some Americans at the expense of lesser service, and at higher cost, for others.

Help our company continue to provide you with the services you need at an affordable rate. Don't let the FCC keep our rural community on the slow side of a broadband digital divide. Don't let the FCC adopt policies that will require rural consumers to pay higher rates for telephone service and slower broadband. Contact your congressional representatives and urge them to support regulatory action that ensures equal and affordable access to broadband for **all** Americans. Ask your representatives to help make sure that the new rules are implemented in a manner that is fair for all rural consumers and consistent with **true** universal service. Ask your representatives to tell the FCC to stop pressing for new rules that will only make matters worse.