



UNIVERSAL SERVICE FUND – BROADBAND DEPLOYMENT

Issue:

Farm Bureau supports using the Universal Service Fund (USF) to expand broadband deployment to rural areas. America's farmers and ranchers need viable rural communities to supply the services needed to support their families and agricultural operations.

To thrive, rural areas need access to health care, government services, and educational and business opportunities. For many rural communities, access can only be gained by using broadband services and sophisticated technologies that require high-speed connections. Current and future generations of rural Americans will be left behind their fellow citizens if they are without affordable high-speed broadband service that enables them to tap into health care and educational services, government agencies, and new business opportunities. Using USF funding to improve rural access to modern, affordable broadband services is critical for the economic sustainability of rural Americans.

Farmers and ranchers rely on broadband access to manage and operate successful businesses, the same as small businesses do in urban and suburban America. Access to broadband is essential for farmers and ranchers to follow commodity markets, communicate with their customers, gain access to new markets around the world and, increasingly, for regulatory compliance.

Many farmers and ranchers conduct their business operations from their homes. The Department of Agriculture reports a total of 70 percent of U.S. farms have access to the Internet in 2015, compared with 67 percent in 2013. This upward trend of Internet access must continue if farmers, ranchers and other small businesses in rural America are going to thrive and be successful in a global economy.

Background:

The USF was created by the Federal Communications Commission (FCC) in 1997 to ensure that consumers in all regions of the nation have access to quality telecommunications and information services at affordable rates.

The first phase of USF reform was the creation of the Connect America Fund (CAF) to replace the current high-cost program that subsidizes telephone service. The CAF will begin to subsidize the deployment of broadband this year.

The CAF will only support services to areas that are currently unserved by broadband service or where support is needed to extend and support broadband networks. Annual funding for the CAF is set at no more than \$4.5 billion over the next six years.

The FCC set the following five performance goals for the CAF:

1. Preserve and advance universal availability of voice service.
2. Ensure universal availability of modern networks capable of providing voice and broadband service

to homes, businesses, and community anchor institutions.

3. Ensure universal availability of modern networks capable of providing advanced mobile voice and broadband service.
4. Ensure that rates for broadband services and rates for voice services are reasonably comparable in all regions of the nation.
5. Minimize the universal service contribution burden on consumers and businesses.

AFBF Policy:

Farm Bureau supports using the USF to provide affordable communication services for rural areas and to ensure rural telecommunication technology is equitable to the infrastructure in urban and suburban areas. Farm Bureau also supports using a combination of tax incentives, grants and/or regulation to increase the use of broadband access in rural areas.

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