



September 15, 2025

VIA ELECTRONIC FILING

Senator Deb Fischer (R-NE), Chair
Ben Ray Lujan (D-NM), Ranking Member
Telecommunications and Media Subcommittee
Representative Richard Hudson (R-NC9), Chair
Representative Doris Matsui (D-CA7), Ranking Member
Communications and Technology Subcommittee
USFWorkingGroup@fischer.senate.gov

Re: Universal Service Fund (USF) Working Group - Request for Comment

Dear Chairs and Ranking Members:

The National Association of Telecommunications Officers and Advisors ("NATOA")¹ hereby submits this response to the 119th Congress' Universal Service Fund (USF) Working Group - Request for Comment.

NATOA, and the local governments we represent, applaud the efforts by the USF Working Group to address the future of Universal Service for all Americans. We welcome the opportunity to envision how all people in the United States will access efficient, relevant communications services with reliable and effective facilities at reasonable charges now, more than 90 years after the Communications Act of 1934 set out a path for rapid, efficient, nationwide communications service with adequate facilities at reasonable charges. We welcome this effort to work together "to focus on long-term solutions for the USF, evaluate broadband programs, and help connect unserved and underserved communities across America."²

Through the Telecommunications Act of 1996, Congress expanded the traditional definition of universal service—affordable, nationwide telephone service—to include affordable services for rural health care providers, schools, and libraries.

The Supreme Court in its June 27, 2025, decision in *FCC v. Consumers' Research* wrote that "no impermissible transfer of authority has occurred. Under our nondelegation precedents, Congress

¹ The National Association of Telecommunications Officers and Advisors' (NATOA) is a local government association supporting our members by advocating for broadband deployment, digital equity, cable services, Public, Educational and Governmental Access (PEG) Television, public safety communications and the preservation of local authority in our public rights of way (PROW). Members are local government staff and their advisors offering a wealth of experience and expertise on public rights-of-way management, telecom work and communications issues related to broadband, wireless, cable television, public, educational, and government (PEG) access, public safety communications, consumer protection and PROW management. <https://www.natoa.org/>

² <https://www.fischer.senate.gov/public/index.cfm/news?ID=C5D1E2F1-25E3-4C47-8044-38C50918120C>

The National Association of Telecommunications Officers and Advisors (NATOA)

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sufficiently guided and constrained the discretion that it lodged with the FCC to implement the universal-service contribution scheme. And the FCC, in its turn, has retained all decision-making authority within that sphere, relying on the Administrative Company only for non-binding advice. Nothing in those arrangements, either separately or together, violates the Constitution.”³

Section 254 of the Telecommunications Act of 1996 defines Universal Service as “an evolving level of telecommunications services that the Commission shall establish periodically under this section, taking into account advances in telecommunications and information technologies and services. The Joint Board, in recommending, and the (Federal Communications) Commission, in establishing, the definition of the services that are supported by Federal universal service support mechanisms, shall consider the extent to which such telecommunications services—

- A) are essential to education, public health, or public safety;
- B) have, through the operation of market choices by customers, been subscribed to by a substantial majority of residential customers;
- C) are being deployed in public telecommunications networks by telecommunications carriers; and
- D) are consistent with the public interest, convenience, and necessity.⁴

NATOA believes the USF ensures access to critical communications for millions of households and community institutions throughout our cities, towns and counties through the High-Cost Support, Lifeline, E-rate, and Rural Health Care programs. USF is a valuable resource supporting, expanding and delivering telecommunications and broadband access in communities where it is either unavailable or unaffordable. The demonstrated success of three federal programs established and funded by Congress - the Emergency Connectivity Fund (ECF), Emergency Broadband Benefit (EBB), and the Affordable Connectivity Program (ACP)⁵ - further enabled connectivity for households, telehealth, schools and libraries.

NATOA welcomes the 119th Congress establishing a broadband affordability program comparable to the successful ACP, EBB and ECF programs within the USF as additional and complementary to existing USF resources and capable of supportive engagement by local government.

According to Sandvine’s 2024 Global Internet Phenomena Report: Global Internet Usage Continues to Grow, with the largest content providers, companies like Google, Facebook, and Netflix, driving 65% of

³ 4-354 FCC v. Consumers' Research (06/27/2025) https://www.supremecourt.gov/opinions/24pdf/24-354_0861.pdf#page=8

⁴ 47 U.S. Code § 254 - Universal service <https://www.law.cornell.edu/uscode/text/47/254>

⁵ On November 15, 2021, the Infrastructure Investment and Jobs Act (Infrastructure Act) was signed into law. Pursuant to the Infrastructure Act, the Affordable Connectivity Program builds on the EBB Program by using new funding to provide discounted broadband service and connected devices to low-income households. The Infrastructure Act leaves the EBB Program’s basic framework in place, but it does make changes to the benefit amount, rules regarding plan and subscriber eligibility, and providers’ public promotion obligations, among other changes, and appropriates an additional \$14.2 billion to implement those changes. The Commission adopted the Affordable Connectivity Program rules on January 14, 2022. <https://sam.gov/fal/23ae73a6537a4262a652409d5eb4e056/view>

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all fixed traffic and 68% of all mobile traffic.⁶ Further, the Interactive Advertising Bureau (IAB) found internet advertising revenue hit \$258.6 billion in 2024.⁷ Digital video continued to be the fastest-growing format, now accounting for nearly a quarter of total ad revenue.

As then Commissioner, now Chairman, Brendan Carr notes in his Statement on the FCC 2022 USF report, "The Commission's report rightly notes the long-term sustainability of assessing large technology companies as another important benefit of this approach. It points to a study showing that the revenue growth of digital advertising is significantly higher than that of BIAS, indicating that the contribution factor would only continue to decrease over time."⁸

Given the unsustainability of the current USF funding scheme to support existing programs, we urge the Working Group members to explore as broad a scope as possible of potential resources and avenues to expand the base of USF contributors to include the mobile and fixed broadband and internet access services (BIAS) providers and edge service providers.

We urge Congress and the FCC to explore ways to expand local government engagement in USF programs, including infrastructure and network deployment funding and support; active participation of local governments as direct funding recipients; and engaging local governments as partners.

NATOA supports:

- Exploring USF contributions being drawn from "Big Tech" internet edge providers who dominate the digital landscape and unduly tax the resources of our broadband networks;
- Identifying the future contributions of tech firms that do not currently register with the FCC;
- Expanding the FCC's authority to assess contributions on the broadest range of revenues, such as digital advertising and certain other online services that benefit from broadband networks;
- Requiring the FCC to consider possible Big Tech revenue for digital advertising and user fees; and,
- Recognizing that commercial users of the public rights of way who benefit from the protections of 47 USC Sec. 253⁹ or Sec. 332¹⁰ should be contributors to USF based upon the income generated by any public rights of way assets.

⁶ <https://www.applogicnetworks.com/blog/sandvines-2024-global-internet-phenomena-report-global-internet-usage-continues-to-grow>

⁷ Internet advertising revenues demonstrated strong growth in 2024, increasing 14.9% year-over-year. Conducted by PwC, the "IAB Internet Advertising Revenue Report: Full Year 2024," <https://www.iab.com/news/digital-ad-revenue-2024/>

⁸ Report on the Future of the Universal Service Fund, Report, WC Docket No. 21-476. <https://docs.fcc.gov/public/attachments/FCC-22-67A2.pdf>

⁹ <https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title47-section253&num=0&edition=prelim>

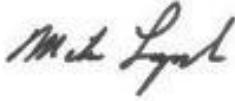
¹⁰ <https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title47-section332&num=0&edition=prelim>

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Sincerely,



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