

Universal Service “A Broadband Proposal”

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WHY

- Federal-State Joint Board on Universal Service recommended a cap on the competitive ETC portion of the high cost fund
 - *In the Matter of High-Cost Universal Service Support, Federal-State Joint Board on Universal Service, FCC 07J-1, Recommended Decision, WC Docket No. 05-337*
- Qwest supports the Recommended Decision, but also suggests that this recommendation presents an opportunity to move forward on broadband initiatives
- Goals:
 - Reorient the priorities of universal service policy
 - Spur the deployment of broadband connections to un-served households
 - Provide for a wireless pilot program that specifically targets un-served wireless areas

THE PROPOSAL

- Limit federal universal service support for wireless carriers to one connection per household
- Redirect the resulting savings in universal service funding toward broadband deployment in un-served areas
- Delegate to the states the role of providing one-time payments to subsidize the construction of broadband facilities in these un-served areas
- Terminate once the goal of broadband access to un-served areas is achieved
- For pilot program, states will petition the FCC to use a portion of their broadband funding for deployment of wireless services in un-served wireless areas

WHY CHANGE IS NEEDED

- **Current system is broken**
 - Allows support to wireless carriers for areas already served by other carriers, both wireline and wireless carriers alike
 - No support given for deployment of broadband services
 - Customers are not happy with the degree of broadband deployment nor with the degree of wireless deployment
 - No agreement as to what constitutes broadband
- **The Future is Broadband**

HOW TO ACCOMPLISH CHANGE

- **Window of Opportunity—All Roads Lead to Change**
 - FCC is reviewing change
 - Congress is reviewing change
 - Process may lead to winners and losers, without industry compromise
 - Compromise may lead to win-win-win for Rural Companies, Non-rural Companies, and Wireless carriers alike