

On Thursday, Federal Communications Commission Chairman Julius Genachowski announced his proposal to revamp the Universal Service Fund. The Chairman's announcement follows the Commission's requests for comments on the "ABC plan," a purported compromise put forward by incumbent phone providers. That proposal and related plans would allow both rural and urban carriers to dramatically raise rates on their customers in the guise of promoting broadband deployment and adoption - a worthy goal, but one this plan doesn't achieve. In other words, the carriers have proposed they be allowed to receive rate-payer subsidies to offer a monopoly service, without any constraints or obligations after receiving the payments.

In his statement Thursday, Genachowski said the FCC "will not rubber-stamp or adopt wholesale the proposals of any stakeholder or group of stakeholders," a pledge Free Press rightly intends to hold him to. I am filing in this docket today to urge the Federal Communications Commission to keep the Chairman's promise on this issue. No Universal Service Fund fees should be given to subsidize anti consumer and anti competitive duopoly big cable and phone companies business in the hope they'll expand broadband deployment when their rate increases are making it harder to boost broadband adoption among consumers.

Universal Service Fund money can be used to subsidize expanding broadband access but not if it just pads the pockets of monopoly carriers raising rates and reducing network investment.