



**BROADBAND  
WITHOUT  
BOUNDARIES**

200 Massachusetts Ave NW, Suite 700  
Washington, DC 20001  
(202) 240-7000  
[www.wispa.org](http://www.wispa.org)

September 15, 2025

The Honorable Deb Fischer  
The Honorable Ben Ray Lujan  
The Honorable Shelley Moore Capito  
The Honorable Amy Klobuchar  
The Honorable Jerry Moran  
The Honorable Gary Peters  
The Honorable Dan Sullivan  
The Honorable Jackie Rosen  
The Honorable Richard Hudson  
The Honorable Doris Matsui

USF Working Group  
United States Senate  
United States House of Representatives  
Washington, DC 20510

Dear Senators and Representatives:

**WISPA – *The Association for Broadband Without Boundaries*** appreciates the USF Working Group’s invitation to submit the accompanying Comments regarding the current state of universal service and its future. Bipartisan and bicameral interest and leadership are essential to apply lessons learned over nearly 30 years to future deployment, access, and adoption of broadband for all Americans regardless of where they live or their income level. We greatly appreciate and look forward to collaborating with the Working Group and Congressional staff to ensure existing and future broadband support programs are implemented in the most effective and efficient way possible.

For more than 20 years, hundreds of WISPA’s members have been on the front lines of the effort to bridge the digital divide by working to deliver fast, reliable broadband service to millions of Americans in the toughest to serve areas of the country and by delivering essential broadband service to schools, libraries and first responders. They are closing the digital divide with affordable, future proof, reliable broadband service using the best technology tool for the job to economically and efficiently serve each community’s unique needs and to meet consumer demand.

Our Comments reflect the experience of our members in participating in the universal service programs, primarily the high-cost programs the Federal Communications Commission (FCC) has initiated over the past 14 years. The success of these programs has resulted in large part from the FCC’s expanded eligibility for high-cost support that has triggered deployment of and accessibility to quickly and efficiently deployed reliable broadband service and substantial

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*Reliable Broadband Service Today and Tomorrow*



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investment in broadband companies. WISPA's members are among the recipients of the largest sums of Connect America Fund Phase II and Rural Digital Opportunity Fund support and are using licensed and unlicensed fixed wireless and fiber optic technologies to rapidly build broadband networks in rural America. The affordability, readiness, and reliability of these funded networks contributed to NTIA's determination in June 2025 to make the BEAD program more technologically neutral, undoubtedly saving taxpayers billions of dollars and expediting service to unserved and underserved homes.

WISPA and its members stand ready to work with you and your colleagues in Congress to ensure the goal of universal broadband coverage will finally be achieved.

Respectfully submitted,

/s/ David Zumwalt

David Zumwalt  
President & CEO

**Comments of WISPA –  
*The Association for Broadband Without Boundaries*  
September 15, 2025**

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**Effectiveness of Programs**

**How should Congress evaluate the effectiveness of each USF program in achieving their respective missions to uphold universal service?**

USF goals for broadband investment should evolve over time. These goals, however, should not change based on aspirations or projections of consumer trends, but rather should be based on data-driven evidence of historical changes in consumer demand, functionality and requirements. As an example, if data shows that consumer utilization does not require gigabit or symmetric download and upload speeds, then the government should not require it and Congress should not fund it.

In considering how to reform the high-cost USF programs, Congress and the Federal Communications Commission (FCC or Commission) should consider the interests, impacts and burdens on smaller providers. WISPA members, including some of its smaller members, were very successful in the Connect America Fund Phase II (CAF) and Rural Digital Opportunity Fund Phase I (RDOF) programs, and are deploying broadband throughout rural areas, using a variety of spectrum-based and fiber optic technologies to achieve 100/20 Mbps speeds or greater. The Commission's recognition in 2011 that broadband deployment should not be limited to only traditional telecommunications providers has sharply and expeditiously narrowed the digital divide. Any legislation, rule or government funding program should account for the effects that funding broadband has on competition, especially with respect to broadband providers that have self-funded their networks and operations and would be harmed by government-sponsored competition. This is especially true with respect to smaller companies that lack the regional or nationwide capability to meet competitive threats by re-allocating financial resources and labor to more competitive markets.

The National Broadband Map is proving to be very helpful in determining broadband availability. Although it remains a work in progress – and always will be – it is much more granular, accurate, and reliable than previous efforts. Funding for the mapping process should continue on a going-forward basis.

**How well has each USF program fulfilled Section 254 of the Telecommunications Act of 1996?**

The Commission's high-cost programs have been a qualified success. The Rural Broadband Experiment, CAF, Uniendo a Puerto Rico Fund, Connect USVI Fund, and RDOF programs have succeeded in supporting universal broadband deployment by expanding the universe of eligible recipients beyond traditional telecommunications

providers and making support available through competitive processes such as reverse auctions and defined scoring criteria. Dozens of WISPA members have participated in these programs and, where they have been authorized to receive funding, are deploying broadband networks in rural unserved areas at a rapid pace. By leveraging the lower cost to deploy fixed wireless access (FWA) technology in both fixed wireless and hybrid fiber-FWA networks, deployment is proceeding expeditiously and efficiently.

WISPA notes that some of the CAF and RDOF defaults have resulted from a number of factors. In some cases, state broadband programs and private investment firms funded network expansion before the Commission authorized CAF and RDOF recipients in the subsidized areas, reducing the recipients' projected revenues from consumer subscription and minimizing the benefit of the programs. At the same time, CAF and RDOF recipients experienced higher costs, labor shortages and supply chain delays during the COVID-19 pandemic that overlapped those FCC programs. The environment for BEAD appears to be more stable, and WISPA is pleased that broadband maps have been updated and that the gap between applying for BEAD subgrants and receiving BEAD subgrants should be relatively short in duration, thereby decreasing taxpayer waste that previously stemmed from funded overbuilding that resulted in defaults in the Commission's high-cost programs.

There are at least three ways in which the high-cost programs have been hampered by Section 254. First, Section 254 is focused on universal deployment of telecommunications services. As a result, potential recipients are required to obtain eligible telecommunications carrier (ETC) designation from the FCC, states or territories even though they are not seeking to provide telecommunications services, as broadband and Voice over Internet Protocol (VoIP) are not considered to be telecommunications services. As nearly every person, much less every home, has access to voice services, the Communications Act should be amended to eliminate the requirement that USF support voice service and to support broadband service instead.<sup>1</sup> In so doing, Congress should make clear that broadband is not a telecommunications service regulated under Title II of the Act.

Second, in conjunction with re-focusing Section 254 on broadband support, Section 254 should be amended to eliminate the requirement that recipients of USF support must be designated as ETCs. State regulation of voice and broadband services can best be described as a patchwork – some states regulate both services in varying degrees, and some do not regulate either. Establishing a national regulatory framework that minimizes overlapping, overbearing, or inconsistent state regulation will provide greater certainty, reduce regulatory burdens, and stimulate investment in broadband networks and the companies that build them.

Third, there is no policy reason to provide billions of dollars of support to legacy providers in rural areas when and where there are other broadband providers, such as

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<sup>1</sup> See, e.g., Reply Comments of WISPA, WC Docket No. 21-476 (filed March 17, 2022).

WISPA's members, that are ready, willing and able to deploy affordable broadband service. Any new legislation should be provider-neutral as well as technology-neutral, instead of funding certain subsets of broadband providers because of historical statutory distinctions that are not relevant today.

With the sunset of Affordable Connectivity Program (ACP), the Lifeline program has taken on greater importance for providers interested in providing reduced cost services to low-income consumers. One of the lessons learned from the roll-out of the ACP was that many more providers were able to quickly and efficiently enroll to participate in the program, because obtaining ETC designation was not a pre-requisite. Eliminating the ETC requirement under Section 254(e) of the Act would open the program to participation by more providers, ease the enrollment process, and fill in the gap left by the sunset of the ACP. WISPA emphasizes, however, that no provider should be required to offer a mandated low-cost service to consumers. Such initiatives taken independently by certain states threaten to place severe financial strain on smaller providers that cannot subsidize their own operations by raising prices elsewhere.

### **Has the FCC adequately assessed each USF program against consistent metrics for performance and advancement of universal service?**

Under Section 706(b) of the Telecommunications Act of 1996, the Commission is required to assess annually whether “advanced telecommunications capability is being deployed to all Americans in a reasonable and timely fashion.” If the Commission determines that is not the case, “it shall take immediate action to accelerate deployment of such capability by removing barriers to infrastructure investment and by promoting competition in the telecommunications market.” The Commission’s Section 706 proceedings typically become an opportunity for the Commission to justify new regulations rather than removing barriers to broadband deployment, access, and adoption. The Commission’s reporting measures progress against previous years.

With respect to measuring the effectiveness of the USF programs against concrete program goals and metrics, WISPA does not believe that the Commission has undertaken this task, nor has it been required to do so. The Section 706 inquiry invokes the Commission’s high-cost programs, but there is little publicly available data on the other three USF programs.

## **Consideration of Reforms**

**What reforms within the four existing USF programs would most improve their:**

- Transparency;
- Accountability;
- Cost-effectiveness;
- Administration; and
- Role supporting universal service?

### *High-Cost Support*

With respect to transparency, WISPA commends Congress, the Commission and NTIA for establishing robust broadband availability challenge processes – both with the Commission in connection with the semi-annual Broadband Data Collection submissions and at the state level in connection with the BEAD program – that will help ensure that broadband funds are not wasted in areas that already have access to reliable broadband services, either through privately funded companies or enforceable commitments to deploy broadband service pursuant to state or federal obligations.

With respect to cost-effectiveness, WISPA cautions that the lowest cost to obtain broadband deployment funding should not be the only concern. The high-cost programs should consider criteria such as time to deploy, managerial and operational experience, and consumer demand for adequate broadband. While some defaults will occur, requiring more information in the short-form or pre-application process would be advisable, so long as that process is not used to disqualify potential applicants.

### *Schools and Libraries Support*

To improve cost-effectiveness and administration, support for schools and libraries should be targeted at subsidizing physical facilities, consistent with WISPA's interpretation of Section 254(c)(3) of the Communications Act. WISPA believes that the Commission's rules approving E-rate funds to be used for Wi-Fi hotspots was wrongly decided and threatens to undermine private investment. While there may be a need for broadband connectivity beyond campus and library boundaries, it would be wasteful if E-rate support is provided where broadband connectivity is already available, according to the Commission's National Broadband Map, or there is an enforceable commitment pursuant to a federal or state broadband deployment program to provide broadband.

### **What reforms would ensure that the USF contribution factor is sufficient to preserve universal service?**

In considering changes to its contribution methodology, the Commission should be mindful of two significant aspects of the contribution base. First, WISPA members that provide interconnected VoIP must annually file Form 499-A and, if their interstate and international revenues are above the *de minimis* level, must contribute to USF and pass those costs on to their subscribers. But they do not receive any USF support unless they participate in a USF program – it is a one-way street in which a smaller provider that chooses to offer voice may be contributing to a large carrier's bottom line.

Second, as the USForward Report observes, “[w]hile there are more than 2,000 USF contributors today, ten companies (and their affiliates) collectively report close to 80% of the billed interstate and international retail revenues reported on Form 499-A.”<sup>2</sup> These

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<sup>2</sup> See Carol Matthey, *FCC Must Reform Contributions Now: An Analysis of the Options* (Sept. 2021) 389137

two facts lead to WISPA’s recommendation: if the Commission decides to expand the contribution base to include providers offering only broadband service, it should raise the *de minimis* contribution threshold so that smaller providers – many of which have never been required to contribute to the USF – are not required to contribute unless their assessable revenues exceed a certain floor. The Commission also should permit *de minimis* filers to elect to contribute to USF directly as an alternative to covering USF pass-through fees assessed by upstream providers.

### **What reforms would reduce waste, fraud, and abuse in each of the four USF programs?**

Requirements and criteria for federal and state broadband funding programs should be carefully crafted and implemented to avoid duplicating support to providers in the same area. Government-sponsored overbuilding of areas subject to enforceable commitments from other government programs is an inefficient use of taxpayer funds and erodes confidence in the Commission’s programs, undermining business models and investment plans that, in some cases, could lead to defaults in high-cost programs. Coordination among federal and state agencies charged with granting billions in financial support and harmonization of maps, standards and definitions will be critical as new programs are established and implemented.

### **What actions would improve coordination and efficiency among USF programs and other FCC programs, as well as broadband programs housed at other federal agencies?**

WISPA appreciates the coordination between and among federal agencies in developing the National Broadband Map as the singular federal source of broadband availability and taking steps to ensure that federal dollars are not used to overbuild existing networks. However, despite this coordination, in the May 2022 Notice of Funding Opportunity for the Broadband Equity, Access, and Deployment (BEAD) program, NTIA still adopted a flawed definition for “reliable broadband service” that is inconsistent with that of the Commission and its own Tribal Broadband Connectivity Program. NTIA’s June 6, 2025 Restructuring Policy Notice had the effect of reducing the instances of government-funded overbuilding, but some states did not implement their BEAD Benefit of the Bargain round in a way that protected locations served only with unlicensed fixed wireless technologies, an approach that will result in increased costs to the BEAD budget. NTIA should carefully review the processes that states have established to minimize the impact on existing broadband deployments and reduce waste in government spending.

The Commission should defer implementing a new high-cost program (*e.g.*, RDOF Phase II) until some period of time after all BEAD allocations have been made and after Congress has eliminated the ETC requirement and the requirement that recipients provide voice service. At that time, it may be appropriate to make additional support available for

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(“USForward Report”), *available at* [https://www.shlb.org/uploads/Policy/Policy%20Research/SHLB%20Research/FINAL%20USForward%20Report%202021%20for%20Release%20\(1\).pdf](https://www.shlb.org/uploads/Policy/Policy%20Research/SHLB%20Research/FINAL%20USForward%20Report%202021%20for%20Release%20(1).pdf).

deployment of broadband to locations that remain unserved or unfunded, or for upgrading broadband speeds to meet consumer demand, or for operational expenses to help sustain existing operations.

WISPA also believes that the U.S. Small Business Administration should be authorized to increase the size of its loans so that the program is more attractive for small broadband providers seeking to expand or upgrade their networks. Loan guarantees also can be an effective tool for attracting private investment.

**For any recommendations on reforms, does the Commission currently have the feasibility and authority to make such changes?**

The USF contribution factor is approaching 40% of a carrier's interstate and international telecommunications revenues, a percentage that has increased dramatically over time as mobile telecommunications revenue has declined. The Commission has authority under Section 254(d) to make changes to the methods by which contributions are determined, and over the years it has conducted a number of proceedings to consider how it should construct or revise its contribution model. As one example, in 2006 the Commission exercised its authority to require interconnected VoIP providers to contribute to USF because they were "providers of interstate telecommunications," notwithstanding the fact that the Commission had not addressed the regulatory classification of interconnected VoIP.<sup>3</sup>

The Commission may arguably have authority to broaden the contribution base by assessing broadband internet access service, digital platforms, voice and/or broadband connections, telephone numbers and other communications services that have been presented over the years. But the Commission should not take any action in the short term until Congress determines its policy direction. As a first step, Congress should determine the amount of funding that should be available for the USF programs after BEAD is fully funded and whether it should cease supporting voice services and instead direct all contributions to broadband. If so, Congress should also determine whether the purpose of funding should be for deployment, operating expenses, network upgrades or other purposes.

If Congress converts the high-cost USF programs to support only broadband programs, then the Commission should be charged with implementing the broadband-only program. WISPA believes that if Congress makes the right policy choices, the size of the USF can be reduced and the impact on contributors can be reduced.

Consistent with WISPA's advocacy before the Commission, if the Commission decides to move forward to expand the contribution base in the absence of Congressional action,

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<sup>3</sup> See *Universal Service Contribution Methodology, et al.*, Report and Order and Notice of Proposed Rulemaking, 21 FCC Rcd 7518 (2006).



it should exempt small broadband providers from contributing to USF. If the Commission requires entities such as standalone broadband providers that do not provide voice services to contribute to USF, it should raise the *de minimis* threshold so as to not unfairly burden small providers with contribution obligations and greater administrative responsibilities.<sup>4</sup>

**Is the USF administrator, the Universal Service Administrative Company (USAC), sufficiently accountable and transparent? Is USAC's role in need of reform?**

USAC serves an important role in administering USF programs. While it generally does a good job, its processes are often plagued by delays. For example, it is taking USAC many months to verify CAF and RDOF deployments. With each passing month, high-cost recipients are unable to reduce or retire their letters of credit, unnecessarily costing recipients thousands of dollars every month in banking fees (*i.e.*, monthly maintenance fees and cash collateral requirements). Those funds would be better spent on broadband deployment. Reducing the time it takes for USAC to complete deployment verifications would reduce costs and accelerate broadband deployment.

Second, excessive delays by USAC during the Program Integrity Assurance (PIA) review process, the interminable time frame for resolving appeals of USAC denials, and the lack of proper guidance from the Commission has unfairly prevented schools and libraries from providing the instructional benefits available under E-rate. The E-rate appeals process has in some instances taken years to complete.<sup>5</sup> In turn, these delays result in delayed funding to participating schools, libraries, and providers and uncertainty about future funding requests. While the streamlined appeals process that commenced in 2014<sup>6</sup> was intended to resolve the delay issues of the E-rate appeals, the process itself is problematic as streamlined decisions provide no guidance for E-rate participants going forward on what practices are consistent with the Commission's rules. As a result, E-rate participants are left without adequate guidance on the E-rate process.<sup>7</sup>

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<sup>4</sup> See Comments of WISPA, WC Docket No. 21-476 (filed Feb. 17, 2022).

<sup>5</sup> See, e.g., *Request for Waiver and Review of Decision of the Universal Service Administrator by Montgomery County School District, Rockville, Maryland*, 29 FCC Rcd 00320 (2014) (taking seven years to resolve an appeal of a USAC decision.).

<sup>6</sup> See *Resolving Requests for Review of Decisions by the Universal Service Administration Company*, Public Notice, 29 FCC Rcd 11094 (2014).

<sup>7</sup> A typical summary decision provides nothing more than the topic of the waiver request, the entity that filed the request and the Commission action. This type of decision provides no actionable guidance on how providers or billed entities should proceed in the future.