



Wireless
Infrastructure
Association

August 25, 2023

The Honorable Ben Ray Lujan
United States Senate
498 Russell Senate Building
Washington, DC 20510

The Honorable John Thune
United States Senate
511 Dirksen Senate Building
Washington DC, 20510

Dear Senators Lujan, Thune, and Members of the USF Working Group:

The Wireless Infrastructure Association (“WIA”)¹ is pleased to submit the following comments on the current status of the Federal Communications Commission’s (“FCC”) Universal Service Fund (“USF”). WIA members have invested significantly and repeatedly to provide world-class wireless networks providing fixed and mobile connectivity nationwide. WIA’s estimates show that the U.S. wireless and mobile industry spent \$11.9 billion building additional capacity and coverage into the nation’s wireless networks in 2022. This does not include spending on spectrum or maintenance and ongoing network operations. In total, network operating expenses for U.S. wireless and mobile networks in 2022 topped \$46 billion.² In short, WIA members are committed to deploying the networks that keep Americans connected everywhere.

Ensuring universal service remains a national priority. Yet despite the private sector’s significant investments, the digital divide still prevents millions of Americans from the substantial opportunities enabled by a broadband connection. Subsidies like the USF have been a key tool in helping millions of American cross that divide. However, as Congress looks forward to the future of broadband subsidies, we encourage you to consider modern approaches that are tailored to the needs of consumers. Specifically, Congress must ensure the future of affordable connectivity by continuing to fund the Affordable Connectivity Program (“ACP”) as USF is ill-equipped to do so. Congress should also ensure all consumers, businesses, and community anchor institutions benefiting from USF programs have access to advanced broadband coverage on a technologically neutral basis.

Re-Funding the ACP is the Single Most Important Congressional Action to Maximize Connectivity

The ACP has grown from a temporary Covid relief measure to a robust program helping millions of Americans—over 20 million and counting—get and stay online.³ This program

¹ WIA is the principal organization representing companies that build, design, own, and manage telecommunications facilities throughout the world. Its members include infrastructure providers, telecommunications carriers, and professional services firms.

² WIA, *Wireless Infrastructure By the Numbers; 2022 Key Statistics*, (Mar. 15, 2023) <https://wia.org/wireless-infrastructure-by-the-numbers-2022-key-statistics/>.

³ News Release, *More Than 20 Million Households Enroll in Nation’s Largest Broadband Affordability Program*, FED. COMM’C. COMM’N, (Aug. 14, 2023) <https://www.fcc.gov/document/20-million-households-enroll-acp>.

provides two critical lessons to policymakers—direct subsidies provide consumers the flexibility to address the specific need they are facing, and consumers demand mobile connectivity.

Broadband has proven to be a truly transformative technology in bringing new services and benefits to Americans across socioeconomic backgrounds. While the Covid pandemic brought lack of connectivity to the national forefront, this Working Group has long known the harm the digital divide creates. In an increasingly online world, broadband is no longer just a nice-to-have. From basic participation in school and the workforce, to accessing advancements in telemedicine and keeping in touch with loved ones, connectivity underpins many facets of everyday life.⁴

However, for many Americans on the wrong side of this divide the biggest barrier is not the availability of service but the lack of resources to connect.⁵ Following historic federal funding to expand broadband networks, affordability will likely continue to be a major reason why Americans remain unconnected. Indeed, Congress considered this in the Broadband Equity Access and Deployment (“BEAD”) program by requiring states to address affordability in their plans for broadband deployment; expressly using participation in the ACP program as evidence of an affordable offering. This is why programs focused on bridging this affordability gap, like the USF historically and the ACP recently, are so critical to ensuring all Americans can remain fully connected.

Yet with the ACP funding capped, 20 million plus American households across all corners of the nation stand to soon lose the support that may be the deciding factor in whether they stay connected. The FCC’s USF Lifeline program, with a \$9.25/month support maximum, is not a viable equivalent of the ACP. This fast-approaching cliff in support counsels Congress to act quickly to fully fund the Program.

Further, even if the FCC worked to expand Lifeline support to account for a loss of ACP funding, this would result in an unprecedented expansion of the Lifeline program. In 2022 the Lifeline program distributed \$609 million—or approximately one month of ACP funding for 20 million users.⁶ This would be untenable barring major reformation of the current universal service program and also its contributions system, which is already strained.

America’s wireless infrastructure and service providers are doing their part to connect all Americans. It is essential that Congress does not allow American connectivity, which benefits all

⁴ See, e.g., Jessica Dine, *Enabling Equity: Why Universal Broadband Access Rates Matter*, ITIF, (Aug. 14, 2023) <https://itif.org/publications/2023/08/14/enabling-equity-why-universal-broadband-access-rates-matter/>, Adie Tomer, ET AL., *Digital Prosperity: How Broadband Can Deliver Health and Equity to All Communities*, BROOKINGS INST., (Feb. 27, 2020) <https://www.brookings.edu/articles/digital-prosperity-how-broadband-can-deliver-health-and-equity-to-all-communities/>.

⁵ Jessica Dine, *Enabling Equity: Why Universal Broadband Access Rates Matter*.

⁶ See 2022 Annual Report, Universal Service Admin. Co. at 4, https://www.usac.org/wp-content/uploads/about/documents/annual-reports/2022/USAC_2022_Annual_Report.pdf.

Americans, to backslide. Congress should work today to ensure the ACP is re-funded quickly and sustainably.

The Future of USF Should Reflect America's Growing Preference for Wireless Services

It is equally critical that modern subsidies are created with modern use cases in mind. Whether through fiber-optic cables, over the airwaves, or from space, consumers now have more choices than ever in how they subscribe to a broadband service. Particularly, recent innovations in Fixed Wireless Access (“FWA”) have enabled service providers to cover millions of Americans with high-speed home broadband over the same networks that support mobile broadband. Consumers are already reacting to these advancements and flocking to new technologies for their home broadband, making it the most popular new technology in the broadband marketplace.⁷ Further, a benefit of deploying FWA broadband means that mobile broadband communications are also available in the area. To keep pace with innovation and ensure consumers can subscribe to the best solution for them, Congress should ensure any future broadband subsidies (whether within USF or through another federal funding mechanism) are available on a technology-neutral basis.

In the nearly three decades since the USF was implemented, the way Americans use and interact with communications networks has drastically changed and smartphones now outnumber our total population.⁸ Increasingly, the distinction between fixed and mobile broadband has shrunk in consumers’ minds. While home connectivity is critical for many everyday functions, the transformative powers of connectivity are most impactful when able to be accessed anywhere. This is clearly evidenced by the increasing reliance on mobile broadband, particularly for low-income Americans.⁹ Many consumers recognize that the majority of their online activity takes place on their smartphone, and they will prioritize this connection over a home subscription.

This preference is also apparent when looking at the current application of ACP funds. Consistently, over half of the benefits from the ACP have been applied to a mobile broadband subscription,¹⁰ while over 90% of Lifeline subsidies have gone to mobile service.¹¹ Further, the ACP is a strong bellwether of consumer preference because the subsidy went directly to the

⁷ Press Release, *About 3,500,000 Added Broadband From top Providers in 2022*, LIECHTMAN RESEARCH GROUP (Mar. 2, 2023), <https://www.leichtmanresearch.com/about-3500000-added-broadband-from-top-providers-in-2022/> (“Top broadband providers added about 3.5 million subscribers in 2022. Fixed wireless services accounted for 90% of the net broadband additions in 2022, compared to 20% of the net adds in 2021.”).

⁸ See *Number of Smartphone Users in the United States 2013-2028*, STATISTA, (July 2023)

<https://www.statista.com/forecasts/1145056/smartphone-users-in-the-united-states>.

⁹ Andrew Perrin, *Mobile Technology and Home Broadband 2021*, PEW RESEARCH CTR. (June 3, 2021), <https://www.pewresearch.org/internet/2021/06/03/mobile-technology-and-home-broadband-2021/> (demonstrating a greater preference for mobile broadband among certain demographics).

¹⁰ *Additional ACP Data*, Universal Service Admin. Co., <https://www.usac.org/about/affordable-connectivity-program/acp-enrollment-and-claims-tracker/additional-acp-data/> (last updated July 1, 2023).

¹¹ *Report on the State of the Lifeline Marketplace*, FED. COMM’C’S. COMM’N. at 6, (June 2021) <https://docs.fcc.gov/public/attachments/DOC-373779A1.pdf>.

consumer. This has given Congress an invaluable insight into where consumers have the greatest need and where they wish to allocate support. We urge you to maintain this flexibility in future broadband subsidies.

Conclusion

Access to broadband continues to be a cornerstone of economic mobility in the United States. While significant efforts are underway to ensure networks reach all Americans, it is also important that Congress ensures all Americans have the opportunity to utilize these networks. WIA applauds the efforts of this Working Group to create constructive solutions for achieving universal service. In creating and improving these programs to subsidize broadband access, we urge you to keep consumer choice in mind and craft rules that allow for flexible uses of funds on a technology-neutral basis.

Respectfully submitted,

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