



How Title II Helps Close the Digital Divide by Supporting Universal Service for All

Congress charged the Federal Communications Commission to ensure that telecommunications providers offer [universal service](#), including broadband access, to all Americans. The FCC set up the Universal Service Fund, or USF, to meet this commitment by supporting programs critical for getting and keeping consumers connected.

The USF revenue is financed by telecommunications providers through a contribution fee, but unfortunately that fee is passed on to phone service subscribers. As more consumers have shifted their usage to broadband, this end-user charge has fallen largely on those that have not yet made the switch, including senior citizens. The contribution factor is currently at an [outstanding 34.5%](#). Assuming trends continue, phone service subscribers could pay [40% or more](#) of the contribution fee – an unsustainable, unfair burden that jeopardizes the entire USF and our nation’s ability to close the digital divide.

Key provisions in Title II promote both access to infrastructure by non-legacy providers and affordability for consumers to our traditional phone networks. Without Title II classification, these rules would not apply to broadband services, limiting the FCC’s ability to reform universal service as well as its funding system.

By reclassifying broadband as a Title II telecommunications service, the FCC can mandate to preserve and advance universal service, modernize the contribution mechanism, and save critical USF programs. Title II enables the agency to expand the USF contribution base from phone service to include broadband internet access services, which can lower the contribution factor – what each subscriber pays to support USF – by a significant amount.

In fact, a [recent report by Carol Matthey](#) estimates that the contribution factor would fall and remain under 4% for everyone over the next four years just by extending the fee to broadband subscribers. With Title II reclassification, the Universal Service Fund can also allow eligible telecommunications carriers, including broadband-only providers, to offer subsidized broadband services to low-income consumers struggling to get and stay connected.

In short, **Title II authority enables the FCC to stabilize the USF and support the core programs focused on connecting us all.**