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Watchdog Praises FCC for Fixing Rural Wireless Funding Failures

WASHINGTON, D.C. – Today, the Taxpayers Protection Alliance (TPA) praised the Federal Communications Commission's (FCC) commitment to documenting data collection failures and resolving to improve the funding system for rural broadband deployment. On December 4, the Commission released a report finding that, due to faulty carrier-provided broadband mapping, the FCC's planned taxpayer-provided Universal Service Fund (USF) dollars for 4G LTE deployment would be poorly targeted. This admission came as FCC Chairman Ajit Pai announced plans for a 5G Fund, which will allocate $9 billion in USF dollars for 5G deployment.

TPA President David Williams praised the report's release, noting, "usually, government agencies and commissions fail to acknowledge problems and pursue flawed policies based on flawed information. Today, the FCC showed taxpayers that it respects their hard-earned dollars and is actively working to safeguard revenues. In its report, the Commission correctly identified the need for in-depth information from carriers in order to close the digital divide and help underserved rural residents. More than 19 million Americans lack reliable, high-speed internet access, and USF dollars can help deliver such access – if carriers submit accurate data to the FCC."

Williams continued: "As stated by the FCC in its report, 'overstating mobile broadband coverage misleads the public and can misallocate our limited universal service funds, and thus it must be met with meaningful consequences.' Wireless consumers are already forced to foot exorbitant fees for USF expenses, and these taxes are only increasing. The surcharge to fund the USF jumped by 36 percent from 2018 to 2019, skyrocketing from 6.6 percent to 9.1 percent of a typical wireless bill according to Tax Foundation data. The misreporting of coverage data diverts revenue from where it is needed the most, resulting in a continued digital divide even after the allocation of tens of billions of dollars of taxpayer money. And, fortunately, instead of doubling down on yesterday's 4G LTE technology, the FCC will replace the planned Mobility Fund Phase II with a more careful system that prioritizes 5G deployment and will help close the digital divide."

Williams concluded: "Under the leadership of Chairman Pai, the FCC has gone from a reckless regulator to a stalwart protector of taxpayer and consumer dollars. Today, the Commission has demonstrated its commitment to identifying mistakes and delivering results for millions of underserved Americans. Hopefully, these acknowledgements can show other agencies that it is better to admit setbacks than doubling-down on costly policies."

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Taxpayers Protection Alliance (TPA) is a non-profit, non-partisan organization dedicated to educating the public through the research, analysis and dissemination of information on the government's effects on the economy.

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