

Federal Universal Service Fee

In May of 1997, the Federal Communications Commission (FCC) adopted rules that mandated that telecommunications carriers pay into a federal program called the Universal Service Fund (USF). This fund helps provide affordable telecommunications services for low-income customers and for customers living in rural areas that are expensive to serve. It also provides discounts on Internet access for eligible schools, libraries and rural healthcare providers.

The USF is collected from telecommunications carriers and administered by the Universal Service Administration Corporation (USAC). They are responsible for disbursing the funds according to eligibility criteria established by the FCC.

The FCC requires all carriers that recover their contributions from customers with line-item charges to use the FCC's prescribed contribution factor. As a result, we compute these charges using the FCC factor. The FCC may change the contribution rate each quarter.