

Calendar No. 594117TH CONGRESS
2^D SESSION**S. 2427**

To require the Federal Communications Commission to conduct a study and submit to Congress a report examining the feasibility of funding the Universal Service Fund through contributions supplied by edge providers, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 21, 2021

Mr. WICKER (for himself, Mr. YOUNG, Mrs. CAPITO, Mr. BARRASSO, Mr. CRAPO, Mr. LUJÁN, and Mr. PETERS) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

DECEMBER 7, 2022

Reported by Ms. CANTWELL, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

A BILL

To require the Federal Communications Commission to conduct a study and submit to Congress a report examining the feasibility of funding the Universal Service Fund through contributions supplied by edge providers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Funding Affordable
3 Internet with Reliable Contributions Act” or the “FAIR
4 Contributions Act”.

5 **SEC. 2. STUDY AND REPORT ON UNIVERSAL SERVICE FUND**
6 **CONTRIBUTIONS.**

7 (a) **DEFINITIONS.**—In this section:

8 (1) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—The term “appropriate congressional com-
9 mittees” means—

11 (A) the Committee on Commerce, Science,
12 and Transportation of the Senate; and

13 (B) the Committee on Energy and Com-
14 merce of the House of Representatives.

15 (2) **COMMISSION.**—The term “Commission”
16 means the Federal Communications Commission.

17 (3) **CONTRIBUTION.**—The term “contribution”
18 means funds provided to the Universal Service Fund
19 under section 254(d) of the Communications Act of
20 1934 (47 U.S.C. 254(d)).

21 (4) **EDGE PROVIDER.**—The term “edge pro-
22 vider” means a provider of online content or serv-
23 ices, such as a search engine, a social media plat-
24 form, a streaming service, an app store, a cloud
25 computing service, or an e-commerce platform.

1 (5) UNIVERSAL SERVICE FUND.—The term
2 “Universal Service Fund” means the fund estab-
3 lished pursuant to section 254 of the Communica-
4 tions Act of 1934 (47 U.S.C. 254) and administered
5 by the Universal Service Administrative Company to
6 support service to high-cost areas, schools and li-
7 braries, rural health care facilities, and the Lifeline
8 program of the Commission.

9 (b) STUDY AND REPORT.—Not later than 180 days
10 after the date of enactment of this Act, and after issuing
11 a notice of inquiry seeking public comment on the issues
12 described in this subsection, the Commission shall conduct
13 a study and submit to the appropriate congressional com-
14 mittees a report examining the feasibility of funding the
15 Universal Service Fund through contributions supplied by
16 edge providers, which shall include the consideration of
17 comments on, and the findings of the Commission with
18 respect to—

19 (1) the class of firms and services on which
20 contributions could be assessed, including an inquiry
21 into the specific sources of revenue potentially sub-
22 ject to contributions, such as digital advertising rev-
23 enue and user fees;

24 (2) the equity issues of the current contribu-
25 tions system, including the cost burden on con-

1 consumers who traditionally purchase legacy tele-
2 communications services;

3 (3) equity issues of alternative contributions
4 systems that would create new funding sources for
5 the Universal Service Fund such as Federal appro-
6 priations or assessments on edge providers;

7 (4) whether a particular contributions system
8 results in progressive or regressive fees;

9 (5) the size of firms subject to contributions re-
10 quirements;

11 (6) the broadband requirements, such as band-
12 width and latency, of a particular online service;

13 (7) other Federal, State, and local taxes and
14 fees that edge providers may already pay;

15 (8) practical issues concerning the calculation
16 of contributions, including which revenues should be
17 subject to contributions, whether a flat or progres-
18 sive rate is most appropriate, and the logistics of
19 collection;

20 (9) the effect such a change would have on tele-
21 communications bills of consumers, including low-in-
22 come, elderly, and Tribal consumers;

23 (10) the effect such a change would have on the
24 sustainability of the Universal Service Fund, and

1 how to ensure that Universal Service Fund disburse-
 2 ments are consistent and predictable over time;

3 ~~(11) the statutory authority the Commission~~
 4 ~~would require to enact such a change and how such~~
 5 ~~a change would interact with existing Federal and~~
 6 ~~State law; and~~

7 ~~(12) the continued necessity of the Universal~~
 8 ~~Service Fund once advanced telecommunications ca-~~
 9 ~~pability is available to all people in the United~~
 10 ~~States.~~

11 **SECTION 1. SHORT TITLE.**

12 *This Act may be cited as the “Funding Affordable*
 13 *Internet with Reliable Contributions Act” or the “FAIR*
 14 *Contributions Act”.*

15 **SEC. 2. STUDY AND REPORT ON UNIVERSAL SERVICE FUND**

16 **CONTRIBUTIONS.**

17 *(a) DEFINITIONS.—In this section:*

18 *(1) APPROPRIATE CONGRESSIONAL COMMIT-*
 19 *TEES.—The term “appropriate congressional commit-*
 20 *tees” means—*

21 *(A) the Committee on Commerce, Science,*
 22 *and Transportation of the Senate; and*

23 *(B) the Committee on Energy and Com-*
 24 *merce of the House of Representatives.*

1 (2) *BROADBAND PROVIDER.*—*The term*
2 *“broadband provider” means a provider of broadband*
3 *internet access service, as defined in section 8.1(b) of*
4 *title 47, Code of Federal Regulations, or any successor*
5 *regulation.*

6 (3) *COMMISSION.*—*The term “Commission”*
7 *means the Federal Communications Commission.*

8 (4) *CONTRIBUTION.*—*The term “contribution”*
9 *means funds contributed to the Universal Service*
10 *Fund under section 254(d) of the Communications*
11 *Act of 1934 (47 U.S.C. 254(d)).*

12 (5) *EDGE PROVIDER.*—*The term “edge provider”*
13 *means a provider of online content or services, includ-*
14 *ing, but not limited to, a search engine, a social*
15 *media platform, a streaming service, an app store, a*
16 *cloud computing service, an over-the-top messaging*
17 *service, a video conferencing service, or an e-commerce*
18 *platform.*

19 (6) *UNIVERSAL SERVICE FUND.*—*The term “Uni-*
20 *versal Service Fund” means the fund—*

21 (A) *established pursuant to section 254 of*
22 *the Communications Act of 1934 (47 U.S.C.*
23 *254); and*

1 (B) administered by the Universal Service
2 Administrative Company or any other adminis-
3 trator designated by the Commission.

4 (b) *STUDY AND REPORT.*—Not later than 1 year after
5 the date of enactment of this Act, and after issuing a notice
6 of inquiry seeking public comment on the issues described
7 in this subsection, the Commission shall conduct a study
8 and submit to the appropriate congressional committees a
9 report examining the feasibility and effects of expanding
10 the base of contributors to the Universal Service Fund to
11 include contributions supplied by edge providers and
12 broadband providers, which shall include the consideration
13 of comments on, and the findings of the Commission with
14 respect to—

15 (1) the class of firms and services that benefit di-
16 rectly and financially from the programs funded by
17 the Universal Service Fund;

18 (2) the size and class of firms and services on
19 which contributions could be assessed, including an
20 inquiry into the specific sources of revenue of edge
21 providers and broadband providers potentially subject
22 to contributions, such as digital advertising revenue
23 and user fees;

24 (3) the broadband requirements, such as band-
25 width and latency, of particular online services that

1 *would be subject to contribution requirements if con-*
2 *tributions were assessed on edge providers and*
3 *broadband providers;*

4 (4) *other Federal, State, and local taxes and fees*
5 *that edge providers and broadband providers may al-*
6 *ready pay;*

7 (5) *practical issues concerning the calculation of*
8 *contributions assessed on edge providers and*
9 *broadband providers, including which revenues should*
10 *be subject to contributions, whether a flat or progres-*
11 *sive rate or other fee is most appropriate, whether*
12 *characteristics of service such as bandwidth or latency*
13 *should affect the calculation of contributions, the lo-*
14 *gistics of collection, whether a calculation would re-*
15 *sult in the same revenue source being assessed twice,*
16 *and the ability to assess contributions on foreign edge*
17 *providers that provide content and services to con-*
18 *sumers in the United States;*

19 (6) *the effect the assessment of contributions on*
20 *edge providers and broadband providers would have*
21 *on telecommunications and edge provider costs for*
22 *consumers, including low-income, elderly, and Tribal*
23 *consumers;*

24 (7) *the effect the assessment of contributions on*
25 *edge providers and broadband providers would have*

1 *on the sustainability of the Universal Service Fund,*
2 *and whether the assessment would ensure that Uni-*
3 *versal Service Fund disbursements are consistent and*
4 *predictable over time;*

5 *(8) the existing statutory authority the Commis-*
6 *sion has to assess contributions on edge providers and*
7 *broadband providers, and how any change to such au-*
8 *thority would interact with existing Federal and*
9 *State law;*

10 *(9) the impact of assessing contributions on any*
11 *other services, including enterprise services, that are*
12 *subject to the authority of the Commission; and*

13 *(10) the costs to the Commission of implementing*
14 *and administering a contribution assessment mecha-*
15 *nism on broadband providers and edge providers, and*
16 *the ability of the Commission to enforce such a mech-*
17 *anism.*

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