

# **CAP THE FUND: WE NEED TO GET THE UNIVERSAL SERVICE FUND (USF) UNDER CONTROL NOW**

- ***The Universal Service Fund (USF) is a TAX on American phone consumers.*** The fact that regulators or corporations that benefit from the USF tax want to call it a “fee” provides no comfort whatsoever to overtaxed phone consumers. Do you know what you are getting for your hard-earned money that goes to the USF tax?
- ***The “high cost” portion of the USF is out of control.*** Out-of-control USF spending has risen sharply from \$4 billion in 1998 to an estimated \$7 billion in 2007. The USF’s aptly named “high cost” program was supposed to subsidize phone service in higher-cost, rural areas. Today, it delivers some of the highest cost phone subsidies in the World, doing little more than making phone companies richer at taxpayer’s expense. With no meaningful oversight, more and more phone companies are gorging themselves on USF tax revenues ... and it’s all at your expense. It’s time to stop this out of control tax and put the USF on a diet!
- ***The USF is riddled with gold-plated waste and abuse.*** The high-cost portion of the USF is paying for more than \$13,000 per line for phone service in the Hawaii resort community of Maui. USF funds are being paid to multiple phone companies – all serving the same place. It even provides “double funding” for some subsidized phone lines ... so taxpayers get fleeced not once, but twice. The high-cost portion of the USF is so riddled with waste that it makes those Pentagon hammers and toilet seats look like a real bargain by comparison!
- ***Phone service is available everywhere in the U.S.*** We don’t need the high-cost USF the way it operates today. Nearly every populated place in the United States has access to lower-cost and unsubsidized phone service. In the tiny handful of isolated locations where wire-based or cellular phone service does not exist today, Uncle Sam would be better off using other options – such as satellite phones and service plans – and save American taxpayers billions in the process.
- ***It’s time to cap the Universal Service Fund high-cost program.*** We need to refocus the USF mission to make sure that the small number of Americans still without phone service actually get the needed service. We shouldn’t add more money to the USF or expand its mission to include broadband service until the Universal Service Fund mess is cleaned up once and for all by cutting the waste and abuse in the USF program. The high-cost portion of the USF is a total disaster today ... and you are paying the bill!

**IT’S TIME TO CAP THE UNIVERSAL SERVICE FUND!**

Join the Fight to Protect Taxpayers and Consumers at [www.CapTheFund.org](http://www.CapTheFund.org)