

[DISCUSSION DRAFT]

117TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

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.

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IN THE HOUSE OF REPRESENTATIVES

M. \_\_\_\_\_ introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

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**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,*

3 **SECTION 1. SHORT TITLE.**

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

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

2 **CONTRIBUTIONS.**

3 (a) DEFINITIONS.—In this section:

4 (1) APPROPRIATE CONGRESSIONAL COMMIT-  
5 TEES.—The term “appropriate congressional com-  
6 mittees” means—

7 (A) the Committee on Commerce, Science,  
8 and Transportation of the Senate; and

9 (B) the Committee on Energy and Com-  
10 merce of the House of Representatives.

11 (2) COMMISSION.—The term “Commission”  
12 means the Federal Communications Commission.

13 (3) CONTRIBUTION.—The term “contribution”  
14 means funds provided to the Universal Service Fund  
15 under section 254(d) of the Communications Act of  
16 1934 (47 U.S.C. 254(d)).

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

22 (5) UNIVERSAL SERVICE FUND.—The term  
23 “Universal Service Fund” means the fund estab-  
24 lished pursuant to section 254 of the Communica-  
25 tions Act of 1934 (47 U.S.C. 254) and administered  
26 by the Universal Service Administrative Company to

1 support service to high-cost areas, schools and li-  
2 braries, rural health care facilities, and the Lifeline  
3 program of the Commission.

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

14 (1) the class of firms and services on which  
15 contributions could be assessed, including an inquiry  
16 into the specific sources of revenue potentially sub-  
17 ject to contributions, such as digital advertising rev-  
18 enue and user fees;

19 (2) the equity issues of the current contribu-  
20 tions system, including the cost burden on con-  
21 sumers who traditionally purchase legacy tele-  
22 communications services;

23 (3) equity issues of alternative contributions  
24 systems that would create new funding sources for

1 the Universal Service Fund such as Federal appro-  
2 priations or assessments on edge providers;

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

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

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

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

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

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

19 (10) the effect such a change would have on the  
20 sustainability of the Universal Service Fund, and  
21 how to ensure that Universal Service Fund disburse-  
22 ments are consistent and predictable over time;

23 (11) the statutory authority the Commission  
24 would require to enact such a change and how such

1 a change would interact with existing Federal and  
2 State law; and  
3 (12) the continued necessity of the Universal  
4 Service Fund once advanced telecommunications ca-  
5 pability is available to all people in the United  
6 States.