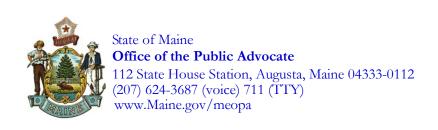
PUBLIC ADVOCATE



OPA Asks U.S. Supreme Court to Uphold Funding for Telecommunications Access for Maine's Schools, Libraries, and Low-Income, Rural, and Tribal Customers

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January 16, 2025 | HALLOWELL, ME – The Maine Office of the Public Advocate, and officials from 21 states and the District of Columbia, have joined an *amicus* brief urging the U.S. Supreme Court to save the Universal Service Fund (USF) from a Fifth Circuit Court decision holding that the USF is unconstitutional.

"The loss of this federal funding, which has been in place for nearly 30 years, would be a devastating blow to the availability and affordability of the telecommunications services needed by low-income Mainers," said Andrew Landry, Deputy Public Advocate for Maine.

In the Telecommunications Act of 1996, the Federal Communications Commission (FCC) established the <u>USF</u> to make telephone service and now access to the Internet, affordable for low-income persons, rural communities, and residents of Tribal Lands. The Fund has provided significant financial support to Mainers. For example:

- Between 2004 and 2024, the Universal Service program known as "<u>Lifeline</u>," dispersed more than \$120M to help Mainers obtain phones, phone and internet service. As of December 2024, 13,288 Mainers were receiving discounted phone and/or internet service as a result of this program.
- The "E-Rate" Program funds 60% of the cost of the <u>Maine School and Library Network</u>, which provides internet access to approximately 950 schools and libraries statewide. <u>From 2022-2024</u>, Maine's schools and libraries received \$13,653,048 for broadband connectivity and internal connections.
- From 2021-2023, Maine health care providers received \$18,628,589 to help pay for broadband connections from the "Rural Health Care" Program.
- Through the "<u>High-Cost</u>" Program, in 2023 and 2024 internet carriers in Maine received \$23,485,267 to connect households in the most rural communities.

The Fund is administered by the Universal Service Administrative Company (USAC, an independent, non-profit) which, under the direction of the FCC, collects fees (the "Universal

Service Fee") from telecommunications providers (wireline, wireless, and satellite companies). Then, entities providing discounted phone and internet services, such as Lifeline, can apply for reimbursement from the Fund to cover the discounts.

On July 24, 2024, however, the U.S. Court of Appeals for the Fifth Circuit in a <u>9-7 decision</u> concluded that the Universal Service Fee is unconstitutional. Specifically, the majority ruled that the "universal service" charge, included on telecommunications customers' bills, is an unconstitutional tax because Congress impermissibly delegated its exclusive taxing power to the FCC (in the Telecommunications Act of 1996), and the USAC.

On September 30, 2024, the FCC <u>petitioned the U.S. Supreme Court</u> for writ of certiorari to reverse the judgment of the Fifth Circuit, which was granted on November 22, 2024. Because of the understandably significant national interest in the outcome of this Supreme Court case, briefs have been filed by numerous parties. Joining the Maine in the amicus brief filing are: Arizona, Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Dakota, Vermont, Wisconsin, and Wyoming.

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