



# USF State Funds

May 2016

Nevada Broadband Task Force



# USF Funds

## Federal USF funds

Federal Universal Service funds (FUSF) provide a baseline for ensuring that comparable service is available to both urban and rural consumers and appear as a line item on telephone bills.

## State USF Funds

State funds both add to support provided by the Federal USF and are used to provide targeted support to address specific issues faced by each state's consumers.

State USF support includes high cost support (22 states), funds for broadband access for schools and libraries (5 states), funding for Lifeline (17 states), and dedicated broadband funding (5 states). The majority of states direct state USF contributions to specific funds.

State	Contributers by Type	Revenues Assessed	Contribution by Program	Who recieves it	# of Carriers
NV	ILECs, CLECs, Wireless, Cable, Interconnected VoIP	Net intrastate retail revenues, TDD surcharge/access line/month	NUSF: 0.01% of all intrastate revenues. TDD fund: \$0.03/line/month (separately administered)	HC: small COLRs if they are in rural high cost areas and average rates across their territory.	2 small scale providers receive HC support; 8 ETCs receive LL support
OR	Voice service providers: ILECs, CLECs, some VoIP providers; Wireless; end users	OUSF: gross intrastate retail revenues; TEP/TRS: per line	HCF: 8.5% assessed to end users; LL, TRS, TEP: single program assessed \$0.11/line	ETCs in High cost areas only. Meet 14 conditions from Order No.00-312	HC support: 2 Nonrural ILECs, 29 Rural ILECs, 2 Landline CLECs
UT	ILECs, CLECs, IXC, Wireless. One cable company contributes voluntarily	Total gross state retail revenues	1% surcharge funds both HC and LL; Relay \$0.02/line/month	Provided once a state benchmark is met; Price cap and carriers under AFOR receive support based on cost model. High cost areas only	12 Rural ILECs; 2 additional rural ILECs have requested support; case to be concluded in 2015
WA	Appropriation from state general fund	State funding		Rural ILECs meeting requirements in Docket UT-131239	19 rural ILECs
NE	ILECs, CLECs, IXC, Wireless, Paging, Interconnected VoIP, cable	Net Intrastate retail revenues	6.95% for all carriers; contributions in single fund disbursed separately	Allocated based on a comparison of total cost and total rev/line. Must be a COLR.	1 RBOC, 2 Nonrural ILECs; 32 Rural ILECs; 3 Landline CLECs
CA	End users of ILECs, CLECs, Wireless, and Inter-connected VoIP providers	Gross intrastate revenues	HC (Small LECs): .4%; HC (Large) .3%; BB: .164%; LL: 1.15%; Erate: .590%; TRS: .2%	HCF-A: rural ROR ILECs; HCF-B: large carriers in HC areas; must be a COLR. BB: grants and loans approved by CPUC	HCF-A: 11 rural carriers; HCF-B: VZ, AT&T, Frontier, Cox
ID	ILECs, CLECs, IXC	Res and bus local exchange lines; intrastate LD minutes	HC: \$.16/res line; \$.006/billed LD minute; Lifeline: \$.03/local exchange line; Relay: \$.02/local exchange line; \$.002/billed LD minute	ETCs that provide local and LD svc and have average res and bus rates >125% of weighted statewide average. Idaho Code §62-610	8 Rural ILECs

# State USF Funds

State	Total State USF Funds	HC	IAS	Broadband	e-Rate	TEP	TRP
NV	\$2,339,252.00	\$1,136,879					\$1,202,373
OR	\$44,600,000.00	\$40,000,000					
UT	\$11,100,000.00	\$11,100,000					
WA	\$14,000,000.00	\$5,000,000				\$5,000,000	
NE	\$50,200,000.00	\$40,720,000		\$8,050,000			\$900,000
CA	\$377,000,000.00	\$92,000,000		\$22,000,000	\$85,000,000		\$28,000,000
ID	\$3,231,500.00	\$1,950,000					\$139,000
Highest	CA \$377,000,000 (Next Highest TX \$336,000,000)						
Lowest	NH \$96,000 (TRS Only), MS \$725,000 (TRS Only), AZ \$1,011,220 (HC Only)						
States with No State USF Fund	AL, FL, MA, MI, NJ, TN						
<b>Other State s with BB Funds</b>							
CO				\$3,000,000			
DE				\$2,000,000			
ME				\$1,248,324			
WV				\$895,000			

# Wireless State USF Tax

Wireless Tax	Local Franchise Gross Receipts	911 Tax	State Deaf Relay charge	USF	Total
NV	1.61% , 5% of first \$15 of intrastate revenues	.27% (Washoe 25%, Clark 0.)	0.06%	0	1.95%
OR					1.80%
UT					12.77%
WA					18.69%
NE					18.53%
CA					11.60%
ID					2.17%
<b>State Average</b>					<b>11.05%</b>
Nevada collects 1.95% total wireless taxes (49th lowest in the nation), making the wireless tax to sales tax ratio -5.9% (52nd in the nation)					
18 states increased wireless taxes in 2015					



## State Programs

In 2014, 6 states (California, Colorado, Delaware, Maine, Nebraska, and West Virginia) had funds specifically designated to support broadband deployment and adoption.

### California

- Grants to providers for unserved and underserved
- Revolving Loan to providers for service to unserved and underserved
- Grants for Local Area Networks in public housing projects

### Delaware

- Grant program to be run through an advisory council

### Maine

- Grants to providers for unserved areas
- Grants to local communities for strategic planning

### Nebraska

- 8 million in grants for capital construction projects
- .5 million in grants for adoption projects

### Vermont

- Funding for grants for providers to serve unserved and underserved locations



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