

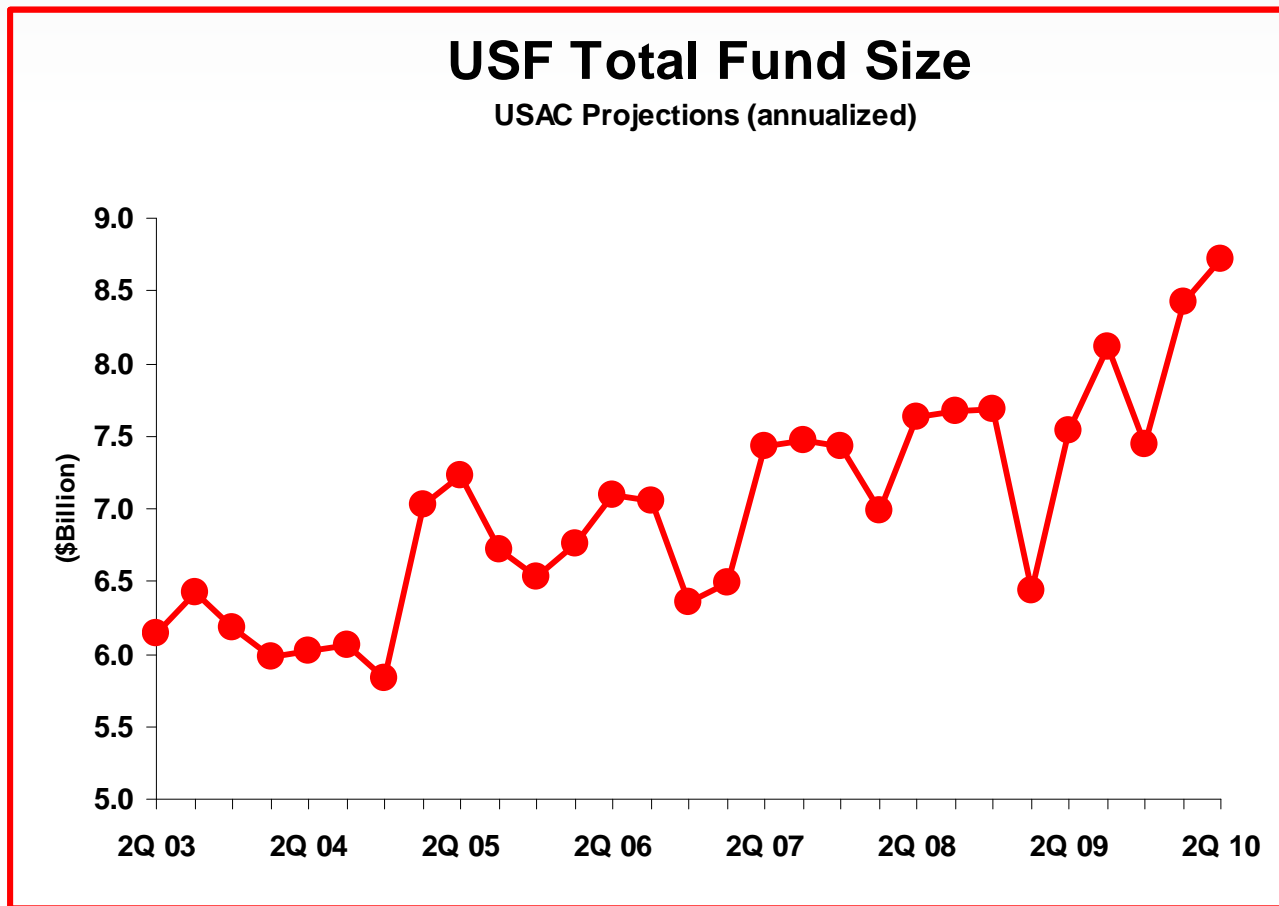


NARUC Winter Meeting

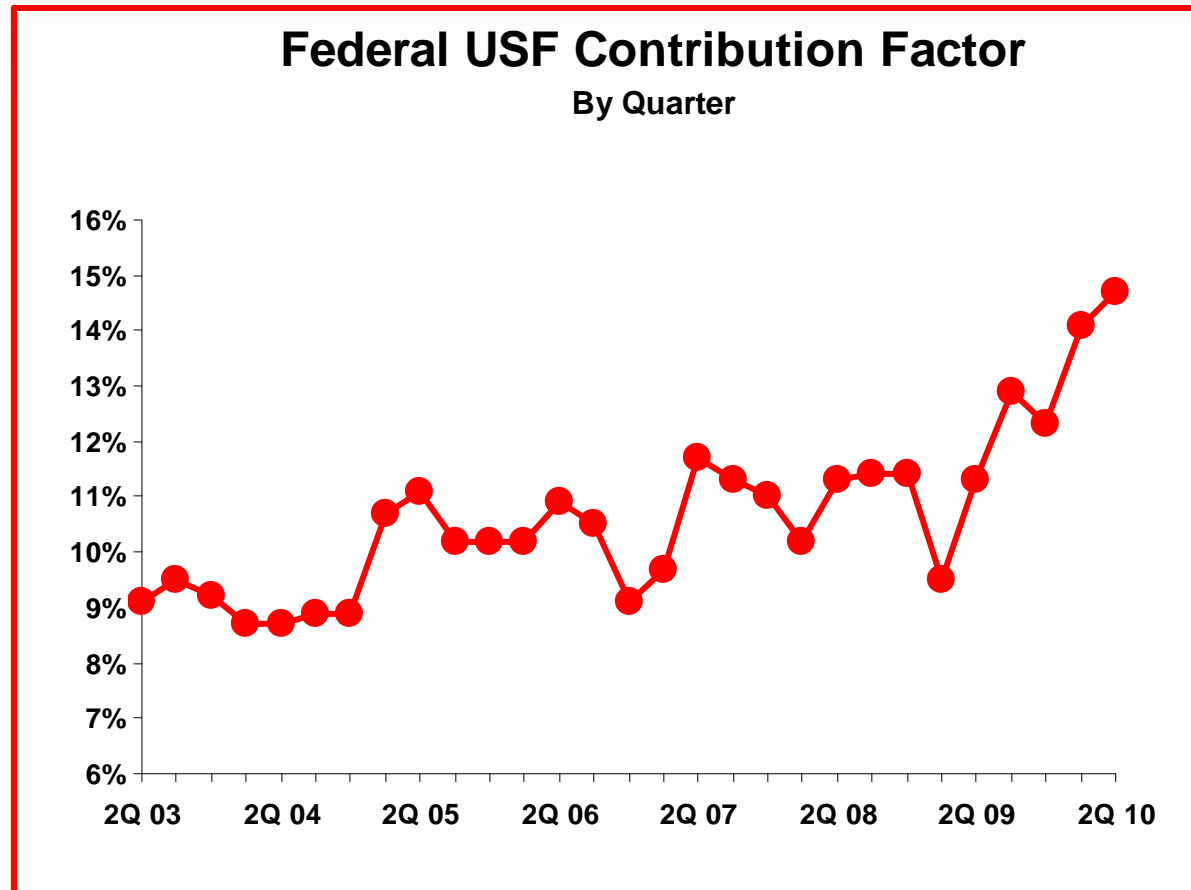
*Staff Subcommittee on Telecommunications
Universal Service Funding Reform Panel*

Alan Buzacott
Verizon
Executive Director – Federal Regulatory Affairs
Washington, DC
February 13, 2010

Federal USF Continues to Grow



Federal USF Contribution Factor: Approaching 15 percent



Key Elements of USF Reform



- **Set a budget for the federal high-cost fund**
- **Free up support from existing programs**
 - Competitive bidding for wireless support
- **Repurpose the high-cost fund for broadband**
 - Targeted programs, e.g., “middle mile” support
 - One-time construction grants for unserved areas
 - Direct support to areas that truly need it
- **Contribution reform**
 - Telephone number-based system
- **Intercarrier compensation reform**