

Resolution on Universal Service Fund Contribution Reform (Southern Company)

WHEREAS, On Dec. 27, 2020in, Congress passed the Consolidated Appropriations Act of 2021¹ (the “Act”) requiring the Federal Communications Commission (“FCC”) to reform the contribution base of the Universal Service Fund, and;

WHEREAS, The Act requires the FCC to assess the needs to expand the contribution base of the Universal Service Fund and submit a report to Congress within one hundred and twenty days of the Act’s passage, and;

WHEREAS, The Act requires the FCC to promulgate rules in accordance with the Communications Act of 1934² within one year of Act’s passage, and;

WHEREAS, Electric, water, and natural gas utilities (“utilities”) design, build, operate, and maintain their own private communications networks to underpin the critical infrastructure delivering essential electric, water, and natural gas services across the U.S., and;

WHEREAS, Utilities use these networks to monitor day-to-day reliability of their systems, restore service after emergencies, add digital and “smart” technology services for their customers, modernize their infrastructure, allow for intermittent generation resources to be added to the grid, and much more; and;

WHEREAS, These utility networks consist of both privately-owned critical communications infrastructure and leased communications services provided by third-party wireline and wireless communications providers, and;

WHEREAS, As customers of these communication providers, utilities, and ultimately their customers, must pay Universal Service Fund (“USF”) fees on the services purchased, and;

WHEREAS, As of January 1, 2021, the USF Contribution Rate Factor was 31.8 percent, and;

WHEREAS, The amount utilities are forced to pay in USF fees will continue to increase as contribution reforms are completed, and;

NOW, THEREFORE, BE IT RESOLVED, that the FCC should reduce the overall burden of USF fees on utilities; and

LET IT BE FURTHER RESOLVED, that Utilities Technology Council (“UTC”) opposes any attempts to disproportionately or unfairly increase the USF fees paid by utilities; and

LET IT BE FURTHER RESOLVED, that UTC will, and encourages its members to, raise awareness of the significant impact USF Contribution Reform will have on utilities and their customers.

¹ <https://www.congress.gov/116/bills/hr133/BILLS-116hr133enr.pdf>

² <https://transition.fcc.gov/Reports/1934new.pdf>