Mapping the Field: Retrospective of the Federal Universal Service Programs

Abstract: The Telecommunications Act of 1996 (1996 Act) established the framework for four federal universal service programs: the High-Cost program, the Low-Income program, the Schools and Libraries (E-rate) program, and the Rural Health Care program. During the past 15 years, these programs have been examined from a number of perspectives in an attempt to measure their efficiency and effectiveness, including the funding mechanisms that support them. The Federal Communications Commission is in the process of restructuring the universal service programs to move support to broadband-based technologies. This is an opportune time to examine what is known about whether these programs have met the universal service objectives of the 1996 Act and have efficiently and effectively used universal service funding. To that end, this article surveys both oversight reports by federal government agencies and academic research literature drawn from a variety of sources to identify areas of concern regarding the mission, implementation, and impact of the federal universal service programs and support mechanisms. The article also includes research findings on how the economic incentives created by the federal universal service programs affect corporate investment and deployment decisions and consumer service and technology adoption decisions.

The complete paper is available from ScienceDirect.

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