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A RESOLUTION SUBMITTED BY:
LEGISLATOR EDWARD A. RATH, III

RE: CALLING ON CONGRESS TO REPEAL A PORTION OF THE UNIVERSAL SERVICE FUND ACT

WHEREAS, the Telecommunications Act of 1996 was passed in order to ensure that all Americans have equitable access to telecommunications networks and technology; and

WHEREAS, in order to implement the Act and meet its goal of universal service and access, the Federal Communications Commission (FCC) created the Universal Service Fund (USF) which supports its mission by taxing telecommunications companies at 17.9% of their revenues; and

WHEREAS, this tax is passed on to nearly every American citizen through a "Universal Connectivity Charge," placed on all landline telephone and wireless cell phone bills; and

WHEREAS, perversions of the USF's mandated goals led to the creation of telecommunication companies and subsidiaries aimed at providing "free" cellular service to income-eligible consumers; and

WHEREAS, these companies include Safelink Wireless, Assurance, ReachOut, LifeLine, Cintex Wireless, Conexion Wireless, Standup Wireless, among others; and

WHEREAS, the "free" cell phones they provide are actually paid for by the USF, which is funded by a tax placed on telecommunications companies, that is passed on to the average American through a charge on their phone bills; and

WHEREAS, the "free" service these companies offer include a free phone, no long term contracts, no credit checks, no early termination penalties, long distance calling at no additional charge, minutes that do not expire and roll over to the next month, voicemail, caller ID and unlimited text messaging; and

WHEREAS, these telecommunication companies provide their services to those who are job searching or may need a cellular device to react to an emergency situation; and

WHEREAS, there is currently no oversight over the usage of monthly minutes or text services and therefore no guarantees that these services are being utilized appropriately.

NOW, THEREFORE, BE IT

RESOLVED, that this honorable body calls upon Western New York's Federal Delegation, including United States Senators Charles E. Schumer and Kirsten Gillibrand to introduce legislation to repeal the Universal Service Fund's ability to tax telecommunications companies in order to fund providing "free" cellular phone devices to income eligble, and be it further

RESOLVED, that certified copies of this resolution be sent to Western New York's Federal Delegation

FISCAL IMPACT: Positive for landline and cellular telephone customers.