



Talk Radio News Service

Blow up the Universal Service Fund ‘like the Death Star’

Written by Talk Radio News Service Staff
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After the House Subcommittee on Telecommunications and the Internet laughed at a few “Star Wars” references, such as likening the future of the Universal Service Fund (USF) to the struggle between Luke Skywalker and Darth Vader, they talked to a panel of witnesses, which included Hollywood director George Lucas, about serious issues: connecting rural America to the digital world through broadband and wireless technology and lessening the “digital divide”, which slows the U.S. down in the global market.

In the U.S., the digital divide is a reality: According to Rey Ramsey, CEO of One Economy Corporation, 76 percent of households with an annual income of more than \$50,000 are connected, but only 35 percent of those earning less than \$50,000 a year are connected. But Ramsey said he sees this as a “digital opportunity” as well. Interest and education are important tools to help build a culture of technology, he said.

Despite the setbacks, there are many positives attributed to universal service. In high-cost areas, subsidies to support providers went from \$2.2 billion in 2000 to \$4.5 today, according to Randolph J. May, president of the Free State Foundation. Ramsey cited the work One Economy Corporation has done with H & R Block and E*Trade to make free tax preparation and filing available online so that families received a \$1000 refund upon average and saved hundred of dollars in fees.

Worldwide, the U.S. ranks 15th in broadband internet access, according to a report from the Organization for Economic Cooperation and Development (OECD), which George Lucas cited. Some of the countries who are ahead of the U.S. include: Canada, Denmark, Finland, France, Korea, and the Netherlands, Lucas said.

Lucas, who founded The George Lucas Educational Foundation, said that the budget for the E-Rate program of the USF, which funds schools and libraries, needs to be increased. While E-Rate requested \$4.3 billion in 2008, it was capped at \$2.25 billion, said Lucas. Lucas insisted that more work needs to be done if universal service is to become a reality.