

August 18, 2026



Re: Oppose Broadband Taxes

Dear Member of Congress:

At a time when everyday Americans continue to struggle with inflation, the last thing consumers need are higher monthly internet bills. We, the undersigned organizations and individuals, urge you to oppose any attempts to impose new taxes on broadband service, including by assessing broadband for contributions to the Universal Service Fund (USF).

The USF, established in 1996 to subsidize broadband access for rural American communities, has depended on mandatory fees on wireless and wireline providers to fund its operation for nearly three decades. Due to the rising popularity of alternative wireless services falling outside of the USF tax base, this revenue pool has rapidly shrunk in recent years, while the rate of assessment for those customers who still pay keeps going up.

These assessments are mostly paid by three large providers or passed on to their customers who pay staggering mark-ups on their monthly phone bills to fund the program. [Nearly 40%](#) of these customers' phone bills are now USF fees.

Meanwhile, costs continue to spiral upwards because the program has been expanded far beyond its original intent to subsidize broadband and public school technology in addition to low-income phone service. With over 130 different federal broadband programs across 15 different agencies, there is no need for USF to cover the same ground.

In response to this looming funding shortfall, some lawmakers have proposed expanding the USF contribution burden to broadband providers. While this solution may provide some fleeting relief for legacy telecommunications services, it is guaranteed to deliver excessive price hikes for millions of American consumers. These misguided proposals will treat what are ultimately problems of design, eligibility, and duplication as a revenue problem and simply raise taxes to meet future shortfalls.

In August 2022, then-FCC Commissioner Brendan Carr [cautioned](#) against this approach, explaining that “expanding the contribution base to include BIAS [broadband internet access service] would necessarily raise the cost of broadband for consumers. Indeed, the Commission’s report cites to a study finding that assessing BIAS could increase consumers’ monthly broadband bills by as much as \$17.96 a month—or almost \$200 annually.”

Now-Chairman Carr concluded, “Put simply, the squeeze is not worth the juice when it comes to replacing the existing telecommunications assessment with one on broadband.”



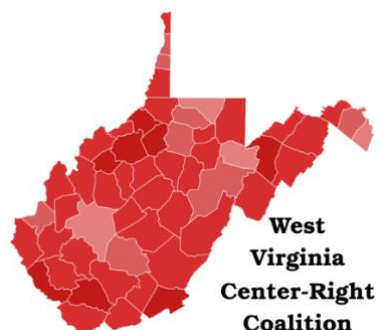
Rather than impose new taxes on broadband providers, raising costs yet further for consumers, Congress should reform eligibility for the program and retire the broadband subsidies, if not the entire program. USF is outdated and ill-suited for its purpose. Passing off its ballooning costs is not a solution.

Onward,



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Americans for Tax Reform

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Executive Director
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