



November 2, 2005

The Honorable David Obey
Ranking Member
House Committee on Appropriations
1016 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Obey:

We, the undersigned organizations, respectfully request the House conferees considering H.R. 2862, the Science, State, Justice, Commerce and related Agencies Appropriations Act of 2006, recede to the Senate conferees with regard to Section 530. Section 530 would bar the application of the Anti-deficiency Act (ADA) to federal universal service support programs through 2006.

At the end of last session, the full House and Senate agreed on and passed the Universal Service Anti-Deficiency Temporary Suspension Act, virtually the identical language currently contained in the Senate amendments to H.R. 2862. That law precludes any application of the ADA to universal service support programs for a period of one year ending on December 31, 2005. Section 530 would effectively extend that exemption until the end of 2006.

If the existing ADA exemption is not extended, the programs supported by the USF will be in jeopardy, including support for communications services in rural and high cost areas, as well as the E-Rate program for schools and libraries in urban and rural areas across the country. Imposition of the ADA would result in temporarily halt hundreds of millions of dollars in support payments by certain universal service programs. It would also likely cause significant increases in monthly assessments on consumers' bills that would be necessary to meet the ADA's requirements.

Ultimately, we support a permanent exemption of the universal service funds (USF) from the Anti-Deficiency Act contained in H.R. 2533 which currently has 98 cosponsors. Such a permanent exemption has also been embraced by the over-140 member House Rural Caucus. Any exemption short of one year will disrupt the USF programs to the detriment of communications providers and consumers, and will lead to an increase in the USF fee on telephone bills of all Americans. Rural and low income area communications providers, schools and libraries, and rural health care entities all rely on the timely disbursement of USF funds. It is imperative that Congress address this issue before the current temporary exemption expires on December 31, 2005.

Thank you for your consideration of this matter and please support the retention of the USF language in the final version of the legislation.

Sincerely,

Independent Telephone and Telecommunications Alliance
National Telecommunications Cooperative Association
Organization for the Promotion and Advancement of Small Telecommunications
Companies
Western Telecommunications Alliance