

# Black Belt residents could face costlier phone service

By Sara Michael  
Washington Correspondent

WASHINGTON | Fifty dollars a month for phone service may not seem high to many customers, but for those in rural areas it could mean remaining connected is no longer an option.

A customer in rural northeast Alabama pays about \$22 a month for phone service from the Farmers Telecommunication Cooperative, thanks to support from the federal universal service fund. But without this fund, which essentially allows residents in rural areas to receive the same affordable services as those in urban areas, those costs could double.

"Without the universal services support, that \$25 could easily become \$50 a month," said Fred Johnson, Farmers'

executive vice president and general manager. "We have a substantial number of fixed-income customers that could conceivably be forced to choose between phone services and groceries."

Under the Telecommunications Act of 1996, all telecom providers are required to contribute to the fund, and providers in rural areas can draw from it to reimburse investments made to expand services.

As Congress re-examines the act this year, the fund is one of many issues facing scrutiny.

About 40 percent of Rainsville-based Farmers' 20,000 customers, mainly in northeastern Alabama, have a median income of less than \$30,000, Johnson said, and even the slightest increase

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story picked up by state AP wire and ran in The Birmingham News

also ran in The Gadsden Times

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could lead many residents to cut their phone service.

In the Black Belt, the impoverished 12-county area in central Alabama, residents rely heavily on the fund to allow for basic communications. Many residents in Perry and Wilcox counties, for example, lack hard-line phone services, said Rep. Arthur Davis, D-Ala., and the fund goes a long way to connect those rural areas.

"Given the physical isolation, I think it's safe to say a significant number of homes within the Black Belt are disadvantaged, and would be more and more disadvantaged if you didn't have the [fund]," Davis said.

It is that concept of universal services that representatives on the Congressional Rural Caucus are pushing to preserve. In a letter to House Energy and Commerce Committee Chairman Joe Barton, R-Texas, and Rep. John Dingell, the top Democrat on the committee, caucus members last week urged lawmakers to support the fund and expand it to include broadband services. The committee is the first stop on the bill's path through Congress.

"Today, the program emphasizes an assurance that necessary cost recovery is available to those that make the commitment to serve the nation's most economically challenging markets," states the letter, which was signed by 62 representatives.

Although he is not a member of the caucus, Rep. Spencer Bachus, R-Vestavia Hills, said he supports the universal service fund.

"Universal Service requirements have helped to bring telephone service to rural America,"

he said. "Recently, there have been legislative and regulatory attempts to dilute the Universal Service requirements, threatening telecommunication services to our rural communities, which I vigorously opposed."

About 600,000 Alabamians rely on telecom services from the more than two dozen small telephone companies and cooperatives, Johnson said. In 2004, these companies received more than \$1 million from the fund, according to the Alabama Public Service Commission.

Alan Shark, managing director of the Rural Broadband Coalition, noted that America ranks 16th internationally in telecommunications development, slipping a few places in the last year and a half. A key to boosting development is increasing rural access to broadband networks.

"In order for this country to remain competitive on all fronts, we need better access to high-speed Internet," Shark said. "In rural areas, it becomes very interesting because you have people who live further out from the cities, and it would be great for them to do incredible things without having to commute into the city.

"This is nothing less than when in the 1950s there was a call for building the interstate highway system."

However, Davis cautioned that expanding the fund to include broadband services could mean stretching the money too far, diminishing the capacity to fund basic phone services. Lawmakers should examine other means to fund broadband expansion, rather than acting quickly to crowd the services supported by the fund, he said.

"We have to be creative enough, and make a commitment that we don't make it a trade-off," Davis said.