

112TH CONGRESS
2D SESSION

H. R. 6526

To provide that an Order of the Federal Communications Commission adopting a methodology for establishing certain benchmarks for Universal Service Fund high-cost loop support shall have no force or effect and to require the Commission to prepare a report on alternatives to such methodology.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 21, 2012

Mr. LANDRY introduced the following bill; which was referred to the
Committee on Energy and Commerce

A BILL

To provide that an Order of the Federal Communications Commission adopting a methodology for establishing certain benchmarks for Universal Service Fund high-cost loop support shall have no force or effect and to require the Commission to prepare a report on alternatives to such methodology.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Restore Effective Sta-
5 tistics to the Calculation of USF Expenditures Act of
6 2012” or the “RESCUE Act of 2012”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) The Order of the Federal Communications
4 Commission in the Matter of Connect America Fund
5 and High-Cost Universal Service Support (Adopted
6 on April 25, 2012; DA 12–646) will inevitably lead
7 to the closure of many small businesses, several in
8 economically disadvantaged and underserved areas.

9 (2) The Order is in direct conflict with the stat-
10 utory mandate that the Universal Service Fund re-
11 main “predictable” for carriers involved, as specified
12 in section 254 of the Communications Act of 1934,
13 as added by the Telecommunications Act of 1996.

14 (3) The Order relies upon regression models
15 with unacceptably low levels of predicted accuracy,
16 leading to inequitable redistributions of high-cost
17 support.

18 (4) The Order unfairly manipulates carriers’
19 support based upon investment decisions made prior
20 to the Order’s release, effectively imposing retro-
21 active penalties on carriers for prior commitments
22 made.

23 (5) The Order is fundamentally flawed and
24 must be replaced with an alternative plan that is fis-
25 cally responsible and that gives accurate treatment
26 to all stakeholders involved.

1 **SEC. 3. FCC ORDER TO HAVE NO FORCE OR EFFECT.**

2 The Order of the Federal Communications Commis-
3 sion in the Matter of Connect America Fund and High-
4 Cost Universal Service Support (Adopted on April 25,
5 2012; DA 12–646) (relating to the adoption of a method-
6 ology for establishing benchmarks for capital and oper-
7 ating costs reimbursable to rate-of-return cost companies
8 from high-cost loop support) shall have no force or effect
9 after the date of the enactment of this Act.

10 **SEC. 4. REPORT ON ALTERNATIVE METHODOLOGIES.**

11 (a) IN GENERAL.—The Federal Communications
12 Commission shall prepare a report on alternatives to the
13 methodology adopted in the Order described in section 3.

14 (b) SUBMISSION TO CONGRESS; PUBLIC AVAIL-
15 ABILITY.—Not later than 120 days after the date of the
16 enactment of this Act, the Federal Communications Com-
17 mission shall—

18 (1) submit the report required by subsection (a)
19 to the Committee on Energy and Commerce of the
20 House of Representatives and the Committee on
21 Commerce, Science, and Transportation of the Sen-
22 ate; and

23 (2) make such report publicly available on the
24 Internet website of the Commission.

25 (c) OPPORTUNITY FOR CONGRESSIONAL INPUT ON
26 ALTERNATIVES.—The Federal Communications Commis-

1 sion may not adopt an alternative to the methodology
2 adopted in the Order described in section 3 before the date
3 that is 60 days after the date on which the Commission
4 submits the report required by subsection (a).

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