

# FCC to use phone subsidy fund to pay for broadband

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(AP) -- Government regulators are planning to overhaul the \$8 billion federal program that subsidizes telephone service in poor and rural areas in order to pay for high-speed Internet connections.

The [Federal Communications Commission](#) voted 5-0 Tuesday to begin drafting a blueprint to bring the federal program, called the Universal Service Fund, into the digital age.

The program, which is supported by a surcharge on long-distance bills, was created to ensure that all Americans have access to a basic telephone line. The FCC now wants to use the fund to underwrite the cost of building and operating broadband networks in sparsely populated rural areas where it is uneconomical for private companies to offer service. Those networks would be able to handle regular voice calls as well as [data traffic](#).

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