



ARIZONA CORPORATION COMMISSION

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MEDIA CONTACT: Angie Holdsworth (602) 542-0844

Commission Approves Changes to AUSF to Fund Internet for Rural Schools

(Phoenix) The Arizona Corporation Commission unanimously approved changes to the Arizona Universal Service Fund (AUSF) rules in order to provide funds for an innovative program to connect Arizona's rural schools to the internet.

Commissioner Andy Tobin, who has lead this effort, voted via broadband from Sierra Vista in a live internet feed.

"I am so pleased with the broad support for this program," said Commissioner Andy Tobin. There has been much momentum from a wide range of agencies, members of the Legislature, and from the local city and county officials who have come together for the sake of our rural students. I want to encourage those involved to take this initiative into special consideration in order to supplement the Governor's proposal so that all Arizona schools and libraries will have access to broadband internet." said Commissioner Andy Tobin.

The vote paves the way for the AUSF to fund a program which partners the Corporation Commission with the Governor's Office, the Superintendent of Public Instruction, and the non-profit *EducationSuperHighway* to draw down approximately \$100 million in federal E-rate funds to pay for infrastructure which will provide broadband to rural schools and libraries. The AUSF will provide \$8 million in state match funding. The *EducationSuperHighway* and the Department of Education estimate another \$5 million will be needed. That money is included in the Governor's budget proposal. The Commission began emergency rule-making proceedings in order to amend AUSF rules in time for schools to apply for funds this year.

Approximately 250,000 students in Arizona lack sufficient access to internet services. The purpose of the AUSF is to support telecommunications carriers as they build scalable infrastructure to serve student in rural areas of Arizona. The funds are collected through a monthly service charges. The change will increase that charge from a \$0.01 charge to \$0.15 per month for one year and then the AUSF would expire. The program would be limited in order to take advantage of immediate federal funding opportunities and would be eliminated after funds have been dispersed to schools and libraries.

"The access for the schools also provides health education programs and health care services through Arizona's internationally recognized telemedicine program," said Commissioner Bob Burns.

The Commission held two workshops with stakeholders prior to this vote in order to fast track the amendments to the AUSF rules. Commissioners Andy Tobin and Bob Burns co-chaired those workshops.

Established by Article 15 of the state's constitution, the Arizona Corporation Commission is responsible for the

regulation of public utilities, overseeing the incorporation or registration of companies wishing to do business in Arizona. Additionally, the Corporation Commission registers and oversees securities offerings and dealers, and enforces railroad and pipeline safety. The five commissioners that make up the Commission are elected by the people of Arizona for a four-year term, with the option of serving for two consecutive terms. To learn more about the Arizona Corporation Commission and the Commissioners, please check out <http://www.azcc.gov/Divisions/Administration/about.asp>