



September 4, 2003

The Honorable Gordon Smith
United States Senate
404 Russell Senate Office Building
Washington, DC 20510

The Honorable Lee Terry
U.S. House of Representatives
1504 Longworth House Office Building
Washington, DC 20515

Dear Senator Smith and Representative Terry:

On behalf of millions of Hispanic Americans represented by The Latino Coalition, I am writing to commend your efforts to fix the Federal Universal Service Fund for high-cost rural areas served by “non-rural” carriers. The Latino Coalition is a nonprofit, nonpartisan organization whose mission is to develop and promote policies that foster the economic and social well-being of Hispanics in the United States.

Hispanics are the fastest-growing segment of the U.S. population, and this growth is especially striking in rural America. According to U.S. Census reports, in the 1990s, three-quarters of the states posted non-metro Hispanic population gains of 50 percent or more, and almost half posted gains of over 100 percent. These include Southern states such as Arkansas, Georgia, North Carolina, and Tennessee, as well as Midwestern states such as Indiana, Iowa, Missouri, and Minnesota. Indeed, rural Hispanics are no longer concentrated in Texas, California, and other Southwestern States—today nearly half of all non-metro Hispanics live outside the Southwest.

In light of this trend, we are very concerned that most high-cost rural areas receive little or no support from the Federal Universal Service Fund if they are served by one of the so-called “non-rural” telephone carriers. The current funding formula for this component of the USF provides disproportionate support to a handful of states and no support to many of the most rural areas in America. As a result, needed investments in telephone infrastructure are not occurring in these areas, putting millions of rural Hispanics at a competitive disadvantage in America’s increasingly digital economy.

The legislation you have introduced, S. 1380 and H.R. 1582, would require the Federal Communications Commission to devise a fairer distribution of the high-cost, non-rural portion of the USF, without raising telephone surcharges or overall federal spending. The Latino Coalition supports this legislation and urges Congress to speed its consideration and enactment.

Should you have any questions or if we could be of any assistance please feel free to call me at 202-546-008. I look forward to working with you to make sure that all rural communities benefit from this important program.

Sincerely,

Roberto G. de Posada

Roberto G. de Posada
President

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