

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

**Reforming the High-Cost Program for an
All-IP Future**

WC Docket No. 26-96

**Connect America Fund: A National
Broadband Plan for our Future High-Cost
Universal Support**

WC Docket No. 10-90

Reply Comments of Commercial Space Federation

As the premier trade association representing the commercial space industry, the Commercial Space Federation (CSF) thanks the Commission for the opportunity to comment on the future of the High-Cost Universal Service Fund (USF) program. CSF members are on the leading edge of innovation, providing new products and services to the American public while serving as critical support for U.S. national security and economic development. As the Commission considers modernizing the High-Cost USF program, CSF respectfully requests that the Commission prioritize reforms that foster a competitive, technology-neutral broadband marketplace, more efficiently utilize public resources, and ultimately ensure that all Americans, including those in rural and low density areas, are able to quickly access high-speed broadband internet services.

- 1. The existing satellite and fixed-wireless service meets or exceeds the program's performance benchmarks, and the next generation satellite service marketplace is increasingly competitive.**

Truly modernized High-Cost USF programs must consider the performance metrics associated with a service offering in a technology-neutral manner, without preference for legacy or incumbent service providers. U.S. companies currently provide high-speed, low-latency broadband internet services to millions of Americans throughout the entire United States through next-generation satellite networks. These unsubsidized services offer comparable services at similar rates in relation to terrestrial providers subsidized by the High-Cost programs. Next-

generation services provide ubiquitous coverage across the entire United States, serving the most rural and low-density areas without the time- and capital-intensive buildout required by terrestrial service options. As the Commission recently noted in its 2026 Section 706 Report, “With the inclusion of satellite, deployment of broadband to the home or business appears to be virtually universally available to all Americans.”¹ Satellite broadband service is an increasingly critical driver of providing access to high-speed broadband service to all Americans.

In response to high demand, multiple new next-generation satellite service providers will enter the marketplace in the near future. Consumers in high-cost areas will have access to multiple service offerings for high-speed, low-latency satellite broadband. A competitive satellite service marketplace will further drive continued innovation and increased affordability for the American public without the need for subsidization and resulting market distortions.

2. High-Cost is the most intensive use of USF funds; spending is now counterproductive and relief is warranted

CSF strongly supports the High-Cost programs’ original goal of bridging the Digital Divide and ensuring that all Americans have affordable access to high-quality communications services. At the time of the program’s development, subsidizing the deployment or maintenance of necessary network infrastructure to ensure that consumers in rural or low-demand areas would have affordable access to services equivalent to those available throughout other parts of the country was necessary to support the buildout of terrestrial infrastructure. Now, next-generation satellite services are able to connect all Americans through affordable, high-quality communications services, yet face a competitive disadvantage as a result of the subsidization of terrestrial offerings through the High-Cost programs.

Continuing the High-Cost programs distorts the communications market by providing a unwarranted competitive advantage to incumbent service providers despite growing competition

¹ Federal Communications Commission, 2026 Section 706 Report, GN Docket No. 25-223, released August 14, 2026.



from satellite service providers who offer comparable services at similar rates without subsidies. Subsidizing legacy providers when comparable, free-market alternatives are available is an inefficient use of taxpayer funding and diminishes innovation in the marketplace. The Commission should instead seek to provide Americans with greater access to affordable connectivity through increased competition and continuous innovation.

Over half of the budget allocated for the USF, approximately \$8-9 billion annually, is allocated towards the High-Cost programs. This continued investment in duplicative and antiquated programs naturally reduces the resources available for other, more effective USF priorities. CSF encourages the Commission to consider reducing or eliminating the funding for High-Cost programs and instead provide greater support for other USF priorities that better align with the needs of the American public, including broadband affordability or adoption and digital literacy programs.

CSF thanks the Commission for its leadership in reviewing and reforming programs to best serve the American public. CSF looks forward to continuing to work with the Commission to support the deployment of more accessible and affordable communications options to all Americans.

Respectfully submitted,
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