

# PUBLIC NOTICE

Federal Communications Commission  
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## WIRELINE COMPETITION BUREAU AUTHORIZES 35 RATE-OF-RETURN COMPANIES TO RECEIVE MORE THAN \$51 MILLION ANNUALLY IN ALTERNATIVE CONNECT AMERICA COST MODEL SUPPORT AND ANNOUNCES OFFERS OF REVISED A-CAM SUPPORT AMOUNTS TO 191 RATE-OF-RETURN COMPANIES TO EXPAND RURAL BROADBAND

### WC Docket No. 10-90

Consistent with the Commission's *A-CAM Revised Offer Order* being released today, the Wireline Competition Bureau (Bureau) authorizes 35 rate-of-return companies that elected 45 offers of Alternative Connect America Cost Model (A-CAM) support to receive model-based support pursuant to their existing elections.<sup>1</sup> In addition, for the remaining 191 companies that elected model-based support, the Bureau announces 228 revised offers of model-based support and the associated revised deployment obligations. The accompanying report released today shows the revised state-level offers of model-based support and revised deployment obligations for each carrier that is eligible to elect a second offer.<sup>2</sup> These carriers have until **January 19, 2017 (30 days)** to notify the Bureau, on a state-by-state basis, whether they elect to receive the revised amount of model-based support.<sup>3</sup>

In the *Rate-of-Return Reform Order*, the Commission adopted a voluntary path for rate-of-return carriers to elect to receive model-based support for a 10-year term in exchange for extending broadband service to a pre-determined number of eligible locations.<sup>4</sup> On August 3, 2016, the Bureau announced the offers of model-based support to rate-of-return carriers with a deadline of November 1, 2016 to indicate, on a state-by-state basis, whether they elect to receive model-based support.<sup>5</sup> On November 2, 2016, the Bureau announced that 216 rate-of-return companies had submitted letters electing 274 separate offers of A-CAM support in 43 states, and that model-based support and transition payments would exceed the

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<sup>1</sup> *Connect America Fund*, Report and Order and Further Notice of Proposed Rulemaking, FCC 16-178 (rel. Dec. 20, 2016) (*A-CAM Revised Offer Order*). The list of carriers authorized to receive A-CAM support is attached to this Public Notice.

<sup>2</sup> Available at [https://transition.fcc.gov/wcb/ACAM\\_232\\_second\\_offer\\_report\\_10\\_1\\_2\\_122016\\_FINAL.xlsx](https://transition.fcc.gov/wcb/ACAM_232_second_offer_report_10_1_2_122016_FINAL.xlsx).

<sup>3</sup> Pursuant to Commission rules, the election will be considered timely if it is received by 5:30 p.m. Eastern Standard Time. 47 CFR §§ 0.403, 1.7.

<sup>4</sup> *Connect America Fund* et al., WC Docket No. 10-90 et al., Report and Order et al., 31 FCC 3087, 3094-3117, paras. 17-79 (2016) (*Rate-of-Return Reform Order*).

<sup>5</sup> *Wireline Competition Bureau Announces Support Amounts Offered to Rate-of-Return Carriers to Expand Rural Broadband*, WC Docket No. 10-90, Public Notice, 31 FCC Rcd 8641 (WCB 2016) (*A-CAM Offer PN*); see also *Wireline Competition Bureau Releases Report for Alternative Connect America Cost Model with Minor Corrections*, WC Docket No. 10-90, Public Notice, 31 FCC Rcd 8959 (WCB 2016); *Wireline Competition Bureau Announces Corrected Offers of Alternative Connect America Cost Model Support to Companies Affected by Technical Correction*, WC Docket No. 10-90, DA 16-1241 (WCB rel. Oct. 31, 2016).

overall 10-year budget set by the Commission by more than \$160 million annually.<sup>6</sup>

*A-CAM Authorizations.* In the *A-CAM Revised Offer Order*, the Commission directed the Bureau to issue a public notice authorizing the Universal Service Administrative Company (USAC) to disburse the appropriate amounts of A-CAM support to those carriers for whom the original offer of model-based support was less than the legacy high-cost support that they received in 2015.<sup>7</sup> Accordingly, we authorize and direct USAC to obligate and disburse the annual support amounts for each carrier that has accepted support in the states identified in the attachment, once USAC has confirmed that the carrier has notified the National Exchange Carrier Association (NECA) that it is withdrawing from the Common Line pool.<sup>8</sup> Consistent with the *Rate-of-Return Reform Order*, we also authorize and direct USAC to obligate and disburse the appropriate transition payments to these carriers.<sup>9</sup> These carriers authorized to receive model-based support are subject to defined deployment obligations that must be met over the 10-year period, with annual reporting of their progress.<sup>10</sup>

We remind the carriers authorized to receive A-CAM support of their requirements related to tariffs. They must refile their special access tariffs removing the costs of Consumer Broadband-only Loops (CBOL) from the Special Access category, consistent with the *2016 Rate-of-Return Order*.<sup>11</sup> They are permitted—but not required—to assess a wholesale CBOL charge that does not exceed \$42 per line per month. Alternatively, they may detariff such a charge. Moreover, carriers receiving A-CAM support are not required to offer a separate transmission service, on either a tariffed or detariffed basis.

A-CAM recipients must also exit the National Exchange Carrier Association (NECA) Common Line pool, while they have the option of continuing to use NECA to tariff their Common Line and CBOL charges. The carriers authorized today must coordinate with NECA on making any required tariff filings in order to ease the administrative burden associated with implementation of any changes. Once USAC confirms that a carrier has notified NECA of its intention to exit the Common Line pool, USAC may disburse A-CAM support.<sup>12</sup>

*A-CAM Revised Offers.* In the *A-CAM Revised Offer Order*, the Commission also adopted a methodology to make revised offers to the remaining electing carriers and conditioned the acceptance of the second offer of A-CAM support upon a requirement that carriers electing that second offer agree to meet the terms of the original offer if additional high-cost support becomes available in 2017 to fund the original offers.<sup>13</sup> Report 10.1.2, released today, shows the revised state-level offer of model-based support for each carrier that is eligible to receive a second offer, including the amount of annual support

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<sup>6</sup> *Wireline Competition Bureau Announces Results of Rate-of-Return Carriers that Accepted Offer of Model Support*, WC Docket No. 10-90, DA 16-1246 (WCB rel. Nov. 2, 2016) (*A-CAM Election Results PN*). This figure included Adak. The Commission has directed the Bureau not to issue a revised offer to Adak. *A-CAM Revised Offer Order*, FCC 16-178, at para. 16.

<sup>7</sup> *A-CAM Revised Offer Order*, FCC 16-178, at para. 7.

<sup>8</sup> *Rate-of-Return Reform Order*, 31 FCC Rcd at 3159-60, paras. 194-96.

<sup>9</sup> *See id.* at 3115-16, paras. 72-76. The transition payment amounts are available on USAC's website at <http://www.usac.org/res/documents/hc/xls/tools/A-CAM-Transition-Support.xlsx>.

<sup>10</sup> These carriers must satisfy deployment obligations associated with the support amounts they accepted as set forth in the Public Notice announcing the offers of support. *See supra* note 5.

<sup>11</sup> *See Access Charge Tariff Filings Introducing Broadband-only Loop Service*, Order, Docket No. 16-317, 31 FCC Rcd 11017 (WCB Oct. 6, 2016); *see also Access Charge Tariff Filings Introducing Broadband-only Loop Service*, Order on Reconsideration, Docket No. 16-317, 31 FCC Rcd 12007 (WCB Nov. 4, 2016).

<sup>12</sup> *Rate-of-Return Reform Order*, 31 FCC Rcd at 3159-60, paras. 194-96.

<sup>13</sup> *A-CAM Revised Offer Order*, FCC 16-178, at paras. 8, 12.

that would be provided over the 10-year term; the total number of funded locations in census blocks that are eligible for support; the number of “fully funded” locations and the number of “capped locations;” and the specific number of locations where the recipient will be required to offer 25 Mbps downstream/3 Mbps upstream (25/3 Mbps), 10 Mbps downstream/1 Mbps upstream (10/1 Mbps), and 4 Mbps downstream/1 Mbps upstream (4/1 Mbps), as well as the number of remaining locations subject to the reasonable request standard.<sup>14</sup>

Carriers should submit their election letters to the Bureau at [ConnectAmerica@fcc.gov](mailto:ConnectAmerica@fcc.gov). To elect the revised support amount for a state or states, a carrier must submit a letter signed by an officer of the company confirming that the carrier elects the revised model-based support amount as specified in Report 10.1.2 released today and commits to satisfy the specific service obligations associated with that amount of model support. If a carrier fails to submit any final election letter by the January 19, 2017 deadline, it will be deemed to have declined model-based support. Carriers submitting election letters will receive an e-mail confirming receipt and should contact the Bureau no later than 4 p.m. on January 19, 2017 if they do not receive such confirmation. Confirmation of receipt does not constitute authorization to receive A-CAM support.

Carriers electing the revised offer of model-based support will not begin receiving such support until the Bureau issues a public notice authorizing the USAC to disburse the appropriate amounts, once USAC confirms the carrier has notified NECA that it is exiting the Common Line pool.

For additional information on this proceeding, contact Katie King ([Katie.King@fcc.gov](mailto:Katie.King@fcc.gov)) of the Wireline Competition Bureau, Telecommunications Access Policy Division, (202) 418-7400.

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<sup>14</sup> As previously explained, for administrative ease, compliance with the broadband deployment obligations will be validated at the state-level, with locations counted toward the deployment obligation only if they are located in eligible census blocks. A carrier will be deemed in compliance with those obligations if the total number of reported locations in each required speed tier (25/3 Mbps, 10/1 Mbps, 4/1 Mbps) meets the total required number of locations for each tier in the state. These figures reflect the floor, not a limit on what carriers may accomplish with their support. Carriers are encouraged to exceed these minimums and to offer service to more locations where feasible. The locations may be in any funded census block, regardless of whether A-CAM identifies a block as “fully funded” or “capped”. *A-CAM Offer PN*, 31 FCC Rcd at 8642.

## ATTACHMENT

Federal Communications Commission  
CAF - A-CAM 2.3.2 - Authorization Report 1.0  
Authorized A-CAM Support & Obligations  
December 20, 2016

| State   | Rate-of-Return Carrier | Holding Company             | Annual Rate-of-Return Carrier Model-Based Support | Total Number of Rate-of-Return Locations in Census Blocks Receiving Model-Based Funding | Number of Locations in Eligible Census Blocks with Obligation to Offer 25/3 Mbps | Number of Locations in Eligible Census Blocks with Obligation to Offer 10/1 Mbps | Number of Locations in Eligible Census Blocks with Obligation to Offer 4/1 Mbps | Number of Locations Remaining on Reasonable Request Standard |
|---------|------------------------|-----------------------------|---|---|--|--|---|--|
| ROR Sub | ROR Sub                | ROR Sub Total               | 51,324,925  | 82,584  | 54,696   | 21,703   | 2,097   | 4,088  |
| AL      | OTLC                   | Otelco Inc.                 | 1,898,802   | 7,766   | 5,812  | 1,938  | 8   | 8  |
| AZ      | ACCP                   | Accipiter Communications, I | 945,721   | 514   | 60   | 180  | 68  | 206  |
| CA      | BRYN                   | Bryan Family Inc.           | 435,246   | 182   | 3  | 10   | 42  | 127  |
| CA      | LCTC                   | LICT Corporation            | 1,192,277   | 872   | 144  | 432  | 74  | 222  |
| FL      | SMRT                   | Smart City Finance, LLC     | 204,405   | 215   | 144  | 48   | 11  | 12   |
| FL      | TDS                    | Telephone and Data System   | 379,344   | 1,638   | 1,220  | 407  | 5   | 6  |
| GA      | FLNC                   | Fail, Inc.                  | 11,820  | 41  | 30   | 11   | -   | -  |
| GA      | PNLN                   | Pineland Telephone Coopera  | 1,392,004   | 2,030   | 1,458  | 487  | 42  | 43   |
| GA      | TDS                    | Telephone and Data System   | 1,983,266   | 5,417   | 3,981  | 1,328  | 54  | 54   |
| IA      | FNTN                   | Fenton Cooperative Telepho  | 98,922  | 59  | 19   | 20   | 5   | 15   |
| IA      | LCTC                   | LICT Corporation            | 482,419   | 508   | 372  | 124  | 6   | 6  |
| IA      | PRTN                   | Partner Communications Co   | 1,351,206   | 1,150   | 740  | 247  | 81  | 82   |
| IA      | SCRN                   | Scranton Telephone Compar   | 463,135   | 335   | 133  | 133  | 17  | 52   |
| IL      | GNSC                   | Geneseo Communications, I   | 990,891   | 1,004   | 681  | 227  | 48  | 48   |
| IN      | BLMN2                  | Bloomington Home Teleph     | 612,965   | 439   | 316  | 106  | 8   | 9  |
| KS      | TLTL                   | TelAtlantic, Inc.           | 345,671   | 214   | 32   | 96   | 21  | 65   |
| KS      | USCH                   | USConnect Holdings, Inc.    | 674,524   | 480   | 93   | 282  | 26  | 79   |
| MA      | CRNR                   | CornerStone Telephone Con   | 557   | 1   | -  | 1  | -   | -  |
| MA      | OTLC                   | Otelco Inc.                 | 3,243   | 15  | 11   | 4  | -   | -  |
| ME      | OTLC                   | Otelco Inc.                 | 1,041,171   | 1,981   | 1,433  | 478  | 35  | 35   |
| MS      | AMRC                   | American Broadband Comm     | 160,938   | 328   | 158  | 159  | 2   | 9  |
| MT      | STHR                   | Southern Montana Telephon   | 2,698,957   | 1,433   | 157  | 473  | 200   | 603  |
| NE      | USCH                   | USConnect Holdings, Inc.    | 650,679   | 313   | 23   | 71   | 54  | 165  |
| NH      | TDS                    | Telephone and Data System   | 520,365   | 1,886   | 1,407  | 470  | 4   | 5  |
| NV      | BHVT                   | Beehive Telephone Compan    | 355,595   | 177   | 20   | 62   | 23  | 72   |
| NV      | DAYM                   | Day Management Corporati    | 447,998   | 671   | 444  | 149  | 39  | 39   |
| NY      | ALTV                   | Alteva Inc.                 | 4,219   | 25  | 18   | 7  | -   | -  |
| OH      | HNSN                   | Hanson Communications, Inc  | 428,162   | 482   | 354  | 119  | 4   | 5  |
| OH      | HRZN                   | Horizon Telecom             | 1,465,554   | 3,078   | 2,286  | 762  | 15  | 15   |
| OH      | VNCE                   | VNC Enterprises, LLC        | 88,186  | 195   | 144  | 49   | 1   | 1  |
| OK      | CRSS                   | Cross Telephone Company I   | 3,478,143   | 5,446   | 3,928  | 1,310  | 104   | 104  |
| OK      | DWLH                   | DWL Holding Company         | 3,784,420   | 3,573   | 1,329  | 1,330  | 228   | 686  |
| OK      | MBCR                   | MBO Corporation             | 3,635,531   | 3,949   | 2,590  | 864  | 247   | 248  |
| PA      | TLTL                   | TelAtlantic, Inc.           | 14,400  | 6   | -  | -  | 3   | 3  |
| PA      | TWNS                   | Townes Telecommunications   | 44,326  | 103   | 77   | 26   | -   | -  |
| SC      | HMTL                   | Home Telephone Company,     | 1,367,830   | 3,254   | 2,357  | 786  | 55  | 56   |
| SC      | WSTC                   | West Carolina Rural Teleph  | 1,008,846   | 1,354   | 947  | 316  | 45  | 46   |
| TN      | TDS                    | Telephone and Data System   | 7,176,061   | 16,409  | 12,129   | 4,043  | 118   | 119  |
| TX      | ETXT                   | Etex Telephone Cooperative  | 1,993,283   | 5,638   | 4,201  | 1,401  | 18  | 18   |
| TX      | FVRT                   | Five Area Telephone Coope   | 3,021,156   | 1,926   | 288  | 866  | 193   | 579  |
| TX      | INDS                   | Industry Telephone Compan   | 2,102,230   | 2,310   | 1,596  | 533  | 90  | 91   |
| TX      | RVRT                   | Riviera Telephone Company   | 361,692   | 334   | 59   | 180  | 23  | 72   |
| VA      | NTEL                   | NTELOS, Inc.                | 1,693,508   | 3,777   | 2,728  | 910  | 69  | 70   |
| VT      | TDS                    | TELEPHONE and Data System   | 263,655   | 1,013   | 756  | 252  | 2   | 3  |
| WV      | OTLC                   | Otelco Inc.                 | 51,606  | 43  | 18   | 6  | 9   | 10   |

