

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Connect America Fund: A National Broadband Plan for Our Future High-Cost Universal Service Support)	WC Docket No. 10-90
)	
ETC Annual Reports and Certifications)	WC Docket No. 14-58
)	
Telecommunications Carriers Eligible to Receive Universal Service Support)	WC Docket No. 09-197
)	
Connect America Fund – Alaska Plan)	WC Docket No. 16-271
)	
Expanding Broadband Service Through the ACAM Program)	RM-11868
)	

**COMMENTS
OF
WTA – ADVOCATES FOR RURAL BROADBAND**

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Summary

WTA – Advocates for Rural Broadband (“WTA”) supports the ACAM Broadband Coalition’s (“Coalition’s”) proposal for modification of the existing Alternative Connect America Cost Model (“ACAM”) mechanisms to add an additional voluntary Enhanced ACAM option that would increase current ACAM I and ACAM II service level commitments to 100/20 Mbps or higher speeds and increase model-based support during an extended term. WTA also requests that Connect America Fund – Broadband Loop Support (“CAF-BLS”) and High Cost Loop Support (“HCLS”) recipients be eligible to opt voluntarily into the Enhanced ACAM mechanism and that the Commission in this or a concurrent proceeding update and increase the service level obligations and funding levels of continuing CAF-BLS/HCLS recipients and align their obligations and deployment timetables with those of the Enhanced ACAM mechanism.

WTA urges the Commission to act expeditiously to adopt and implement both the modified Enhanced ACAM proposal and the revised CAF-BLS/HCLS service level obligations and funding in order to preserve and continue its successful USF-based broadband deployment programs and to free up Broadband Equity, Access, and Deployment (“BEAD”) and other Congressionally-appropriated grant funds for use in other situations.

WTA strongly supports the eligibility and inclusion of census blocks with fiber-to-the-home (“FTTH”), fiber-to-the-premises (“FTTP”) and/or 100/20 Mbps service in the Enhanced ACAM mechanism. It also believes that demand and need for 100/20 Mbps or faster service is so pressing and substantial that no minimum carrier participation threshold will be necessary to encourage widespread Enhanced ACAM participation.

WTA believes that Enhanced ACAM and BEAD deployment timelines are subject to such different starting points, procedures and complications that they cannot be reasonably compared or aligned. It recognizes that existing model locations and Broadband Serviceable Location Fabric (“Fabric”) locations will differ somewhat, but that the substantial delays that would be required to update the ACAM model are neither necessary nor warranted in light of the urgent need for immediate broadband deployment and upgrades. WTA recognizes the importance of technically and financially reasonable cybersecurity risk management plans, but notes that they involve substantial expenses and trade-offs and will require additional High Cost Fund (“HCF”) support in order to avoid becoming unfunded mandates for small rural local exchange carriers (“RLECs”). WTA does not believe that foreign supply chain risk management plans are necessary for a wireline RLEC industry that has not purchased a significant amount of equipment or software from foreign entities that are likely to pose a potential security threat. WTA supports the inclusion of a Tribal Broadband Factor in the Enhanced ACAM mechanism similar in size and operation to the 25 percent mechanism implemented by the Commission in other proceedings.

WTA urges the Commission to act promptly in this proceeding or in a concurrent, parallel track proceeding: (1) to establish CAF-BLS service level commitments and milestones that mirror those for Enhanced ACAM; (2) to recalibrate the non-ACAM budget in light of such increased CAF-BLS service level commitments; (3) to employ an inflationary adjustment factor for the non-ACAM budget that more accurately reflects current and future inflationary pressures; and (4) to provide continued relief from the budget control mechanism for a reasonable period. Finally, WTA asks the Commission to seek comment on a simple “incentive regulation” option with the same service level commitments as the Enhanced ACAM and the revised CAF-BLS mechanisms.

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**COMMENTS
OF
WTA – ADVOCATES FOR RURAL BROADBAND**

WTA – Advocates for Rural Broadband (“WTA”) submits its comments with respect to the Commission’s *Notice of Proposed Rulemaking*, FCC 22-35, which was released May 20, 2022 in the captioned proceeding (“*NPRM*”).

WTA supports the proposal advanced by the ACAM Broadband Coalition (“Coalition”) to modify the existing Alternative Connect America Model (“ACAM”) mechanisms to offer an additional voluntary Enhanced Alternative Connect America Model (“Enhanced ACAM”) option. The proposed alternative would allow participants in the ACAM I and ACAM II programs to elect to increase their present ACAM service level commitments to 100/20 Mbps or higher speeds and to receive increased model-based support during a period that would extend beyond the current

ACAM I and ACAM II terms.

WTA's primary "departures" from the Coalition proposal are comprised of its support for additional matters raised by the Commission that would: (1) extend eligibility to opt into the Enhanced ACAM mechanism to rate-of-return carriers that currently receive Connect America Fund – Broadband Loop Support ("CAF-BLS") and/or High-Cost Loop Support ("HCLS") (*NPRM*, par. 54); and (2) update at an early pre-2024 date in this or a concurrent proceeding the service level obligations and funding levels of continuing CAF-BLS/HCLS recipients and align such obligations and deployment timetables with the Enhanced ACAM features adopted in this proceeding (*NPRM*, par. 58).

WTA urges the Commission to act rapidly to adopt and implement both the modified Enhanced ACAM proposal and updated CAF-BLS/HCLS service level obligations and funding. This will allow Universal Service Fund ("USF") support recipients in the affected areas, at minimum, to enter promptly into enforceable federal commitments to continue upgrading their networks and services in order to provide 100/20 Mbps or greater broadband speeds well before the Broadband Equity, Access, and Deployment ("BEAD") program can complete the challenge and other processes that will eventually lead to grants for the construction of broadband networks in areas that remain unserved or underserved at the time. Expeditious action will allow the Commission to build upon its established USF high-cost programs and investments in order to continue its successful efforts to achieve the deployment, upgrade and operation of sustainable high-speed broadband networks and affordable broadband services in areas served by such programs, while freeing up BEAD and other grant funds to be used for broadband deployment and upgrades in other situations.

I. WTA – Advocates for Rural Broadband

WTA is a national trade association that represents more than 360 rural local exchange carriers (“RLECs”) that provide voice, broadband and other services to some of the most rural, remote, rugged, sparsely populated, and expensive-to-serve areas of the United States. All of WTA’s RLEC members are Eligible Telecommunications Carriers (“ETCs”) that receive federal High Cost Fund (“HCF”) support from the USF. Approximately 45 percent have voluntarily elected to receive model-based ACAM support when it was offered in 2016 (“ACAM I”) or in 2019 (“ACAM II”). WTA’s other RLEC members (approximately 55 percent) receive support from the CAF-BLS and/or HCLS mechanisms.

WTA members have efficiently and effectively used the HCF support they have received from the Commission to construct and operate rural voice and broadband networks – very often as providers of last resort – in high-cost farming, ranching, mining, mountain, forest and desert areas, as well as on Native American reservations and other Tribal Lands. The typical WTA member company serves fewer than 5,000 customers per service area and has fewer than 50 employees, but nonetheless has made significant progress during recent years toward the transformation of its former predominately voice-centric network to a higher and higher speed broadband network. The Commission’s ACAM, CAF-BLS and HCF mechanisms have allowed WTA members not only to deploy and upgrade their broadband facilities but also to maintain and sustain their networks while providing their rural customers with quality services at affordable rates that are reasonably comparable with the services and rates available in urban areas. In other words, WTA members have found the Commission’s continuing HCF support programs to be very successful not only in advancing the relevant goals of Section 254(b) of the Communications Act but also in encouraging long-term investment and business planning much more effectively than one-time grants.

II. Eligibility to Participate in the Enhanced ACAM Program

WTA urges the Commission to allow all current ACAM I, ACAM II and CAF-BLS/HCLS support recipients to opt voluntarily into the Enhanced ACAM mechanism that it adopts. Such broad eligibility will enable the Commission to employ an established and effective model-based approach to encourage and enable RLECs to further upgrade, extend and maintain their broadband networks and services to meet pressing current customer bandwidth needs. Specifically, participation in the modified Enhanced ACAM option will enable current HCF recipients to increase their existing 25/3 Mbps and 10/1 Mbps service level commitments at an early date to the 100/20 Mbps or greater speeds that are quickly becoming (and may already have become) the national standard for Universal Service. Given the burgeoning demands for high-speed broadband to meet employment, educational, medical and other critical communication and informational needs, this increased service level commitment constitutes, by itself, a major and urgently needed public interest benefit.

A. Census Blocks With FTTH/FTTP and/or 100/20 Mbps Service

As it did in ACAM II, the Commission should allow full participation in the Enhanced ACAM mechanism by carriers that have deployed fiber-to-the-home (“FTTH”), fiber-to-the-premises (“FTTP”) and/or 100/20 Mbps networks and services in some or all of their census blocks. The task of the ACAM mechanisms and other existing HCF programs is as much to sustain and maintain high-speed broadband networks and affordable broadband services in the middle and long term as it is to construct broadband facilities initially.

WTA members and other experienced RLECs are well aware that completion of construction of the fiber trunk and other facilities capable of providing 100/20 Mbps service to a

location is only the beginning of the time and effort needed to furnish quality and affordable broadband services. After construction of the network facilities capable of serving a location is completed, there are still substantial equipment, labor and truck roll efforts and costs needed to install rural customer drops (some of which extend a mile or more), upgrade electronics, and integrate customer equipment as services are established and broadband speeds increased. And beyond initial construction and installation, RLECs face substantial and increasing costs for, among other things, middle mile and second mile transport, customer service, maintenance, cybersecurity, vehicles, labor and regulatory compliance. Middle mile, second mile, maintenance and cybersecurity, in particular, entail major and continuing network usage, administration and monitoring functions and costs that grow most rapidly after initial network construction is completed and as broadband speeds, service level commitments and usage increase.

Whereas 100/20 Mbps is becoming (and is very likely already) the Universal Service standard for high-speed broadband today, recent history indicates that significantly higher broadband speeds are likely to be demanded by a majority of customers within the next four to six years. For example, the Commission's *Eleventh Measuring Broadband America Fixed Broadband Report* (December 31, 2021) found that: (1) the maximum advertised download speeds among the service tiers offered by Internet service providers ("ISPs") measured by the Commission ranged from 100 Mbps to 1 Gbps for the studied period; and (2) the weighted average advertised speed of the participating ISPs was 193.9 Mbps, representing an increase of 33% from the Tenth Report and over 43% from the Ninth Report.¹ Moreover, the Commission has recently announced that Chairwoman Jessica Rosenworcel has circulated a Notice of Inquiry proposing to increase the

¹ Report Section I.A, found at [fcc.gov/reports-research/reports/measuring-broadband-america/measuring-fixed-broadband-eleventh-report](https://www.fcc.gov/reports-research/reports/measuring-broadband-america/measuring-fixed-broadband-eleventh-report).

national standard for minimum broadband speeds to 100/20 Mbps, and to set a longer term national broadband speed goal of 1 Gbps/500 Mbps.²

It is virtually certain that customer demands, as well as Commission and Congressional determinations, will increase the definitions of “unserved” and “underserved” above 100/20 Mbps during the next four to six years. In fact, at this time, it is pretty clear that the broadband speeds demanded by urban and rural customers will continue to increase, but is unclear if, when and at what levels such increases will slow or level off.

ACAM recipients and other RLECs that have anticipated the needs of their customers and worked hard to deploy FTTH/FTTP and/or 100/20 Mbps speeds during recent years (particularly during the COVID-19 quarantines) should not be penalized for their efforts by being excluded from Enhanced ACAM eligibility. Many took out substantial Rural Utilities Service (“RUS”) or private bank loans to make the necessary broadband infrastructure investments – loans that will not be fully repaid and investments that will not be fully recovered for another 10-to-15 years in many cases. Prohibiting Enhanced ACAM participation by RLECs that have gone beyond their Commission-required 10/1 Mbps and 25/3 Mbps service level commitments to meet the broadband needs of their customers will not only discourage other service providers from acting in this manner, but also will deprive the affected RLECs of the Enhanced ACAM support they need to repay their loans, recover their investments, sustain their networks and service quality, and keep their broadband service rates affordable.

Prohibition of Enhanced ACAM participation by RLECs that have already deployed FTTH/FTTP facilities and/or 100/20 Mbps services in certain census blocks also puts RLECs in a lose-lose planning conundrum. In the Rural Digital Opportunity Fund (“RDOF”) auction

² *News Release* (Chairwoman Rosenworcel Proposes To Increase Minimum Broadband Speeds And Set Gigabit Future Goal), DOC-385322A1 (July 15, 2022).

proceeding (Auction No. 904), areas where the incumbent price cap carrier had met its 10/1 Mbps CAF Phase II service level commitment were deemed to be “unserved” and subject to auction because the price cap carrier had not exceeded its 10/1 Mbps service level commitment in order to meet the Commission’s new, after-the-fact 25/3 Mbps standard. In the present ACAM situation, will service areas be deemed to be “unserved” and subject to reverse auctions at the end of the ACAM I and ACAM II terms if the participating RLECS have met only their respective 10/1 Mbps and 25/3 Mbps service level commitments and not exceeded them to offer the 100/20 Mbps or higher speeds that are then deemed to be the “current new” universal service standard? In other words, ACAM participants risk being subjected to reverse auctions (or BEAD grants for competitors) if they don’t exceed their present service level commitments to deploy 100/20 Mbps, but risk exclusion from Enhanced ACAM if they have already done so. This whole planning conundrum is unproductive, particularly to the degree that it can divert attention toward regulatory risks rather than toward the far more important task of anticipating and meeting in a timely manner the broadband service needs of rural customers.

Finally, the provision of broadband pipes to rural homes and businesses is not a highly profitable business. The predominant portions of the profits generated by and via current broadband networks and services go to producers of content and associated advertising. Some RLECs are able to generate limited additional revenues from the provision of managed Information Technology, data, cybersecurity and similar services. However, the bulk of RLEC revenues generally come from customer monthly service rates and federal/state support programs (plus a small and declining amount of remaining interstate and intrastate access revenues). These two primary revenue streams must bear the brunt of covering operating expenses as well as generating the additional funds needed for capital investment and/or loan repayment. This task is becoming

increasingly difficult in the face of inflation and supply chain disruptions, as well as increasing middle mile, cybersecurity, labor and fuel costs. Profit margins – to the extent they exist at all – are becoming thinner and more volatile and uncertain. In such a fragile economic situation, exclusion from Enhanced ACAM participation can be a severe blow for an RLEC and give it little choice for recovering its costs and maintaining its financial stability other than by increasing its customer service rates or cutting back on significant investments or operations.

B. Eligibility for CAF-BLS/HCLS Recipients

WTA urges the Commission to extend to rate-of-return carriers that currently receive CAF-BLS and/or HCLS support the eligibility to voluntarily elect to participate in Enhanced ACAM support. Providing this option to CAF-BLS/HCLS recipients is consistent with the Commission’s ACAM I and ACAM II eligibility precedents as well as its longstanding objective of transitioning away from cost-based to model-based support mechanisms.

C Minimum Carrier Participation Threshold

WTA believes that rural customer broadband service needs are rapidly approaching – if they have not already reached – speeds of 100/20 Mbps or more. Under these circumstances, WTA believes that a very substantial number of ACAM I, ACAM II and CAF-BLS/HCLS recipients will voluntarily opt into Enhanced ACAM in order to deploy and/or sustain 100/20 Mbps or better service if the revised support amounts are reasonable with respect to the increased service level commitments. Given the increasing customer demands for 100/20 Mbps and better service, a minimum carrier participation threshold appears to be unnecessary.

III. Deployment Timelines and Other Implementation Issues

Whereas the proposed Enhanced ACAM mechanism is a modification and continuation of

the existing ACAM I and ACAM II mechanisms that can be implemented immediately,³ the BEAD and other Congressionally-appropriated grant and grant-loan programs are subject to the Infrastructure Investment and Jobs Act requirement that broadband maps based upon the Broadband Serviceable Location Fabric (“Fabric”) must be used to determine the locations to be supported by any new award of funding with respect to the deployment of residential broadband Internet access facilities. This and other substantial differences make it difficult to compare and coordinate deployment timelines with respect to the modified Enhanced ACAM mechanism and the new broadband grant and grant-loan programs.

A. Deployment Timelines

Deployment under BEAD will not happen quickly. The immediate impact of the Broadband Map mandate is that BEAD funding allocations to the states cannot be calculated and made until after the Commission’s broadband maps are ready for use. This means that the Commission must complete its initial broadband maps and make them available for correction in response to reviews and challenges by interested governmental, industry and consumer entities before the BEAD program funding can be determined.

First, the revised broadband map data will be used to allocate available grant funding to individual states and territories based on the relative numbers of “unserved” locations within each jurisdiction. Second, it is not likely that many states and territories will develop and obtain federal approval of their individual broadband and BEAD distribution plans and apply for actual BEAD grant funds until they know how much BEAD funding they will receive. Finally, after receiving their allocation of BEAD funds, states and territories will need to design and conduct subgrantee application and selection processes in order to distribute BEAD grants to the entities that will

³ The ACAM Coalition proposal contains provisions to adjust and align location data with the more precise data of the completed Fabric.

actually construct and deploy the funded broadband networks. The most reasonable prediction with respect to the BEAD process is that different states will proceed at different paces and that the time periods between the availability of usable Fabric-based broadband maps and the distribution of BEAD grants to the subgrantees will vary significantly from state-to-state.

A second major complication is the likelihood that supply chain shortages, bottlenecks and delays with respect to both equipment and labor are likely to wreak havoc with deployment milestones and deadlines. WTA members are already reporting waits of approximately 60 to 80 weeks to obtain fiber optic cable after ordering it. One WTA member has reported a 1,100-day waiting period to obtain a bucket truck for a broadband deployment project; another a 50-week delay in obtaining inner duct equipment; and yet another a 3-month lag in obtaining routers. WTA members are already experiencing difficulties due to the growing gap between the demand for and supply of qualified plant construction and service installation employees and expect that they will increasingly encounter substantial delays and cost increases in assembling construction and installation crews and/or in obtaining the services of construction contractors. As the approximately \$86 billion of broadband funding appropriated in the Infrastructure Investment and Jobs Act and other COVID-19 era legislation is distributed, the demand for fiber optic and other equipment and for qualified construction contractors and technicians is certain to increase significantly and to exacerbate existing shortages, bottlenecks and delays. Whereas the BEAD program has what appears to be a readily obtainable one-year extension built into its deployment timetable of four years after subgrant, additional extensions are very likely to be necessary unless such subgrants are spread over a period of several years.

In light of these complications and uncertainties, there is no reasonable yardstick for comparing the 8-year Enhanced ACAM deployment timeline proposed by the Coalition with the

very different 4-year BEAD subgrantee deployment timeline that may not commence in many instances for several years. The Coalition’s proposed 8-year timeline is reasonable under existing circumstances, and the ultimate Enhanced ACAM service level commitments are likely to be achieved by the end of Year 8 without the need for substantial and widespread extensions as well as before completion of many of the actual BEAD-funded deployments.

B. Model Locations versus Fabric Locations

WTA understands that the number of Fabric locations in a census block may differ from the number of model locations. Given the urgency of upgrading broadband service to the 100/20 Mbps and higher speeds needed by customers, it does not make sense for the Commission to expend significant time and effort to revise the ACAM model at this time to incorporate changes that have occurred since the model was developed.

WTA recognizes that the ACAM model locations may be becoming less accurate over time and notes that the ACAM Coalition has proposed a procedure for recalibrating locations to align with the Fabric. More generally, WTA has long contended that the ACAM model was just that – a model depicting generalized assumptions and conditions – and that it did not accurately reflect the costs, inflationary impacts, operating circumstances and support needs affecting substantial portions of the very diverse RLEC industry. The Commission has recognized this fact by making both ACAM I and ACAM II voluntary and not imposing the ACAM model upon RLECs where it would not provide sufficient support to enable them to continue transforming their former voice networks into predominately broadband networks.

Under these circumstances, it will not advance the urgent goal of achieving universal 100/20 Mbps or better broadband service for the Commission to spend a year or more to try to increase the accuracy of the ACAM model. Rather, WTA believes that the critical consideration

for most RLECs will not be the accuracy of the ACAM model but whether the specific dollar amount of Enhanced ACAM support offered to them will provide sufficient funding and predictability to allow them to continue increasing their service level commitments to at least 100/20 Mbps and to sustain those commitments and the costs of serving their rural customers during the foreseeable future.

C. Cybersecurity and Supply Chain Risk Management Plans

WTA does not object to the potential imposition of a cybersecurity risk management plan requirement upon Enhanced ACAM participants in order to align their regulatory obligations with those of BEAD grant recipients. However, the Commission needs to recognize that cybersecurity is becoming an increasing and very substantial cost for RLECs that needs to be reflected in larger amounts of HCF support. Qualified cybersecurity professionals command substantial and increasing salaries and benefits and are very hard for small RLECs to recruit, train and retain. Similarly, cybersecurity consultants and consulting firms are expensive to retain and use and may or may not be immediately available when an emergency occurs. Finally, cybersecurity insurance is becoming increasingly expensive and is imposing more and more conditions and limitations upon coverage.

WTA members and other service providers recognize the importance of cybersecurity and are willing to take reasonable steps to protect their customers and the network – for example, by attesting that they have developed and adhere to cybersecurity plans and procedures that are practicable in light of their technical and financial resources. However, cybersecurity threats are constantly changing, and even sophisticated government agencies and large corporations have proven unable to defend themselves successfully in some instances from persistent and innovative attacks.

WTA's point is that cybersecurity is a very complex, expensive and changing function that involves many difficult trade-offs.⁴ Should the Commission elect to impose cybersecurity risk management obligations upon Enhanced ACAM and other HCF support recipients, it must recognize that such obligations are likely to entail significantly increased costs and refrain from saddling recipients with an unfunded mandate. Rather, in evaluating the levels of support proposed by the ACAM Coalition, the Commission should recognize the fact that cybersecurity is becoming a more and more expensive operating cost and will increase further if the Commission imposes additional cybersecurity risk management obligations.

WTA does not believe that a supply chain risk management plan for equipment and software acquired from certain non-United States sources is warranted or useful for the Enhanced ACAM program. Previous foreign supply chain issues and concerns have predominately involved the equipment of wireless carriers that could allow traffic to be monitored, diverted or otherwise used for or subjected to unlawful actions. WTA is not aware of any such supply chain issues involving the wireline voice and broadband operations of its RLEC members. At this time, potential Enhanced ACAM participants and other service providers are well aware that they should not purchase or deploy equipment from a foreign source that subsequently could be found to pose a security threat. There would appear to be no need or cost justification for a foreign supply chain risk management program if an Enhanced ACAM participant has not deployed any equipment from a potentially adverse foreign source and does not intend to purchase any during the term of the program.

⁴ Recent history appears to indicate that increased cybersecurity spending can increase protection against certain types of attacks, but that no amount of cybersecurity spending can guarantee protection against all attacks in a world of constantly changing technologies and tactics.

D. Tribal Broadband Factor

WTA supports the inclusion of a Tribal Broadband Factor in the Enhanced ACAM mechanism similar in size and operation to the 25 percent Tribal Broadband Factor implemented by the Commission in the ACAM II and RDOF proceedings. The Commission has long recognized that a variety of factors – including remote and isolated locations, challenging terrain, lower population density, permitting issues and lower incomes – have resulted in substantial lags in broadband deployment on Tribal lands compared with deployment in non-Tribal areas. While not a complete solution to the difficulties of Tribal broadband deployment and adoption, the additional HCF support furnished by the existing Tribal Broadband Factors has enabled WTA members and other RLEC recipients to extend and upgrade their broadband networks that serve Tribal lands.

IV. CAF-BLS/HCLS Proceeding

WTA urges the Commission to follow through quickly on its stated plan to consider the deployment obligations and funding levels of providers receiving CAF-BLS support that will apply beginning in 2024 (*NPRM*, par. 58).

WTA has been working with other RLEC industry entities to develop proposals that will enable the deployment and sustained operation of the high-speed broadband services needed by rural customers. The Commission should act in this proceeding or in a concurrent, parallel track proceeding: (1) to establish CAF-BLS service level commitments that mirror those for Enhanced ACAM through the same period and subject to the same milestones; (2) to recalibrate the non-ACAM budget in light of such increased CAF-BLS service level commitments; (3) to adapt the

inflationary factor for adjusting the non-ACAM budget to better reflect current and future inflationary pressures; and (4) to provide continued relief from the budget control mechanism for a reasonable period so that CAF-BLS recipients can rely upon the predictable levels of support necessary to make the network investments required to achieve their increased service level commitments.

In addition, the Commission should seek comment on a simple “incentive regulation” option with the same service level commitments as the Enhanced ACAM and the revised CAF-BLS mechanisms. Such an “incentive regulation” option could freeze an electing RLEC’s HCF support for a reasonable period while it completes the construction of its broadband network and repays its construction loans and then transition over a period of years to a level of funding that reflects the need for ongoing support to deal with above-average rural operating expenses and otherwise to sustain rural networks and affordable services.

Rapid action by the Commission in this proceeding or a concurrent proceeding on a revised post-2023 mechanism for CAF-BLS/HCLS service level commitments and support amounts will not only permit the subject RLECs to make informed choices between Enhanced ACAM support and CAF-BLS/HCLS support but also will enable them to move forward expeditiously in taking the steps necessary to continue to upgrade and sustain their networks and to increase their service level commitments to 100/20 Mbps and higher speeds.

V. Conclusion

WTA supports the Coalition proposal for modification of the existing ACAM mechanisms to add an additional voluntary Enhanced ACAM option that would increase current ACAM service level commitments to 100/20 Mbps or higher speeds and increase model-based support during an

extended term. WTA also requests that CAF-BLS/HCLS recipients be eligible to opt voluntarily into the Enhanced ACAM mechanism and that the Commission in this or a concurrent proceeding update and increase the service level obligations and funding levels of continuing CAF-BLS/HCLS recipients and align their obligations and deployment timetables with those of the Enhanced ACAM mechanism.

WTA urges the Commission to act rapidly to adopt and implement both the modified Enhanced ACAM proposal and the revised CAF-BLS/HCLS service level obligations and funding in order to preserve and continue its successful USF-based broadband deployment investments and efforts and to free up BEAD and other Congressionally-appropriated grant funds for use in other situations.

WTA strongly supports the eligibility and inclusion of census blocks with FTTH/FTTP and/or 100/20 Mbps service in the Enhanced ACAM mechanism. In addition, demand and need for 100/20 Mbps or faster service is so pressing and substantial that no minimum carrier participation threshold will be necessary to encourage widespread Enhanced ACAM participation.

WTA believes that Enhanced ACAM and BEAD deployment timelines are subject to such different starting points, procedures and complications that they cannot be reasonably compared or aligned. The existing model locations and Fabric locations will differ somewhat, but the substantial delays that would be required to modify the ACAM model are neither necessary nor warranted in light of the urgent need for immediate broadband deployment and upgrades. WTA recognizes the importance of technically and financially reasonable cybersecurity risk management plans, but notes that they involve substantial expense and trade-offs and will require additional HCF support in order to avoid becoming unfunded mandates for small RLECs. Foreign supply chain risk management plans are not necessary for a wireline RLEC industry that has not

purchased a significant amount of equipment or software from foreign entities that are likely to pose a potential security threat. WTA supports the inclusion of a Tribal Broadband Factor in the Enhanced ACAM mechanism similar in size and operation to the 25 percent mechanism implemented by the Commission in other proceedings.

WTA urges the Commission to act expeditiously in this proceeding or in a concurrent, parallel track proceeding: (1) to establish CAF-BLS service level commitments and milestones that mirror those for Enhanced ACAM; (2) to recalibrate the non-ACAM budget in light of such increased CAF-BLS service level commitments; (3) to employ an inflationary adjustment factor for the non-ACAM budget that more accurately reflects current and future inflationary pressures; and (4) to provide continued relief from the budget control mechanism for a reasonable period. Finally, WTA asks the Commission to seek comment on a simple “incentive regulation” option with the same service level commitments as the Enhanced ACAM and the revised CAF-BLS mechanisms.

Respectfully submitted,
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