



March 2, 2023

**Filed via ECFS**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
45 L Street NE  
Washington, DC 20554

**RE: Expanding Broadband Service Through the ACAM Program, RM-11868  
Connect America Fund, WC Docket No. 10-90**

Dear Ms. Dortch:

On Tuesday, February 28, 2023, Evelyn Jerden of LICT Corporation (Iowa, Kansas, Michigan, New Mexico, Oregon and Wisconsin); Mark Gailey and Mitch Gailey of Totah Communications (Oklahoma and Kansas); Larry Frazier of Central Arkansas Telephone Cooperative (Arkansas); John Greene of New Lisbon Telephone Company (Indiana and Pennsylvania); Ken Johnson of Wahkiakum West Communications (Washington); Larry Jones of Chickasaw Telephone Company (Oklahoma); Jerry Piper of Cambridge Telephone Company (Idaho); David Ryan of Strata Communications (Utah); David Schornack of Arvig Communications (Minnesota); John Stuart of MTE Communications (Idaho and Arizona); and Derrick Owens and Gerry Duffy of WTA – Advocates for Rural Broadband (“WTA”) met with Elizabeth Cuttner, Legal Advisor to Chairwoman Jessica Rosenworcel, to discuss the urgent needs for timely adoption and implementation of the proposed Enhanced Alternative Connect America Cost Model (Enhanced ACAM”) mechanism, and for timely waiver of the Budget Control Mechanism (“BCM”) for the Connect America Fund – Broadband Loop Support (“CAF-BLS”) program for at least the July 2023-to-June 2024 support year.

Approximately 46 percent of WTA’s 370 members are ACAM participants, while the remainder receive CAF-BLS and/or High-Cost Loop Support (“HCLS”). Most have been extending fiber-optic trunks deeper and deeper into their rural service areas in order to provide the higher and higher broadband speeds required by their rural customers. Some have completed fiber-to-the-home (“FTTH”) or fiber-to-the-premises (“FTTP”) deployments to significant portions of their service areas, but still have to repay the substantial loans that they incurred to do so.

WTA strongly supports the ACAM Broadband Coalition’s proposal for an improved and extended Enhanced ACAM mechanism. WTA understands that there are ongoing discussions regarding some aspects of the Enhanced ACAM proposal, and it urges the Commission to resolve the outstanding questions and issue an order as expeditiously as possible so that its ACAM members can move forward rapidly to make their voluntary Enhanced ACAM participation decisions, obtain the requisite equipment and construction services, and deploy the urgently needed 100/20 Mbps and higher broadband services. Many rural areas have limited construction seasons so that a delay of a few critical warm weather construction months can mean a winter or school year without the broadband services needed to work from home, obtain remote medical care, and attend certain classes and/or complete homework.

Meanwhile, supply chain bottlenecks and rising equipment prices and labor costs mean that a delay of several months can significantly prolong the completion of a broadband deployment project and substantially increase its costs above those budgeted. Several WTA members noted that it is already taking a year or more from the order date to obtain certain essential broadband equipment (*e.g.*, fiber, ducts and hand-holds), and that such lag times are likely to increase. Moreover, from 2020 to 2022, WTA members report that the cost of essential broadband equipment (such as fiber optic cable, routers, conduit, hand-holds and optical network terminals) has increased by approximately 55-to-70 percent.

Moreover, further delay will unduly complicate or preclude the National Telecommunications and Information Administration's ("NTIA's") application of its the rule that states may not treat as "unserved" or "underserved" for Broadband Equity, Access and Deployment ("BEAD") grant eligibility purposes any location that is already subject to an enforceable federal, state, or local commitment to deploy "qualifying broadband" (*i.e.*, 100/20 Mbps service) as of the date that NTIA's BEAD challenge process is concluded. *NTIA Notice of Funding Opportunity, Broadband Equity, Access and Deployment Program* (NTIA-BEAD-2022), p. 63. Given that significant time will be required after adoption of an Enhanced ACAM order for the preparation, consideration and acceptance of the specific offers of support likely to be needed to constitute "enforceable commitments" for individual recipients, Commission action is needed soon. If there is not sufficient time for "enforceable commitments" to be completed, the duplication problem that the NTIA rule is intended to prevent will be exacerbated, and can result in a number of problems including, but not limited to, reduction of the amount of BEAD funds available for truly unserved or underserved areas; inefficient use of federal dollars to construct entirely new networks rather than much less expensive upgrades of existing networks; and overbuilds of networks and stranding of investment that was previously funded with federal Universal Service Fund ("USF") dollars.

Finally, WTA does not believe that modification of the existing ACAM mechanisms has to wait until the completion of the next round of Broadband Data Collection filings and broadband availability and Fabric challenges. As WTA members pointed out, they build networks rather than locations. And locations constantly change as new housing subdivisions are built, and as existing houses and housing clusters are abandoned, relocated or destroyed by fire, floods or harsh weather. WTA believes that the public will be much better served by implementing Enhanced ACAM broadband upgrades as soon as possible and adjusting support and build-out commitments in a reasonable manner (*e.g.*, the adjustment process adopted in the Rural Digital Opportunity Fund ("RDOF") rules), if necessary, when the ultimately applicable broadband maps are completed.

Expedited action is also necessary to waive the BCM for CAF-BLS recipients for at least the rapidly approaching July 1, 2023 to June 30, 2024 support year. It is WTA's understanding that, without such a waiver, the impact upon CAF-BLS recipients during the coming year will be an approximate 18 percent reduction of their support (which ranges from approximately \$400,000 to approximately \$1 million for various WTA members). This would constitute a crippling loss of the funds necessary to further deploy, upgrade and operate broadband facilities and services, and/or to pay for the broadband upgrades that were recently completed. It not only renders USF support insufficient and unpredictable, but also is inequitable in that the lost support is predominately reimbursement for dollars that were previously spent in reliance thereof.

WTA notes that, both now and in the future, the BCM disrupts the process of applying for federal and state broadband grants because applicants are unable to certify the accuracy of their financial projections due to the unpredictability of BCM impacts in future years. This has become a growing problem as the BCM adjustment percentages continue to increase significantly.

Pursuant to Section 1.1206(b) of the Commission's Rules, this submission is being filed for inclusion in the public record of the referenced proceeding.

Respectfully submitted,

**WTA – ADVOCATES FOR RURAL BROADBAND**

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