



September 1, 2022

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, et al.
RM-11868 and WC Docket Nos. 10-90, 09-197 and 16-271**

Dear Ms. Dortch:

On Tuesday, August 30, 2022, Derrick Owens and Gerry Duffy representing WTA – Advocates for Rural Broadband (“WTA”) met via video conference call with Danielle Thumann, Legal Advisor to Commissioner Brendan Carr, to discuss the pending Enhanced Alternative Connect America Cost Model (“Enhanced ACAM”) rulemaking, as well as the need for a corresponding modification and upgrade of the Connect America Fund – Broadband Loop Support and High Cost Loop Support (“CAF-BLS/HCLS”) programs.

WTA urged the Commission to move forward expeditiously, and before Broadband Equity, Access, and Deployment (“BEAD”) grants are allocated and distributed, with the consideration, adoption and implementation of Enhanced ACAM changes that would accelerate the pace and strengthen incentives for broadband expansion and upgrades by increasing the service level commitments and funding levels of participating rural local exchange carriers (“RLECs”) to entail the offering of predominately 100/20 Mbps or better broadband service. WTA also expressed support for giving existing CAF-BLS/HCLS recipients the option of voluntarily electing to participate in Enhanced ACAM.

WTA further urged the Commission also to move forward now to consider, adopt and implement parallel increases in the service level commitments and funding levels for CAF-BLS/HCLS recipients. In paragraph 58 of the *Notice of Proposed Rulemaking* in this proceeding, the Commission has sought comment on whether and how it should align the deployment obligations and timeframes for CAF-BLS carriers with the Enhanced ACAM plan adopted herein in order to ensure similar broadband deployment in areas supported by high-cost Universal Service Fund (“USF”) mechanisms. Therefore, WTA believes the Commission can, and should, move forward to address CAF-BLS/HCLS as well. To this end, WTA has indicated that such CAF-BLS/HCLS changes should include 100/20 Mbps service level commitments, recalibration of CAF-BLS/HCLS budgets and inflation adjustments, and budget control mechanism (“BCM”) relief.

WTA believes that the Commission’s high-cost USF programs and the new federal broadband grant programs should be treated as complements to each other. By obtaining enforceable commitments by participating RLECs to deploy qualifying 100/20 Mbps broadband at an early date, the proposed Enhanced ACAM and CAF-BLS/HCLS changes will make it easier for BEAD

grants to be targeted to the areas where they are most needed and will eliminate a major source of potential funding duplication with respect to BEAD and other recently enacted federal broadband grant programs. In addition, early Commission action to modify its existing ACAM and CAF-BLS/HCLS programs to accelerate their ongoing broadband upgrades will help to spread out and reduce the equipment and contractor bottlenecks, deployment delays and price increases that are likely to occur when substantial portions of the \$65 billion of broadband funding authorized by the Infrastructure Investment and Jobs Act of 2021 begin to be distributed in several years when the various federal and state allocation and distribution procedures are completed. Third, it does not appear that the broadband grant provisions of the Infrastructure Act - which began with funding proposals of \$100 billion (White House) and \$80 billion (Congress) and ultimately were adopted at a reduced compromise amount of \$65 billion – will be sufficient to close the Digital Divide, particularly in light of the potential for increasing equipment and contractor costs. Under such circumstances, the most practicable solution is for the Commission to continue its successful high-cost USF programs that have enabled RLECs to transform their voice-centric networks into broadband networks by systematically extending fiber optic trunks further and further into their networks in order to upgrade the broadband services and speeds available to their customers. This will allow the BEAD and other grant programs to focus their efforts on the construction of new or largely new broadband networks in non-RLEC areas where there have not already been substantial USF program investments in extendable and scalable broadband infrastructure.

The Commission’s high-cost USF programs differ significantly from the new federal grant programs in that they provide continuing support for the high per-customer operating expenses that must be borne to sustain rural broadband networks. Whereas buried fiber lines have greater protection from climate events, the large areas in which line breaks and other problems may occur, the remote and harsh terrain involved, and the long rural truck rolls necessary to address network and customer problems mean that rural maintenance costs are likely to remain higher than average on a per-customer basis. Moreover, increasing cybersecurity and middle mile costs are having substantial impacts upon the present and future operating expenses of many RLECs.

At the present time, high-cost USF support for both capital expenditures and operating expenses will be needed to support and sustain the broadband network extensions and upgrades of most RLECs as they strive to meet 100/20 Mbps and higher service level demands and commitments. Even where some RLECs have already deployed fiber-to-the-home (“FTTH”) facilities in portions of their service areas or already offer 100/20 Mbps and greater service options, most such RLECs still have substantial outstanding construction loans to repay or company investments to recover. Whereas WTA recognizes that the Commission’s high-cost USF programs are likely to focus much more upon sustainability and high per-customer operating expenses once the construction and deployment of scalable high-speed broadband networks is completed and paid for, that time is likely to be at least 5-to-10 years in the future.

Respectfully submitted,
WTA – Advocates for Rural Broadband

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