Advocates for Rural Broadband Jimmy Todd President

Kelly Worthington Executive Vice President

August 28, 2023

<u>VIA ECFS</u> Marlene H. Dortch, Secretary Federal Communications Commission 45 L Street NE Washington, DC 20554

RE: Connect America Fund, 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 – Alaska Plan, WC Docket No. 16-271 Expanding Broadband Service Through the ACAM Program, RM-11868

Dear Ms. Dortch:

On Thursday, August 24, 2023, Evelyn Jerden of LICT Corporation (Iowa, Kansas, Michigan, New Hampshire, New Mexico, Oregon, Utah and Wisconsin), Mark Gailey of Totah Communications, Inc. (Kansas and Oklahoma), Jason Hendricks of Range Telephone Cooperative, Inc. (Montana and Wyoming) and Derrick Owens, Eric Keber and Gerry Duffy of WTA – Advocates for Rural Broadband ("WTA") met via TEAMS conference call with Elizabeth Cuttner, Legal Advisor to Chairwoman Jessica Rosenworcel, to discuss the Enhanced Alternative Connect America Cost Model ("E-ACAM") portions of the Commission's recent *Report and Order, Notice of Proposed Rulemaking, and Notice of Inquiry* in WC Docket Nos. 10-90, 14-38, 09-197 and 16-271 and RM-11868, FCC 23-60, released July 24, 2023.

WTA believes that Rural Utilities Service ("RUS") ReConnect grants should be deemed to be complementary to, rather than duplicative of, E-ACAM support because they are intended to deploy high-speed broadband in the most remote and very high-cost portions of the United States – that is, areas likely to otherwise remain unserved without both ReConnect funding and federal high-cost support. Whereas WTA understands that Reconnect awards that are 100% loan are deemed to be complementary, it appears that the status of ReConnect awards that are "50% grant and 50% loan" and those that are "75% grant and 25% match" has not yet been determined. WTA urges that such partial grants be deemed to be complementary and that the locations involved be eligible for E-ACAM support. WTA notes that E-ACAM support is intended to help recover both capital and operating expenses, and that continuing ACAM or other Commission high-cost support was an important factor in RUS determinations to approve the subject ReConnect awards.

WTA further believes that even areas that have received "enforceable commitments" for ReConnect awards that are 100% grant should be eligible for the same 50%-to-75% amount of current ACAM support that is being offered to incumbent local exchange carriers ("ILECs") for locations where they have completed 100/20 Mbps

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broadband deployment before June 30, 2023, or some other date prior to the forthcoming E-ACAM offers. WTA sees no reasonable difference between ILEC locations where 100/20 Mbps deployment was previously completed and those with an "enforceable RUS commitment" to deploy 100/20 Mbps. This lack of substantive distinction does not equitably justify the provision of sustainable operating expense support to the former group but not to the latter. This is particularly true because the typical ReConnect location is very remote and entails such long drive times that maintenance technicians are often unable to respond to more than one or two trouble calls per working day.

The timing of enforceable ReConnect commitments is unclear. Is a potential E-ACAM recipient deemed to have "committed" to a ReConnect award when RUS first announces the award, when the ILEC first responds positively to begin the process necessary to finalize the award, or when all necessary environmental clearances, permits and paperwork are completed and the ReConnect award is finalized? If certain ReConnect awards are deemed to be duplicative and to preclude eligibility for E-ACAM support, WTA believes that the Commission should clarify that such ReConnect awards may be rejected after they are announced or even after they are finalized in order to permit the affected locations to receive E-ACAM support rather than ReConnect funding. It urges the Commission to allow such rejection to take place up to the designated October 1 E-ACAM acceptance date so that companies are able to compare their E-ACAM and ReConnect deployment alternatives (with the right to have their locations and E-ACAM support recalculated retroactively if they reject the ReConnect award).

WTA also discussed the likelihood that supply chain shortages and scheduling delays with respect to network equipment and contractors, as well as weather-restricted construction seasons in portions of the country, will make it difficult to meet the Commission's build-out timetables and are discouraging some potential E-ACAM recipients from opting into the program. Tribal engagement and approvals also can result in scheduling and deployment delays and other issues in some areas. WTA understands that the Commission will monitor deployment progress and delays with respect to other federal and state broadband deployment programs as well as E-ACAM, and will undertake a formal review of E-ACAM issues and problems during 2027.

Finally, the Commission's service obligation for 100% of E-ACAM required locations poses significant timing and expense difficulties in remote portions of rural service areas. Fixed wireless is a solution in some but not all sparsely populated, higher cost areas. But in the most remote and very high-cost areas, perhaps only resold satellite service may be technically and economically feasible. WTA urges the Commission to take a further look at the viability of the use of resold satellite services (including voice service latency and performance testing difficulties) in order to determine whether omitting to include satellite service resale as an option to serve very remote locations would discourage E-ACAM participation by ILECs and whether those remote locations are unlikely to otherwise be served by other federal and state broadband deployment programs.

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** /s/ Derrick B. Owens Senior Vice President of Government and Industry Affairs /s/ Gerard J. Duffy Regulatory Counsel 400 Seventh Street NW, Suite 406 Washington, DC 20004 Phone: (202) 548-0202