

Pat McElroy
President

Kelly Worthington
Executive Vice President

November 20, 2024

VIA ECFS

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

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

Dear Ms. Dortch:

On Monday, November 18, 2024, Diana Eisner of USTelecom – The Broadband Association (“USTelecom”) and Derrick Owens, Stephen Goodman and Gerry Duffy of WTA – Advocates for Rural Broadband (“WTA”) (collectively, the “Associations”) met via videoconference with Suzanne Yelen, Ted Burmeister and Nathan Eagan of the Commission’s Wireline Competition Bureau (“WCB”) to discuss the location-level Enhanced Alternative Connect America Cost Model (“Enhanced A-CAM”) support amounts for various types of served and unserved locations.

Both USTelecom and WTA expressed their appreciation for the efforts of Commission staff to address the complexities of Enhanced A-CAM locations and support.

The Associations indicated that the primary Enhanced A-CAM implementation matter of concern at this time is the support status of locations which were subject to broadband grant commitments [primarily Rural Utilities Service (“RUS”) ReConnect 3 and ReConnect 4 grants] prior to the August 30, 2023 Enhanced A-CAM offer date, but where construction had not been able to be commenced and completed by the offer date due to circumstances beyond the control of the Enhanced A-CAM electee. The primary cause of these delays has been lengthy environmental reviews and approvals which must be conducted after RUS grant commitments are made but before any grant money can be distributed or any facilities construction can be started. In many cases, these environmental reviews have delayed broadband construction by one-to-two years or more.

The “committed-but-not-constructed” grant issue is not likely to encompass a large number of locations nationwide. USTelecom noted a maximum number of approximately 20,000 locations, and indicated that the actual number may be lower. The Commission can match the ReConnect 3 and ReConnect 4 grants with Enhanced A-CAM electees, and then determine the number of grant locations that could not be constructed due to environmental review and other unavoidable delays prior to the August 30, 2023 offer date. Other federal and state grant programs may add an immaterial number of additional locations.

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While the number of affected locations is not likely to materially impact the overall Enhanced A-CAM budget, the availability of Enhanced A-CAM support is essential to sustain the operations of such locations. As the Commission is aware, RUS ReConnect grants are for the initial deployment of broadband service to the most remote, rugged and expensive-to-serve portions of rural service areas. Moreover, although ReConnect grants are referred to as “100 percent” grants, this means only that the federal funding is comprised solely of a grant rather than being part grant and part loan. Most ReConnect grants require the recipients to provide matching funds of 25 percent. Given the very high cost of serving ReConnect areas for which there is little or no business case and the substantial matching fund investments that must be made, continuing universal service support is absolutely necessary to ensure that the facilities deployed via ReConnect and other grants are able to provide quality and affordable broadband services on a long-term basis. Indeed, the *Enhanced A-CAM Order* and the *Alaska Connect Fund Order*¹ recognize the need for such ongoing operating expense support.

In deciding to accept their offers, many providers that elected Enhanced A-CAM relied on the fact that ongoing support for such locations would be available as the *Enhanced A-CAM Order* does not distinguish whether or not committed grant locations had been constructed. Accordingly, WCB should treat all locations that were subject to ReConnect or other broadband grant commitments as of August 30, 2023 as eligible to receive continuing universal service support at the same 60 percent or 33 percent levels received by locations served with 100/20 Mbps broadband by ILECs as of the Enhanced A-CAM offer date, depending upon whether such locations were served by the grant recipient only or by the grant recipient and an unsubsidized competitor.

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

Respectfully submitted,

**USTELECOM – THE BROADBAND
ASSOCIATION**

/s/ Diana Eisner
Vice President, Policy & Advocacy
601 New Jersey Avenue, NW
Suite 600
Washington, DC 20001
Phone: (202) 326-7300

WTA – ADVOCATES FOR RURAL BROADBAND

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

cc: Suzanne Yelen
Theodore Burmeister
Nathan Eagan

¹ *Connect America Fund et al.*, Report and Order, Notice of Proposed Rulemaking, and Notice of Inquiry, WC Docket Nos. 10-90, 14-58, 09-197 and 16-271 and RM-11868, FCC 23-60, released July 24, 2023, at par. 74 (“*Enhanced A-CAM Order*”); *Connect America Fund et al.*, Report and Order and Further Notice of Proposed Rulemaking, WC Docket Nos. 10-90, 23-328, 16-271, 14-58 and 09-197 and WT Docket No. 10-208, FCC 24-116, released November 4, 2024, at para. 39 (“*Alaska Connect Fund Order*”).