



6712-01

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 54

[WC Docket No. 10-90; FCC 16-178]

Connect America Fund

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

SUMMARY: In this document, the Federal Communications Commission (Commission) seeks comment on whether to expand the Alternative Connect America Cost Model (A-CAM) budget for rate-of-return carriers to provide additional funding with an associated increase in broadband deployment obligations.

DATES: Comments are due on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]** and reply comments are due on or before **[INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. If you anticipate that you will be submitting comments, but find it difficult to do so within the period of time allowed by this document, you should advise the contact listed below as soon as possible.

ADDRESSES: You may submit comments, identified by WC Docket No. 10-90, by any of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Federal Communications Commission's Web Site: <http://fjallfoss.fcc.gov/ecfs2/>. Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <http://fjallfoss.fcc.gov/ecfs2/>.
- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing. Because more than one docket number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket number.

- Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.
 - All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.
 - Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.
 - U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th St., SW, Washington DC 20554.
- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail: FCC504@fcc.gov or phone: (202) 418-0530 or TTY: (202) 418-0432.

FOR FURTHER INFORMATION CONTACT: Alexander Minard, Wireline Competition Bureau, (202) 418-7400 or TTY: (202) 418-0484.

SUPPLEMENTARY INFORMATION: This is a synopsis of the Commission's Further Notice of Proposed Rulemaking (FNPRM) in WC Docket No. 10-90; FCC 16-178, adopted on December 19, 2016 and released on December 20, 2016. The full text of this document is available for public inspection during regular business hours in the FCC Reference Center, Room CY-A257, 445 12th St., SW, Washington, DC 20554 or at the following Internet address:

http://transition.fcc.gov/Daily_Releases/Daily_Business/2016/db1220/FCC-16-178A1.pdf

I. FURTHER NOTICE OF PROPOSED RULEMAKING

1. In this Further Notice of Proposed Rulemaking, the Commission seeks comment on whether to allocate additional high-cost funding to the voluntary path to the model. Rate-of-return

carriers that accept the second offer of model-based support will do so on the condition that they commit to meet the deployment obligations of the original offer if authorized no later than December 31, 2017 to receive additional A-CAM funding equivalent to the original offer. The Commission therefore seeks comment on whether the Commission should further increase the budget for A-CAM to provide the full amount of the original offer for some or all of those carriers that accepted the second offer of model-based support.

2. The Commission seeks comment on increasing the budget by a lesser amount. If the increased budget for A-CAM were insufficient to cover all participants, should the Wireline Competition Bureau (Bureau) prioritize funding to those with the least broadband deployment using the same data set as that utilized for the adjusted offer? Alternatively, if the Commission increases the budget by a smaller amount, should the Bureau revise the offers to an amount less than the original offer? In that latter situation, the Commission expects that the Bureau would make a new offer, limited to the carriers that originally elected the first offer and accepted the revised offer; those carriers would be free to choose whether to accept that new offer and the associated broadband deployment obligations.

3. The Commission notes that commenters responding to the Bureau's A-CAM Election Results Public Notice uniformly support increasing the A-CAM budget by more than \$50 million. The Commission would need to increase the overall high-cost budget by an additional \$110 million per year if all carriers elect the second offer, and by a lesser amount if fewer do. The Commission invites comment from all interested stakeholders on whether to enlarge the budget for A-CAM support, including the costs and benefits of allocating limited funding for this particular purpose.

II. PROCEDURAL MATTERS

4. This document does not contain new information collection requirements subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. In addition, therefore, it does not contain any new or modified information collection burden for small business concerns with fewer than 25 employees, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, see 44 U.S.C. 3506(c)(4).

5. In the April 2014 Connect America FNPRM, 79 FR 39196, July 9, 2014, the Commission proposed a framework for a voluntary election by rate-of-return carriers to receive model-based support and tentatively concluded that such a framework could achieve important universal service benefits by creating incentives for deployment of voice and broadband-capable infrastructure. The Commission sought written comment on the proposal, including comment on the Initial Regulatory Flexibility Analysis (IRFA). The Commission did not receive any comments on the April 2014 Connect America FNPRM IRFA. In the Rate-of-Return Reform Order, 81 FR 24282, April 25, 2016, the Commission adopted a voluntary path under which rate-of-return carriers may elect to receive model-based support for a term of 10 years in exchange for meeting defined build-out obligations. The Commission issued a Final Regulatory Flexibility Analysis (FRFA) that conforms to the Regulatory Flexibility Act of 1980 (RFA), as amended. This present Report and Order and Further Notice of Proposed Rulemaking implements the framework previously adopted by the Commission and seeks comment on additional funding to implement that framework. The Commission promulgates no additional final rules, and our present action is, therefore, not an RFA matter.

6. The proceeding this Notice initiates shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s ex parte rules. Persons making ex parte presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral ex parte presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the ex parte presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission

staff during ex parte meetings are deemed to be written ex parte presentations and must be filed consistent with rule 1.1206(b). In proceedings governed by rule 1.49(f) or for which the Commission has made available a method of electronic filing, written ex parte presentations and memoranda summarizing oral ex parte presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (e.g., .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission's ex parte rules.

7. People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (TTY).

III. Ordering Clauses

8. IT IS FURTHER ORDERED, pursuant to the authority contained in sections 1, 2, 4(i), 5, 10, 201-206, 214, 218-220, and 254 of the Communications Act of 1934, as amended, and section 706 of the Telecommunications Act of 1996, 47 U.S.C. 151, 152, 154(i), 155, 160, 201-206, 214, 218-220, 254, and 1302, and sections 1.1, 1.3, 1.421, 1.427, and 1.429 of the Commission's rules, 47 CFR 1.1, 1.3, 1.421, 1.427, and 1.429, that this Further Notice of Proposed Rulemaking IS ADOPTED, effective thirty (30) days after publication of the text or summary thereof in the Federal Register.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch,
Secretary.

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