



FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 54

[WC Docket Nos. 10-90, 14-58, 09-197, 16-271; RM 11868; FCC 23-60; FR ID 164476]

Connect America Fund: A National Broadband Plan for Our Future High-Cost Universal Service Support; ETC Annual Reports and Certifications; Telecommunications Carriers Eligible to Receive Universal Service Support; Connect America Fund – Alaska Plan; Expanding Broadband Service Through the ACAM Program

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

SUMMARY: In this document, the Federal Communications Commission (FCC or Commission) takes a longer term view and seeks to build a record to help the Commission explore methods for modifying the Universal Service Fund (USF) high-cost program to promote affordable and available broadband services in the years to come.

DATES: Comments are due on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER], and reply comments are due on or before [INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may submit comments, identified by WC Docket Nos. 10-90, 14-58, 09-197 and 16-271, by any of the following methods:

- **Electronic Filers:** Comments may be filed electronically using the Internet by accessing the ECFS: www.fcc.gov/ecfs.
- **Paper Filers:** Parties who choose to file by paper must file an original and one copy of each filing.
 - Filings can be sent 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.
 - Commercial overnight mail (other than U.S. Postal Service Express Mail and

Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.

- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 45 L Street NE, Washington, DC 20554.
- Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID-19. *See* FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Policy, Public Notice, 35 FCC Rcd 2788, 2788-89 (OS 2020).

Interested parties may file comments and reply comments on or before the dates indicated in this document. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS). *See* Electronic Filing of Documents in Rulemaking Proceedings, 63 FR 24121 (1998).

Comments and reply comments exceeding ten pages must include a short and concise summary of the substantive arguments raised in the pleading. Comments and reply comments must also comply with § 1.49 and all other applicable sections of the Commission's rules. The Commission directs all interested parties to include the name of the filing party and the date of the filing on each page of their comments and reply comments. All parties are encouraged to utilize a table of contents, regardless of the length of their submission. The Commission also strongly encourages parties to track the organization set forth in the Notice of Inquiry (NOI) or the concurrently adopted Notice of Proposed Rulemaking (NPRM) in order to facilitate its internal review process.

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.

FOR FURTHER INFORMATION CONTACT: For further information, please contact, Jesse Jachman, Telecommunications Access Policy Division, Wireline Competition Bureau, at Jesse.Jachman@fcc.gov or Theodore Burmeister, Special Counsel, Telecommunications Access Policy Division, Wireline Competition Bureau, at Theodore.Burmeister@fcc.gov or 202-418-7400.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission’s NOI in WC Docket Nos. 10-90, 14-58, 09-197, 16-271; RM 11868, adopted on July 23, 2023 and released on July 24, 2023.

Due to the COVID-19 pandemic, the Commission’s headquarters will be closed to the general public until further notice. The full text of this document is available at the following Internet address:

<https://www.fcc.gov/document/fcc-adopts-plan-bring-reliable-broadband-rural-communities>

Ex Parte Presentations - Permit-But-Disclose. The proceedings this NOI and concurrently adopted NPRM initiate shall be treated as “permit-but-disclose” proceedings 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).

In light of the Commission’s trust relationship with Tribal Nations and its commitment to engage in government-to-government consultation with them, it finds the public interest requires a limited modification of the *ex parte* rules in these proceedings. Tribal Nations, like other interested parties, should file comments, reply comments, and *ex parte* presentations in the record to put facts and arguments before the Commission in a manner such that they may be relied upon in the decision-making process consistent with the requirements of the Administrative Procedure Act. However, at the option of the Tribe, *ex parte* presentations made during consultations by elected and appointed leaders and duly appointed representatives of federally recognized Indian Tribes and Alaska Native Villages to Commission decision makers shall be exempt from disclosure in permit-but-disclose proceedings and exempt from the prohibitions during the Sunshine Agenda period. To be clear, while the Commission recognizes consultation is critically important, it emphasizes that they will rely in its decision-making only on those presentations that are placed in the public record for these proceedings.

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 these proceedings should familiarize themselves with the Commission's *ex parte* rules.

I. INTRODUCTION

1. With the NOI, the Commission takes significant next steps in achieving its goal of ensuring all consumers, even those living in the costliest areas in the nation, have access to affordable and reliable broadband service so that they can work, learn, engage, and obtain essential services no matter where they live. The Commission also focuses on the future and seeks comment on how to reform its high-cost programs so that it can continue to efficiently promote broadband deployment and meaningfully support networks long term in the face of a significantly changing broadband landscape.

II. NOTICE OF INQUIRY

2. The NOI seeks to build a record to help the Commission explore methods to ensure universally affordable and available fixed broadband services into the future, in light of section 254(c)(1)'s definition of universal service as an "evolving level of . . . service, taking into account advances in telecommunications and information technologies and services." The Commission seeks comment on whether and how it should modify its USF high-cost support program considering the anticipated deployment in most high-cost areas of robust, scalable, next-generation broadband networks offering a minimum of 100/20 Mbps service made possible through Commission programs, programs created by the Infrastructure Act, and other state and Federal subsidy programs. In the past, the high-cost support program largely sought to incrementally upgrade deployed broadband network speeds in high-cost areas. In areas where robust scalable networks such as fiber are deployed, however, future speed upgrades may be relatively low cost. The Commission's traditional approach, therefore, may no longer

be well-suited to a changed broadband landscape. In the *Future of USF Report*, the Commission stated in such landscape, it “could consider the creation of a process to support operating costs that are not recoverable from revenues earned when prices are set at just, reasonable, and affordable levels and from other sources of income, e.g., governmental grants.” This NOI explores several options for how this could be accomplished, including through cost modeling, business case analysis, and competitive mechanisms. In addition, given that broadband adoption rates in rural areas still lag considerably behind those in urban areas, the Commission explores whether the high-cost program’s focus should be redirected towards a goal of universal broadband adoption and affordability. The Commission seeks comment on these approaches and invites comment on other approaches for how best to further the Commission’s universal service goals.

3. The Commission’s focus since the *USF/ICC Transformation Order*, 76 FR 73830, November 29, 2011, has been on supporting the deployment of new, robust networks and their associated operational costs for a limited term. However, providers in high-cost areas that already operate such fully deployed networks might not have a business case for continuing to operate those networks and provide services absent ongoing programmatic support that will augment existing revenues. Similarly, providers that receive support under programs such as the Broadband, Equity, Access, and Deployment Program (BEAD) that are designed to kick-start network deployment without providing support for sustained operations may face similar circumstances. Depending on the scope of this problem, lack of funding could threaten the sustainability of these full-service networks in high-cost areas. Accordingly, with the NOI, the Commission will assess the scope of this problem and explore whether it should adopt a mechanism or process to address, including soliciting information about the best methods for determining the support needed by carriers to efficiently maintain these full-service networks. The Commission seeks comment on appropriate methods of measuring and evaluating the future support needs of carriers with full-service networks, particularly where providers have received significant upfront Federal and/or state funding. The Commission seeks comment on whether differences in how providers were previously subsidized should be considered to avoid paying for the same costs twice, and if so, how.

4. The Commission expects this effort will require, at a minimum, determining which networks should be considered full service and thus, potentially eligible for sustainability support, and

which full-service networks should be deemed ineligible because their operations are economically viable independent of such support. Further, to assess economic viability of continued operations, the Commission will need to determine capital costs (including the cost of debt and equity), operating costs, and the estimated revenues from network over time, which in turn requires estimates of penetration rates. In estimating expected costs and revenues, the Commission should consider any current or expected support and may need to consider expected inflation rates. In developing a methodology for determining the need for ongoing support for operating expenses, the Commission must also consider how often to recalculate the need for support and how it can ensure that other past, current, and future support are properly considered. The Commission seeks comment on this approach and these considerations against the backdrop of the universal service goals adopted in the *Future of USF Report*.

5. Within its high-cost programs, the Commission has measured successful deployment based on meeting and sustaining certain public interest obligations, including specific service speeds and latency. The Commission expects a support program designed to sustain operations would meet consumers' service and pricing needs. The Commission seeks comment on what those needs should be. How should the Commission define a full-service network, meaning a network potentially eligible for sustainability support? Should the Commission factor in network performance standards, if any, that the provider was required to meet pursuant to the terms and conditions of other Federal or state funding, and if so, how? Are there other requirements that the Commission should adopt as part of its definition of a full-service network?

6. In addition, to what extent must a full-service network deploy service to residential and business locations within an area? Does the Commission need to factor in businesses that would take mass market service versus ones expected to subscribe to an enterprise service? For example, should the Commission require, as a prerequisite to any funding, that the network can turn on service in a set number of days, e.g., 7-10 days, to each broadband serviceable location identified in the Fabric, which serves as the foundation for availability data in the National Broadband Map? Should the Commission factor in the deployment obligations under other Federal or state programs, and if so, how? Should the Commission require a provider claiming to operate a full-service network to show that it can extend service to any new locations within a defined period? What kinds of information would the Commission ask such providers

to submit to make these showings?

7. The Commission also seeks comment on whether the definition of a full-service network should differ for areas outside the contiguous United States or for Tribal lands, and if so, how? How should the Commission define Tribal lands when considering the definition of a full-service network? What unique characteristics of such areas should the Commission consider? Should the Commission evaluate whether, and if so, to what extent, those factors impact the carrier through individualized reporting, or should the Commission presume that these factors generally exist for all carriers serving these areas? For example, the Commission has permitted carriers to use Alaska Plan support to maintain service to existing locations without upgrade if they can demonstrate that they were not able to deploy additional service or upgrade their facilities (usually due to limited access to middle mile facilities). Should the Commission define a full-service network in Alaska or other remote and isolated areas with reference to existing service in those areas? Should there be some minimum deployment requirement or public interest standards?

8. The Commission seeks comment on whether it can or should leverage its existing cost models, or develop a new model, to estimate the monthly costs necessary to sustain a full-service network. If so, what would be the key assumptions about the design of the network and network engineering? For example, the Connect America Cost Model (CAM) assumes a green-field, Internet protocol (IP)-based fiber-to-the-premises network capable of providing both voice-grade access and broadband services. The Commission estimates the terminal value of the network at the end of a five-year term determined by the book value of the assets. Should the Commission use the same assumptions, standards, and attributes when referring to a full-service efficient network? What would be the appropriate topology of this network? What other assumptions, standards, and attributes should the Commission use? For example, what is the appropriate geographic unit for evaluating costs and revenue, e.g., census blocks or individual locations?

9. The Commission also seeks comment on how it addresses costs in areas in which locations are served by multiple carriers, but not all locations are served by all carriers. For example, does the Commission need to disaggregate the costs of serving such areas and if so how should it do so? Are there common costs for all locations for a carrier serving an area that must be taken into account even

if the carrier is the sole provider for some but not all of the locations in the area?

10. Currently, the Commission models the forward-looking operating costs of an efficient network using a range of data sources organized and aligned with relevant cost drivers, i.e., demand and associated capital investments. The model estimates the annualized total cost (including operating costs) of deploying a network using today's technology to all locations within a specified geographic area less an assumed per-location expected revenue. When adopting this approach, the Commission specifically rejected a proposed model that would limit support to brownfield development because, while a brownfield model accounts for the *cost* of initial upgrades to the extent that the existing network is not up to standard, a brownfield model does not account for replacement capital after an initial capital investment is made. Should the Commission use the same approach here, a modified version of this approach, or a new approach?

11. *Inputs.* What inputs should the Commission use to quantify certain operating and capital costs, and what should those costs be, e.g., costs associated with making networks scalable to consumer demands and needs? In developing the CAM, the Commission took steps to account for a range of operating costs by considering, among other things, network operations expenses (both plant specific and plant non-specific, factoring company size and by density), general and administrative costs (including property tax indices by state), selling and marketing costs, and bad debt. Can this approach be readily adapted to estimate the support necessary to sustain networks that have been full-service? Are there other factors that should be considered when estimating operating costs? Should the Commission adjust the model on a routine basis to account for changes to costs and if so, how often should this be done?

12. The CAM uses Annual Charge Factors (ACFs) to capture the cost of capital investments that are used over time, accounting for depreciation, income taxes, and cost of money. The cost of capital is the cost a firm will incur in raising funds in a competitive capital market based on a firm's overall systematic risk, and is generally estimated as a weighted average of the cost of equity and the cost of debt. In order to adopt final values for ACFs, the Commission must make certain assumptions regarding asset depreciation, income taxes, and the cost of money. For example, CAM determines the terminal value of the network based on "book value" calculated as the difference between investment and economic depreciation, which takes into account the economic life of the equipment and infrastructure. To

determine a CAM input to capture the cost of money, the Commission used an analytical approach to establish a “zone of reasonableness,” and selected an input at the midpoint of that range. What assumptions about each input are relevant here?

13. How should a model supporting full-service networks reflect the carrier’s composition of capital? Prior models have not recognized carrier-specific mixes of debt and equity financing, instead reflecting a uniform cost of capital for all carriers subject to a particular model. If the Commission were to adopt a uniform cost of capital, how would it identify that cost and how often should it be reevaluated? Should that evaluation differ, as it does now, between carriers operating in price-cap areas receiving support through the CAM and rate-of-return carriers receiving support through the Alternative Connect America Cost Model? How should the Commission evaluate the impact of other sources of capital (such as Federal and state grants)? In determining the cost of capital, does it matter whether different carriers have different debt-equity ratios? If a carrier has chosen a relatively expensive form of financing, should the Commission provide support that validates that choice? Would this approach be consistent with treating carriers equally? Are there circumstances in which using a uniform cost of capital would create problems? Are such circumstances common? Could the waiver process resolve such instances?

14. Should capital inputs differ for carriers operating in areas outside the contiguous United States, and if so, how? For the CAM, the Commission incorporated specific factors to generate unique inputs for carriers operating in non-contiguous states and territories (such as the United States Virgin Islands, Puerto Rico, Alaska, and other areas), including those relating to the plant mix, undersea and submarine cable, terrain methodology, state-specific inputs, and company size. Should these same factors be taken into consideration when developing a model for sustaining full-service networks? Should other factors be taken into consideration?

15. *Data sources.* What objective, up-to-date, and available data sources can the Commission use in the development of this cost model? Alternatively, or in addition to such sources, should the Commission require the submission of accounting and financial information to model costs, revenues, past one-off grants, and similar? Should the Commission require submission of information on specific and approved network plans, to the extent there are any, and associated funding? What other kinds of information should the Commission collect to ensure realistic cost model and revenue estimates?

And how often should this information be collected? For example, should it be collected periodically (annually or biennially, etc.) or only as current support arrangements come to their end, or some other way? What are the benefits and costs of different information collection timing choices? What would be the benefits of collecting and consolidating such information to supplement or replace other general industry research? What would be the administrative costs and resources required for completing this process? How could the Commission make use of this information while avoiding the pitfalls of rate-of-return regulation?

16. *Revenues.* How would the Commission model the present value of expected revenues of an efficient full-service network? How should the Commission account for the fact that providers receiving current support must set prices to mass market customers that are reasonably comparable to urban rates? For the CAM model, the Commission adopted a funding benchmark that takes into account both assumed expected revenues per subscriber and an assumed subscription rate, and the model calculates support for areas where such assumed revenues do not cover costs up to an extremely high cost threshold consistent with the budget. For full-service networks, should the Commission similarly take into consideration the actual take rate (subscriberhip) of these networks, particularly in and to areas where subscriberhip is influenced by regional factors such as limited income, mobile populations, and other factors? How would the Commission measure and account for variable investments, and effectiveness, in marketing? Should expected take rates differ when measuring revenue and costs?

17. How should the Commission account for revenue received from other Federal and state grants that provide support on a one-time basis for deployment or provide continuing support to sustain operations? Where urban broadband providers are unsubsidized and not subject to meeting a rate benchmarks, urban rates can adjust upwards when costs rise. Since rural rates can be set to the urban rate benchmark, could the Commission assume any future rural cost increases could be recovered by accompanying rural price increases? Is there a reason to think that rural costs could rise at rates materially above the rate of increase in urban costs? If so, would the requirement to provide services that are reasonably comparable to urban services in quality and price not allow USF supported providers to fully recover their costs?

18. *Updates.* How often should the Commission consider updates to an ongoing support

model? Several commenters in the *Future of USF* proceeding asserted that funding should be made available for network improvements responsive to changes in consumer demands. Such changes could require adjustments to the model and/or model inputs. How would the Commission determine when such changes should or must be made? Could this be achieved, consistent with the Commission's past practice, by setting service standards and subsidy amounts for a set period, in order to grant providers a degree of certainty while allowing periodic adjustment? What would an appropriate support term be to offer certainty to providers while limiting inefficient payments? Should a support term consider the pace of technological development, changing geographic and demographic conditions, or other factors? Should updates to the model similarly consider such changing circumstances?

19. *Alternatives to a model.* The Commission next asks about other alternatives to a model. There may be certain disadvantages to the model-based approach. For example and based on previous experience, it may take some time, several years, to develop and update the model. In addition, a model makes certain assumptions of uniformity among potential support recipients, including uniform assumptions about cost, particularly given terrain and population characteristics, and uniform penetration and expected revenues. The CAM, as currently designed does not take into consideration other sources of support, such as those from the states or Federal agencies. In light of these complications, are there any alternatives to a model that the Commission should consider?

20. Given that the adaption of existing models is likely to require significant time and investment, should the Commission prioritize other approaches? Should the Commission adopt an interim plan for providing support while the cost model is developed? For example, as suggested in one publication, the Commission could measure the need for universal service support by requiring applicants for support to answer certain standard financially-oriented questions, the answers to which would then be fed into a standard financial model. This model would take into account potential sources of finance (including the cost of equity and debt and other possible sources of support), the cost of the initial build-out (or initial network capex), the relative amounts of fixed and success-based capex, the penetration rate and changes in the penetration rate over time, and projected revenues. One advantage of this approach is that it can permit the Commission to take into account the individual characteristics of the applicants for support. The Commission seeks comment on this approach.

21. Since the *USF/ICC Transformation Order*, the Commission has sought to use competitive processes to determine support levels. The Commission seeks comment on whether it should use such competitive mechanisms going forward to assign universal service support obligations and determine support levels, either in the context of determining ongoing operating support or more generally to achieve its universal service goals. Would it be possible to competitively determine support levels following the BEAD Program, and are there areas where competitive mechanisms could not be used? What obligations should apply to winners of support? One approach for using a competitive mechanism would be to change the focus of the high-cost program from the deployment of networks towards the long-standing universal service goals of universal affordability and adoption. The most recent Internet Access Services Report shows that broadband adoption rates in the wealthiest and most dense areas of the country are well above 90 percent, but below 40 percent in some of the least dense and poorest areas of the country. The Commission seeks comment on whether and how the USF high-cost program could be reoriented towards closing these substantial digital equity and affordability gaps. Should the Commission consider reorienting its high-cost programs towards closing the adoption and affordability gaps in high-cost areas?

22. The Commission also asks about *force majeure* events and whether and how a high-cost program focused on providing ongoing operating support should account for these events. Are there events that providers cannot reasonably anticipate, or insure against, that will materially affect the need for universal service support going forward? Are these location-specific events, or is it possible to accommodate support needed in responses to these events equally across the United States and territories? If the USF were to cover certain unforeseeable costs that a carrier could not reasonably anticipate, such as generally rare weather-related events (e.g., hurricanes, volcanic eruptions, tornados, floods), should the Commission establish and administer a separate funding mechanism? Or would it be simpler to incorporate such costs in the broader universal service program? The Commission also seeks information about the role private, commercial or government insurance can play in helping to offset the financial harm caused by these events.

23. *Area eligibility.* The Commission next seeks comment on areas and locations eligible to receive support. When would a full service network be deemed or become economically viable without

continuing support, and thus become ineligible for support? Consistent with past Commission policy, it expects to preclude support to any overbuilt locations, i.e., locations where an unsubsidized network provider offers broadband services comparable to those in urban areas at comparable prices and seeks comment on maintaining this policy going forward. What parameters should the Commission place around such a restriction? Should the Commission also preclude support to locations or areas where future overbuild is likely to occur? How would the Commission identify these areas? How would the Commission ensure the overbuild rates would remain comparable to urban rates if the subsidized provider were to exit the market? If the Commission does not provide support in areas with an unsubsidized competitor, how would it ensure the overbuild rates would remain comparable to urban rates if the subsidized provider were to exit the market?

24. The Commission has an obligation to limit support to carriers to no more than necessary and to encourage carriers to be prudent and efficient in their expenditures, including operating as well as capital expenses. First and foremost, the Commission must ensure that its support mechanisms remain responsive to consumer needs by balancing the need for affordable broadband service against the burden on contributors to the USF. How should the Commission determine a budget for ongoing support to sustain operations of a full-service network operating in high-cost areas while protecting the interests of ratepayers? Can the Commission use a cost model to set a budget or should it use some other means, and if so, what should those means be?

25. Further, to ensure that support does not continue for a longer time period than carriers will need such support, the Commission expects that a fixed term for support is necessary to permit the Commission to revisit carriers' support eligibility. A set support term has the advantage of providing firms with good incentives to reduce costs from the start and adds predictability to revenue estimates. Incentives for cost reduction arise because, for the duration of the promised payments, any cost reductions directly increase the provider's profit. The Commission seeks comment on this position.

26. How long should the support term be and what data or assumptions should the Commission use to evaluate term length? Should it be based on predictions regarding how quickly consumer demand will change or on routine evaluations of factors that define high-cost areas, such as population density? How should the Commission coordinate the support term and the schedule for

updating the model? Should support terms differ based on the probability of unsubsidized competition developing? Should there be automatic triggers for cutting off funding, perhaps with a glide path, if, for example, population reaches a certain density? Should the Commission reserve the right to revisit ongoing commitments in the light of radical technological change? How should the Commission account for the pace of technological development and how that may end up affecting service demand/expectations, while also balancing the effect that would have potentially on support amounts and contributions?

27. The Commission's current high-cost programs include specific, defined service obligations for deployment and specific reporting requirements. In addition, the Commission requires recipients of high-cost support to participate in performance testing to monitor compliance with speed and latency requirements, which includes conducting, at a minimum, one download test and one upload test per testing hour at each subscriber test location over a week time frame each quarter and to provide that information to the Commission. Performance testing has protected ratepayers' investment and ensured that carriers receiving universal service high-cost support deploy networks that meet the performance standards they promised to deliver. To ensure accountability in the use of support to sustain operation of full-service networks, should the Commission consider adopting similar rules for a future funding mechanism or should it require annual reporting regarding the state of facilities, business operations, and other factors? Should the Commission require annual or quarterly performance testing and if so, what would be the parameters of such testing? If performance testing shows that a provider has failed to meet the requirements imposed for continuing support receipt, should the support be placed on hold until the problems are remediated? What kind of time limit should the Commission impose to remediate? Should the Commission implement any mechanisms similar to those used for other high-cost programs, such as receipt of a letter of credit, that would enable recovery of disbursed support in the event of default? Should the Commission limit these requirements to service providers that are currently receiving support?

III. PROCEDURAL MATTERS

A. Paperwork Reduction Act

28. The document does not contain proposed information collection requirements subject to the Paperwork Reduction Act of 1995, Public Law 104-13. In addition, therefore, it does not contain any

proposed 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).

IV. ORDERING CLAUSES

29. IT IS FURTHER ORDERED that, pursuant to the authority contained in sections 4(i), 214, 218-220, 254, 303(r), and 403 of the Communications Act of 1934, as amended, 47 U.S.C. 154(i), 214, 218-220, 254, 303(r), and 403, and § 1.1 of the Commission's rules, 47 CFR 1.1, this Notice of Inquiry IS ADOPTED. The Notice of Inquiry will be EFFECTIVE upon publication in the Federal Register, with comment dates indicated therein.

FEDERAL COMMUNICATIONS COMMISSION.

Marlene Dortch,
Secretary.

[FR Doc. 2023-18084 Filed: 8/22/2023 8:45 am; Publication Date: 8/23/2023]