



## FEDERAL COMMUNICATIONS COMMISSION

### 47 CFR Part 54

[Connect America Fund et al.; WC Docket Nos. 10-90, 18-143, 19-126; AU Docket No. 20-34; DA 25-32; FR ID 280111]

### Broadband Serviceable Location Fabric

**AGENCY:** Federal Communications Commission.

**ACTION:** Final action.

**SUMMARY:** The Wireline Competition Bureau (WCB or the Bureau) adopts the Broadband Serviceable Location Fabric (Fabric), the most up-to-date and comprehensive source for identifying broadband serviceable locations (BSLs), as the basis it will rely on for generally verifying compliance with high-cost program deployment obligations and for adjusting the location obligations for certain high-cost support mechanisms.

**DATES:** Effective [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**FOR FURTHER INFORMATION CONTACT:** For further information, please contact, Heidi Lankau, Attorney Advisor, Telecommunications Access Policy Division, Wireline Competition Bureau, at [Heidi.Lankau@fcc.gov](mailto:Heidi.Lankau@fcc.gov) or 202-418-7400.

**SUPPLEMENTARY INFORMATION:** This is a summary of the Bureau's Order (*Order*) in WC Docket Nos. 10-90, 18-143, 19-126 and AU Docket No. 20-34; DA 25-32, adopted and released on January 10, 2025. The full text of this document is available at the following Internet address: <https://www.fcc.gov/document/wcb-adopts-use-fabric-update-and-verify-high-cost-obligations>.

### Synopsis

The Bureau adopts its proposal to use the Fabric as the data source to verify compliance with deployment obligations for high-cost support mechanisms when the Bureau conducts compliance reviews. The Bureau also adopts specific procedures related to location total adjustments for the Rural Digital Opportunity Fund (RDOF), Alternative Connect America Cost Model (A-CAM) I, Revised A-CAM I, A-CAM II, the Bringing Puerto Rico Together (PR) Fund, and the Connect USVI Fund. The Bureau adopts

processes and policies for implementing the RDOF location readjustment process prior to the six-year RDOF service milestone that will maximize the number of consumers served through RDOF support, and also leverage existing Federal Communications Commission (FCC or Commission) processes to implement streamlined location adjustment procedures for the PR Fund, the Connect USVI Fund, A-CAM I, Revised A-CAM I, and A-CAM II carriers. The Bureau's decision to rely on the Fabric for these purposes is an important step towards improving accuracy, oversight, and accountability for the Bureau's high-cost support mechanisms.

*Use of the Fabric.* The Bureau adopts its proposal to use the Fabric to identify the actual number of residential and small business units in each relevant high-cost support recipient's service area, i.e., the number of high cost-eligible locations. Many commenters supported using the Fabric to revise and verify deployment obligations. However, some commenters suggested that the accuracy of and process for challenging the Fabric should be improved before the Commission relies on the Fabric for verifying compliance with high-cost obligations. The Bureau disagrees. The Fabric is the most accurate and granular dataset of BSLs the Bureau has available to date. Moreover, as Congress intended in the Broadband DATA Act, the Fabric is an iterative dataset that will continue to improve through stakeholder participation in the challenge process, updates to the underlying sources of data, and improvements to the model used to generate the Fabric. No commenters suggested that any other dataset would be more comprehensive or up-to-date than the Fabric. Moreover, using a different data source could jeopardize the Bureau's efforts through interagency coordination to minimize duplicative Federal funding for broadband given that other agencies rely on Fabric data to identify potential overlaps in funding.

The Commission continues its work to balance the stability of the Fabric with the need to make updates that account for new inputs and improvements in the quality of the data. First, the Fabric remains stable and has become increasingly more stable with each release. Overall, 108 million BSLs from the original (June 2022) Fabric—or over 95% of the original BSLs—remain in the June 2024 Fabric version. The Fabric remains the most accurate picture of BSLs the Bureau has available to date. Delaying the Bureau's alignment of high-cost funding support with Fabric locations is not in the public interest because it would risk delaying deployments, leaving locations unconnected, and increase the potential for duplicative funding.

The challenge process is a critical part of ensuring the Fabric provides an accurate dataset of BSLs. Since the first version of the Fabric, the Commission has received a number of high-quality challenges that have improved the accuracy of the Fabric. For example, the Bureau has received over 2 million challenges to add a new location that hits the footprint of a BSL that was already in the Fabric. These challenges might have been intended to change an address or make some other change to the data associated with a BSL, but the challenges filed indicated that the Bureau should add a new BSL. The Commission is committed to ensuring that providers and challengers understand the challenge process to continue the submission of high-quality challenges to ensure the accuracy of the Fabric.

Some commenters have provided anecdotal examples of unsuccessful challenges that they suggest show the challenge process needs improvement before the Commission can rely on the Fabric. For example, the National Rural Electric Cooperative Association (NRECA) claims a member cooperative “submitted a location challenge specifying about 5,000 locations that should be BSLs . . . but CostQuest accepted only about 700 of the locations as valid BSLs.” Because NRECA’s comments do not provide enough information to identify the provider that had problems with the Fabric challenge process, the Bureau is not able to specifically identify the reason for the provider’s low success rate for its challenges. Nevertheless, the Bureau notes that NRECA acknowledges the low success rate may be because the data used by the provider to support its challenges do not meet the Commission’s requirements for a BSL, and that, in fact, the Fabric may already contain a BSL for the challenged locations. The Bureau, therefore, disagrees with commenters who argue that low-quality Fabric challenges, which resulted in rejections, are a reflection of the difficulty of the challenge process and should delay the application of the Fabric to high-cost deployment obligations.

Commission staff have taken a number of steps to ensure that providers understand Fabric challenge outcomes and to address provider concerns about the Fabric challenge process. The Commission also continues to make improvements to the challenge process based on stakeholder feedback and lessons learned. Fabric challenges are focused on which locations are BSLs, and are resolved by the Commission’s Fabric contractor, CostQuest, based on guidance from Commission staff. When providers file a Fabric challenge, the Broadband Data Collection (BDC) system notifies them of the challenge outcome. When providers have made the Commission aware of concerns related to their Fabric

challenge results, the Bureau has worked closely with the provider and CostQuest, to review their submissions and to identify opportunities for improvements to the Bureau's modeling or other elements of the Fabric creation and challenge review processes. Consistent with the requirements of the Broadband DATA Act, the Fabric is updated twice per year and, as a result, the final adjudication for certain types of Fabric challenges, such as requests to add or remove a location, can only be completed shortly before the release of the updated version of the Fabric. The Bureau has begun to provide certain types of Fabric challenge results earlier in the process, generally within weeks of the challenge being submitted. The Bureau believes providing results to challengers closer to the time of submission will allow them to better review their results and either resubmit a different type of Fabric challenge or to raise concerns with FCC staff about their challenge results.

*Adjustments.* In identifying the eligible locations that are relevant to a high-cost support recipient's service area, the Bureau adopts its proposal to exclude group quarters locations, which are currently included as BSLs in the Fabric, from revised location totals to remain consistent with our previous guidance to exclude such locations from our high-cost support mechanism location counts. Although the Coalition of RDOF Winners (RDOF Winners) suggested that the Bureau should include group quarters when recalculating location totals, model-based support amounts have been calculated excluding group quarters, and carriers that participated in competitive bidding may have relied on the fact that they did not have to serve group quarters when determining how much support they would need to meet their obligations. Moreover, carriers have likely relied on the guidance provided by WCB to plan their deployments. While there is a potential for some confusion given that the Fabric includes group quarters as BSLs, the Bureau notes that the Fabric has a unique building type code for group quarters locations. Ultimately, the Bureau finds on balance that the risk of disruption to ongoing deployment if the guidance changed to require funded carriers to serve group quarters strongly outweighs the potential for confusion.

The Bureau also adopts its proposal that if a portion of a parcel is inside an eligible census block, but the BSL structure located on the parcel falls outside of the census block, the BSL will not be counted towards a support recipient's location total, consistent with the Bureau's other high-cost support mechanisms, subject to any modifications that may be made to account for the 7.6-meter buffer it

describes in the following. No commenters opposed this proposal, and the Bureau expects adopting this approach will provide further clarity to providers regarding which locations they will be required to serve as they complete their deployments. Additionally, the Bureau reiterates its plan to overlay 2010 census blocks on the Fabric to determine updated location counts. Commenters did not identify any issues with this approach and explained that they have relied on 2010 census blocks in planning their deployments so that any changes in this approach “would materially alter the foundation of their participation” in high-cost support mechanisms and “have the potential to disrupt planning or construction activities that are in progress or have already occurred.”

*Consistency with HUBB Submissions.* In the *High-Cost Fabric Public Notice*, 89 FR 11239, February 14, 2024, the Bureau explained that it expects high-cost support recipients to review the data they submit into the High Cost Universal Broadband portal (HUBB) and as part of their BDC reporting to identify any inconsistencies between the datasets. The Bureau also explained that if a support recipient identifies a mismatch between its two datasets, it can take one of the following steps to address the mismatch: 1) remove the location from its HUBB submission or modify the attributes of its HUBB submitted location(s) to better align with its BDC submissions, or 2) submit a Fabric challenge through the National Broadband Map or the BDC system to the extent a support recipient believes the Fabric is not accurate.

Consistent with the Bureau’s use of the Fabric for verifying CAF BLS carriers’ claims that they have served 100% of the locations in their service areas, it also anticipates incorporating the Fabric as part of its compliance reviews to verify high-cost carriers’ reporting in the HUBB and claims that they have met their service milestones. Specifically, if a carrier claims to have met its service milestones, but the Bureau identifies material inconsistencies between data collected through the BDC and data that the carrier has filed in the HUBB, it anticipates investigating those discrepancies as part of the Bureau’s compliance reviews. This will help with consistency between the data being reported by carriers in the HUBB and the carriers’ BDC filings and ensure the Commission and other agencies relying on the Fabric and BDC as directed by Congress will have an accurate understanding of the broadband deployment supported by high-cost programs. This process will also give carriers the opportunity to explain any discrepancies between their HUBB reporting and the Fabric, and the data collected by the BDC that they

have been unable to correct, which may result in improvements in both data sets. While the Bureau acknowledges that reconciling the data sets may require a significant effort for both carriers and Commission staff, such efforts are crucial to ensuring that all agencies that offer funding for broadband have available the most accurate broadband availability and funding data possible by which to make funding decisions. Moreover, such efforts are consistent with the Commission's obligation to be a responsible steward of the public's funds. If there are material inconsistencies between a carrier's HUBB reporting and the Fabric, it may call into question the accuracy of a carrier's HUBB reporting and whether the carrier has actually met its service milestones.

In conducting these compliance reviews and when verifying that A-CAM I, Revised A-CAM I, and A-CAM II recipients have served the required number of locations, the Bureau will account for the 7.6 meter buffer that the HUBB incorporates—i.e., if a carrier reports deployment to a location that is within 7.6 meters of an eligible census block boundary, the HUBB will consider those locations to be within the eligible census block even if they are not technically within the census block. Accordingly, carriers may have been reporting in the HUBB having served locations that the Fabric does not include within the relevant eligible census blocks. Because A-CAM I, Revised A-CAM I, and A-CAM II carriers' deployment obligations will remain area-based—i.e., they must serve a set number of locations within the eligible census blocks—the Bureau will cross-reference the Fabric with the HUBB data and to the extent such an A-CAM carrier reports serving a location that is technically outside the census block but is accepted for filing in the HUBB, that carrier can count that location towards the number of locations it is required to serve. As the Bureau explains in the following, for RDOF, the PR Fund, and the Connect USVI Fund, the Bureau will be generating a list of locations in the carriers' service areas that they are required to serve—transitioning from an area-based obligation to a location-based obligation. The Bureau also will account for the buffer when reconciling inconsistencies between all carriers' HUBB reporting and data reported in the BDC.

As directed by the Commission, the Bureau adopts a process to implement the Commission's framework for adjusting required location totals based on the Fabric. Specifically, the Bureau determines the timing for when the Bureau will announce new location totals, adopt a methodology for adjusting support in certain circumstances where there are significantly more or fewer locations in a service area

than estimated by the Connect America Cost Model (CAM), adopts standards it should use for waivers, describes the process for determining whether requests for service are reasonable, and determines how the Bureau will apply the framework to support recipients that have multiple performance tiers associated with their winning bids.

Given the Commission's direction that WCB adopt revised location totals by the end of the sixth calendar year of a RDOF provider's support term, the Bureau will announce revised location totals for each support recipient within a reasonable time after the Fabric version used for the BDC collection as of December 31, 2026 (i.e., December 2026 Fabric) is made available to licensees. The Commission typically releases a version of the Fabric to licensees approximately every six months, in June and December. The Bureau expects that using the December 2026 Fabric would provide sufficient time for WCB to recalculate location totals prior to December 31, 2027, which is the sixth-year service milestone for RDOF support recipients authorized in 2021. While this deviates from the Bureau's original proposal to use the June 2027 version of the Fabric, it decided that there are administrative benefits to using a version of the Fabric that will be available to the Commission and the licensees at the start of 2027 so that WCB can adopt revised location totals earlier on in the year and give carriers plenty of advance notice regarding the locations they will be required to serve prior to the six year deployment milestone for carriers authorized in 2021. The Bureau finds these benefits outweigh any disadvantages of using an earlier version of the Fabric. The Bureau also believes this approach appropriately balances its objectives of ensuring that the revised location totals are based on up-to-date location data, including resolved challenges, and also giving support recipients notice of their revised location totals prior to the sixth-year service milestone. Because carriers are being given several years notice regarding the version of the Fabric that will be used to determine the revised location totals and existing licensees will have access to earlier versions of the Fabric prior to December 2026, they will have time to submit any Fabric challenges, in 2025 and 2026, and have those challenges resolved in time for the Bureau to adopt location totals. Carriers are on notice that any outstanding or pending challenges that were filed but not incorporated in the December 2026 Fabric will not be considered for determining the final deployment obligation. Accordingly, any carrier that would like to challenge the Fabric should file challenges to the versions of the Fabric released to licensees every six months between December 2024 and June 2026.

Once the Bureau has adopted revised location totals, the specific BSLs that are included in this total will be the locations that the RDOF carrier is required to serve. That is, the Bureau will transition from monitoring compliance with RDOF deployment obligations on an area basis—i.e., all locations in the eligible location census block—to a location-list basis, and the Bureau notes that the RDOF carrier must also serve any newly built locations upon reasonable request in the eligible census blocks subject to limited exceptions. As a result, RDOF carriers will transition to reporting Location IDs in their HUBB filings.

Rather than release preliminary lists of the BSLs that each RDOF carrier will be required to serve for informational purposes with each release of the Fabric prior to adopting revised location totals, the Bureau will rely on licensees to overlay their RDOF service areas on the latest version of the Fabric. Some commenters suggested that it would be useful for carriers, including small carriers that may not have the resources to frequently monitor and analyze the Fabric, to have such information in advance so that they can incorporate any changes to their deployment plans. The Bureau concludes that because RDOF carriers have access to the tools needed to determine this information, it is not necessary for Commission staff to take on the administrative burden of separately generating location lists for carriers with each release of the Fabric. All carriers should already be familiar with how to determine which Fabric locations are in their service areas, as they are required to report their availability data to these locations through the BDC. Additionally, the Bureau expects to provide resources as part of carriers' HUBB reporting to assist in this effort. Accordingly, the Bureau does not expect that requiring RDOF carriers to monitor changes in the Fabric will impose significant additional operational or administrative costs, or require carriers, including small carriers, to hire additional attorneys, engineers, consultants, or other professionals beyond those they have already hired to aid in compliance with existing requirements.

The Bureau also adopts its proposal to announce revised location totals for all RDOF support recipients at the same time, rather than waiting for the following year to adopt revised location totals for support recipients authorized in 2022 and 2023. Such an approach means that locations built after the Bureau announces revised location totals will not be included in the new totals and that support recipients authorized in 2022 and 2023 will have an extra year to meet their eighth year service milestone if they have newly identified locations when compared to those authorized in 2021. NCTA – The Internet &

Television Association (NCTA) supported this approach, and no commenter indicated it disagreed with the Bureau's expectation that the benefits of the administrative efficiency of determining and announcing all revised location totals at once will outweigh any potential concerns this approach may raise, particularly given that any locations built after the revised location totals and prior the end of the eighth year of support will be subject to the requirement that the support recipient serve the location upon reasonable request subject to some limited exceptions.

For RDOF support recipients that must deploy to additional locations once WCB announces revised location totals, the Bureau adopts its proposal with a minor modification: the Bureau will increase support on a pro rata basis for each location over the 35% threshold based on the average support amount per location. In adopting this approach, the Bureau agrees with commenters that using the original CAM-estimated location total to determine an average cost per location will better approximate the costs attributed to the extra locations than the smaller amount of support that would result if it were to use the new location total to calculate the average cost per location.

The Bureau concludes that this approach will be an administratively feasible way to provide certainty to carriers regarding the support they will receive if more locations than originally estimated (more than 35%) are identified in their service areas and ensure the additional locations are served in a timely matter. No commenters supported the other alternatives the Bureau sought comment on, such as requiring a more burdensome case-by-case waiver approach that could potentially strand locations without service and access to other funding programs, or providing more time to serve locations which would delay broadband to these areas.

The Bureau disagrees with commenters that suggest it should provide support to carriers for every location that exceeds their original estimated location total or that it should provide extra support for such locations to carriers that demonstrate good cause. First, the Rural Electric Cooperatives Providing Broadband's (RECPB) request that the Bureau "abandon" the 35% threshold is an untimely petition for reconsideration of the Commission's decision to adopt this threshold. Second, all carriers bid in the auction with the understanding that they would not receive extra support unless their new location total exceeded the 35% threshold and were required to conduct due diligence to ensure they could meet their RDOF obligations based on the rules the Commission adopted at the time of the auction. Even if the

Bureau were to consider the arguments, they are not persuasive because carriers should have factored in their anticipated subscriber revenue and conducted due diligence to determine if the model estimated location total varied significantly from conditions on the ground.

For the same reasons, the Bureau also disagrees with the suggestion that it adopts a *de minimis* standard that would not require RDOF providers to serve additional locations if there were 1,000 or fewer additional locations identified in the carrier's service area. Such an approach would undermine the Commission's goal of maximizing service to RDOF areas and would be at odds with the Commission's requirement that RDOF carriers serve 100% of locations subject to only very limited exceptions. Further, it is possible that such locations would be undesirable for other service providers to serve, particularly if they are sprinkled throughout a RDOF carrier's service area and have been prevented from receiving other funding due to the RDOF carrier's enforceable buildout commitment for a number of years.

The Commission adopted a more targeted approach of permitting support recipients to seek to exclude additional locations, beyond the number identified by the CAM, that it determines are ineligible, unreasonable to deploy to, or part of a development newly built after year 6 for which the cost and/or time to deploy would be unreasonable. The Bureau adopts its proposal to require that any carrier seeking to have its new location total adjusted to remove locations it claims are ineligible—i.e., they are not housing units or small businesses to which mass market internet access services will be made available—must first successfully challenge the location through the BDC's Fabric challenge process. NCTA supports this approach, and no parties indicated disagreement with the Bureau's rationale that this approach would enable it to conserve administrative resources by leveraging the Commission's existing process and would also help to maintain consistency between the Fabric and the support recipient's obligations.

For locations that a carrier believes are unreasonable to serve, the Bureau must balance the Commission's goal of maximizing RDOF support to serve as many consumers and small businesses as possible with potential burdens on RDOF recipients. Accordingly, the Bureau declines to adopt specific criteria or presumptions at this point for defining what constitutes a location that is unreasonable to serve. The Bureau agrees that certain factors raised in the record, such as whether the property owner refuses to allow a provider to obtain access to land that is needed to construct the network, how far away the location is from the existing network footprint, terrain issues, the marginal cost to deploy to the location

as compared to revenues, and whether a location has been deemed extremely high-cost by the state for the BEAD program, are all factors that may be relevant to determining whether a location is unreasonable to serve. As part of this inquiry, the Bureau will also consider whether a carrier conducted the required due diligence prior to bidding to ensure it was bidding for enough support to meet its RDOF obligations.

Because each RDOF carrier will be uniquely situated depending on the number of locations it will serve, the technologies it plans to use, the amount of support it has been authorized to receive, the terrain in its service area, and other factors that may impact the ability of a RDOF carrier to serve certain locations, the Bureau concludes that it would be best to examine each situation on a case-by-case basis. Otherwise, the Bureau could potentially strand locations without broadband that would be otherwise reasonable to serve based on the carrier's individual circumstances and/or if the carrier had conducted due diligence as required. Instead, a case-by-case approach will allow the Bureau to examine all relevant factors, including the enforceable buildout commitment preventing broadband funding for deployment by other Federal programs, and allow it to coordinate with other Federal, state, and local partners if the Bureau in fact does deem a location unreasonable to serve. While this approach may be more administratively burdensome for carriers and Commission staff and does not provide the certainty that stakeholders might prefer regarding the types of locations the Bureau will deem unreasonable to serve, it concludes that these concerns are outweighed by the importance of ensuring as many locations as possible have access to broadband service.

As the Bureau explained in the *High-Cost Fabric Public Notice*, it does not expect to routinely grant requests to exclude locations from a support recipient's new location total. Carriers were required to conduct due diligence prior to bidding to serve an area and had the opportunity to make business decisions about where they would bid and how much support they would bid for with the understanding that the Commission expected RDOF carriers to serve their entire service areas, including locations that may not be in existence at the time of bidding. Accordingly, in determining whether a request is unreasonable, the Bureau will conduct a rigorous, thorough and searching review that (1) will include, but not be limited to, the consideration of all the factors discussed in this document and (2) will be comparable to a total company earnings review in which the Bureau will take into account not only all revenues derived from network facilities that are supported by universal service but also revenues derived

from unregulated and unsupported services as well in determining whether it would be unreasonable for a company to serve a location. The Bureau may request additional information to assess a carrier's claim that a location is unreasonable to serve, and a failure to submit this additional information would result in the Bureau finding that the carrier has not demonstrated that it would be unreasonable to serve the location.

Once the Bureau has announced revised location totals in 2027, it will require carriers to submit any requests to remove locations from their revised location lists no later than six months after the date it announces the revised location totals. The Bureau expects carriers to be prepared for the revised location totals given the biannual Fabric updates, the requirement that they be familiar with the Fabric for BDC reporting, and their plans to meet their upcoming service milestones. No commenters provided specific suggestions for how long a carrier should have to notify the Bureau. The Bureau will set up a data collection system in which carriers should submit a request identifying the locations they claim are unreasonable to serve (i.e., Fabric ID), the specific reasons why each location is unreasonable to serve, and evidence to support their claims. The Bureau may then request additional information from the carrier and other stakeholders to verify and assess the carrier's claims. Given that each determination will be made on a case-by-case basis, the Bureau is not able to adopt a set timeline for when it would be able to make determinations, but it anticipates that requiring carriers to notify the Bureau within six months of it announcing the revised location totals will give the Bureau sufficient time to make determinations prior to the end of the cure period for the eighth year service milestone and that any timing issues could be handled by waiver if there is a good cause to grant such a request.

The Bureau encourages all carriers that have more locations than estimated in their service areas to file a location request with it as soon as it has set up the data collection system if they believe they can demonstrate there are locations in their service areas that are unreasonable to serve. Then, if the Bureau does deem a location unreasonable to serve, it can more quickly coordinate with the other agencies to attempt to secure alternative funding for the location. If carriers submit such a request prior to the Bureau adopting revised location counts, they must certify that they have or will have served at a minimum the number of locations estimated by the CAM by the end of the deployment period. This is consistent with the requirement that carriers with more locations in their service area must serve the CAM-estimated

location total at a minimum by the end of the deployment term. This information collection is subject to the Paperwork Reduction Act of 1995, Public Law 104-13 (Paperwork Reduction Act) and will become effective upon announcement in the Federal Register of the Office of Management and Budget (OMB) approval of the information collection requirements.

The Bureau disagrees that carriers should have the option of requesting to have any newly built locations excluded prior to the Bureau adopting revised location counts and after the carrier has deployed to all of the CAM-estimated locations, using the same standard the Commission adopted for locations newly built after year six. The Bureau concludes that such an approach would be inconsistent with the Commission's requirement that a carrier serve all locations in its service area identified by the Bureau when it adopts the revised location counts, subject only to limited exceptions explained in the *RDOF Order*, 85 FR 13773, March 10, 2020. While the Bureau recognizes that it may increase costs for carriers to go back and serve additional locations that were not in existence during the initial build, the Bureau agrees with Irby Utilities, 4-County Fiber, LLC, Aeneas Communications, LLC, Clay County Connect, Inc. and TEPA Connect LLC (Irby et al.) that, in many cases, new locations within the area will already be covered by the carrier's network or along already established roads so that costs will not increase significantly. And the Bureau also expects that because they knew they would be required to offer service to the locations included in the Bureau's recount subject to limited exceptions, service providers would conduct due diligence to determine how to serve their entire service areas and factor in the risk that new locations may appear during the deployment term and prior to the Bureau's recount when placing bids in the auction. As described in this document, carriers will also have the opportunity to demonstrate that locations in their location list are unreasonable to deploy to if they have already served the model-estimated number of locations. The Bureau is not persuaded that requiring carriers to serve such newly built locations by the end of the deployment period and cure period would result in carriers significantly delaying deployment. All carriers will be motivated by the requirement to serve the required number of locations by the end of the deployment term subject to the cure period.

The Bureau also adopts procedures to implement the Commission's framework for RDOF carriers that have fewer actual locations in the eligible census blocks in their service area than estimated by the CAM.

*Prior to the sixth year service milestone.* The Commission directed RDOF carriers to notify WCB no later than March 1<sup>st</sup> following the fifth year of deployment—i.e., March 1, 2027—if there are fewer actual locations than were included in the RDOF auction. RDOF carriers with fewer locations shall submit a notification in the Commission’s Electronic Comment Filing System (ECFS) in WC Docket Nos. 10-90 & 19-126, and AU Docket No. 20-34 by March 1, 2027, and may incorporate the Fabric by reference by certifying that there are fewer locations identified in the latest version of the Fabric in the carrier’s relevant service area than the carrier’s model estimated locations total. The Bureau expects this requirement will provide additional motivation for carriers to conduct due diligence, review the Fabric, and challenge any ineligible locations prior to the Bureau adopting its revised location totals.

The Bureau also adopts its proposal to permit a support recipient that claims to have served all existing locations in the eligible census blocks prior to WCB announcing revised location totals to rely on the latest version of the Fabric available to Fabric licensees to demonstrate that there are no other locations left to serve and to request a verification that it has served all the locations identified in the Fabric. If a verification determines that the support recipient has served all existing locations prior to the sixth-year service milestone, the Bureau will permit the support recipient to close out its letter of credit. Commenters generally supported this proposal, and no commenters disagreed with our expectation that changes in the Fabric will not be significant enough that it would be necessary for support recipients to keep their letters of credit open to secure any additional deployment that may be required after WCB revises location totals, and that any non-compliance issues can be handled pursuant to the Commission’s rules. The Wireless Internet Service Providers Association also explained that giving carriers this option may create further incentives for recipients to complete their deployment plans sooner.

The Bureau disagrees that it should provide a grace period for carriers’ challenges to be resolved while verifying that a carrier has served 100% of the locations in the Fabric. If a challenge is not resolved favorably for the carrier, that could result in the carrier having unserved locations in its service area. The Bureau finds the balance in favor of ensuring maximum protection of the public’s funds under the rules shifts when not all locations have been served in an area to avoid carriers prematurely certifying they have met their obligation to serve 100% percent of locations and then potentially deciding not to serve any remaining locations and refusing to pay back support for those locations after the deployment period.

Instead, the Bureau encourages carriers to file challenges as soon as possible to avoid delays.

If a pre-December 2026 version of the Fabric is used to validate the carrier's compliance and additional Fabric locations appear in later versions of the Fabric up to and including the December 2026 Fabric, the carrier will be required to serve these additional locations by the end of the six-year deployment period until the carrier has served the number of locations estimated by the cost model (if there are the same number or more locations in the carrier's service area than originally estimated) or the adjusted location total adopted by the Bureau (if there are fewer locations in the carrier's service area than originally estimated). The Bureau recognizes that some locations may come into existence soon before the Bureau adopts the revised location totals. In that circumstance, the carrier will still have the period after the Bureau has adopted the revised location totals until the end of their six-year deployment term to serve either the model-estimated number of locations or adjusted location total, and then the additional one-year cure period before it will be subject to any support reductions for failure to serve the additional locations. The Bureau expects that this will provide sufficient time for carriers to plan for and serve these locations as a routine matter, but any carriers facing special circumstances have the option of seeking a waiver if they are not able to serve the newly added locations by the end of the cure period and can demonstrate good cause. As the Bureau explained in this document, carriers already have the ability to monitor the BSLs in their service areas and the obligation to monitor the Fabric as part of their BDC reporting obligations, thus the Bureau does not find it necessary to release updated location counts with each release of the Fabric.

If a support recipient is unable to meet interim service milestones because there are significantly fewer existing locations than estimated by the CAM, the Commission directed such support recipients to seek a waiver of the relevant interim service milestones. The Bureau adopts its proposal to find good cause exists to waive the relevant interim service milestones if the support recipient demonstrates with Fabric data that it has identified all existing locations in its service area and the Universal Service Administrative Company (USAC) verifies that the support recipient offers service meeting the relevant Commission requirements to all existing locations. No commenters opposed this proposal nor offered any rationale for why the Bureau should not find: 1) special circumstances warrant a waiver if the Fabric shows that there are no more locations to serve in the relevant service area, and 2) a waiver would serve

the public interest because the support recipient could use any resources tied up by maintaining a letter of credit towards deploying more voice and broadband service, and the Commission would still have the ability to take further non-compliance measures if the support recipient does not serve any newly added locations as required.

Applying this standard, the Bureau grants Taylor Telephone Coop., Inc. d/b/a Taylor Telecom (Taylor) a waiver of the 40%, 60%, and 80% RDOF service milestones. Taylor has demonstrated there are currently no locations in its service area and the Bureau has confirmed the current version of the Fabric does not show any locations in Taylor's service area. However, the Bureau will require Taylor to continue to monitor the Fabric, and if when it adopts revised location counts, the Bureau identifies locations in Taylor's service area, Taylor will be required to serve those locations by the end of the six-year deployment period.

The Bureau is persuaded by commenters that it should not withhold a certain percentage of support from support recipients that are able to demonstrate using the Fabric that they have served 100% percent of locations prior to the sixth-year service milestone, but fewer than the estimated total of locations. The Commission has explained that it withholds support through its non-compliance measures framework to encourage compliance, and if a carrier has already served 100% of actual locations, the need to take additional measures to incentivize compliance diminishes. Moreover, no commenters supported withholding funds from such carriers, so there is nothing in the record that convinces the Bureau that the risk that a compliant carrier may improperly use funds outweighs the burden on carriers and the Bureau of withholding a percentage of support, particularly if such support could be used for deploying to any locations that are newly added to the area.

*Post WCB's announcement of revised location totals.* The Bureau adopts its proposed methodology for implementing the Commission's requirement that WCB reduce support for those support recipients for which the revised location count is less than 65% of the CAM locations. Accordingly, the Bureau will interpret the Commission's direction that support be reduced on a pro rata basis by the number of reduced locations to mean that WCB would apply the pro rata support reduction to the number of locations that bring the location total below the 65% threshold. As the Bureau explained in the *High-Cost Fabric Public Notice*, this approach would avoid the inequity of support recipients being

subject to no support reduction if their revised location total is 65% of the CAM-estimated location total, but being subject to a pro rata support reduction for all of the locations that make up the gap between the CAM estimated location total and the revised location total if their revised location total is 64% or less of the CAM-estimated location total. No commenters specifically opposed the Bureau's rationale for adopting this approach.

As the Bureau explained in this document regarding the 35% threshold for providing more support to carriers that have additional locations added to their required location totals, it is not persuaded that carriers for which the revised location count is less than 65% should retain their full support. As noted in this document, the RECPB's suggestion that the Bureau not reduce support for such carriers is an untimely request for reconsideration of the Commission's decision to adopt this threshold. Moreover, the Bureau is not persuaded it should find good cause to waive this threshold for carriers when they were aware of it when bidding and had the responsibility to conduct due diligence to determine that they could meet the RDOF requirements.

The Bureau adopts its proposed methodology for revising the location totals for those support recipients that were authorized to receive support for multiple performance tiers in a state. Specifically, when revising the location totals for such support recipients, the Bureau will proportionally adjust their location totals for each performance tier so that it maintains the same ratio of locations across all performance tiers for the new location total as what was authorized under the initial deployment obligation. As the Bureau explained in the *High-Cost Fabric Public Notice*, this approach is consistent with the Commission's direction that compliance with service milestones be determined at the state level, so that a recipient will be in compliance with service milestones if it offers service meeting the relevant performance requirements to the required percentage of locations across all of the relevant eligible census blocks in the state. No commenters opposed this approach or supported any alternatives, like assigning new locations with the performance tier associated with the census block within which the location falls, which would not account for the flexibility the Commission afforded RDOF carriers when it decided to measure compliance on a state-level basis.

RDOF support recipients must provide the required service upon reasonable request to any locations built after WCB announces revised location totals and prior to the end of the eighth year of

support, excluding any locations that do not request service or that have exclusive arrangements with other providers. The Bureau adopts its proposal to rely on Fabric data to identify any new locations as of the end of the eighth year of support and confirm compliance with this requirement. To the extent a provider gets a reasonable request to provide service to a location that is not but should be in the Fabric, a provider is required to provide service to that location and submit a challenge to the Fabric to add the location. As the Bureau explained in this document, no commenter offered an alternative that was more comprehensive or up-to-date than the Fabric, and thus it concludes the Fabric is the appropriate source for verifying compliance with this requirement. The Bureau also expects carriers will use the existing BDC Fabric challenge process to ensure the Fabric accurately depicts the locations they are serving in their service areas.

For the same reasons the Bureau discusses in this document, it declines to adopt specific parameters for determining whether a request for service is reasonable. However, the Bureau recognizes that carriers may not have been able to anticipate, when conducting the required due diligence prior to the auction, where locations would be newly built late in the support term after the Bureau adopted revised location counts. Given this, the Bureau finds it reasonable to adopt a presumption that if a newly built location falls outside of the footprint of a carrier's existing network or the network that the carrier would be required to build to serve any additional locations that the Bureau identified when it adopted revised location counts, that location will not be considered reasonable to serve. Similarly, the Bureau adopts a presumption that if a newly built location falls within the footprint of the carrier's existing network or network that the carrier would be required to build to serve the locations on its location list, that location would be considered reasonable to serve. While the Bureau declined to adopt such presumptions for locations that were built prior to the Bureau adopting revised location totals, it finds that adopting these presumptions for locations that are newly built after the Bureau adopts revised location totals is consistent with the Commission's intent to afford carriers more flexibility for these locations by requiring that carriers only serve such locations upon reasonable request.

The Bureau expects to monitor compliance with this requirement as part of its verification and auditing processes to confirm that carriers have met their RDOF obligations. RDOF carriers should track unfulfilled requests for service and be prepared to demonstrate why any unfulfilled requests were

unreasonable. The Bureau or USAC may request additional information to assess such claims. A failure to submit any additional information would result in the Bureau finding that the carrier has not demonstrated that a request is unreasonable.

The Bureau adopts its proposal to leverage Fabric data to simplify the location adjustment process for the PR Fund and the Connect USVI Fund. Specifically, the Bureau will require support recipients to submit a document in ECFS in WC Docket Nos. 18-143 and 10-90 certifying that they have reviewed the Fabric and that there are more or fewer locations identified in the latest version of the Fabric in the carrier's relevant service area than the carrier's estimated locations total. The Bureau concludes it is sufficient for support recipients to incorporate the data from the Fabric in their filings in ECFS by reference. The Bureau finds that this approach meets the Commission's requirement that support recipients submit evidence of existing locations and meets the Commission's objective of accurately verifying the number of locations that exist in the Territories post-hurricane. No commenters provided suggestions for alternatives on how to accomplish this objective. Fewer than 10 carriers will be subject to this information collection, and thus this information collection is not subject to the Paperwork Reduction Act.

Once the Bureau has adopted revised location totals, the list of locations that are included in this total will be the locations that the PR Fund or Connect USVI Fund carrier is required to serve. That is, the Bureau will transition from monitoring compliance with PR Fund and Connect USVI Fund deployment obligations on an area-based basis to a location-list basis. As a result, PR Fund and Connect USVI Fund carriers will transition to reporting Location IDs in their HUBB filings.

The Bureau will conduct the location adjustment process within a reasonable amount of time after the version of the Fabric used for the BDC collection as of December 2025 is made available to licensees, which it expects to occur in December 2025. The Commission anticipated that the process would occur within one year of the announcement of winning bidders, but later explained the process had been delayed. No commenters proposed any particular timeline for conducting this process, but, the Bureau concludes that it is reasonable to give carriers as close to two years as possible to adjust to any changes to support and location totals so that they can meet the 100% service milestone by December 31, 2027. This is consistent with the Commission's direction that RDOF recipients have an additional two years to serve

any additional locations above the number of locations that the cost model originally estimated they would be required to serve, while also balancing the need to provide sufficient time to carriers to challenge the Fabric. Moreover, this would align the adjustment process with the opportunity support recipients have to request a reassessment of their obligations no later than the beginning of the fifth year of support, i.e. 2026. No party filed comments opposing our suggestion that these two processes could be combined, and the Bureau sees no reason to expend resources to conduct a separate process to make further adjustments to a carrier's obligations so close in time to when it expects to adopt revised location totals for PR Fund and USVI Connect Fund carriers based on the Fabric.

For further administrative efficiency, the Bureau adopts its proposal to rely on the BDC's location challenge process to provide stakeholders and carriers an opportunity to propose corrections to the Fabric. The Bureau will rely on the version of the Fabric that is released to licensees and that incorporates the results of any previously resolved challenges. Because the Bureau is announcing the version of the Fabric that will be used for this process prior to the determination of the deployment obligation through the adjustment process, stakeholders have time to immediately review and challenge any Fabric data that they believe to be inaccurate, prior to the release of the December 2025 Fabric version. Carriers should take the opportunity to review the December 2024 and June 2025 versions of the Fabric made available to licensees and file any challenges as soon as possible to ensure their challenges can be resolved prior to the release of the Fabric version the Bureau will be using for this process. Carriers are on notice that any outstanding or pending challenges that were filed and not incorporated into the December 2025 Fabric will not be considered for determining the final deployment obligation. No commenters suggested any alternatives for how the Bureau could otherwise provide an opportunity for stakeholders to participate in this process as required by the Commission.

As proposed, if the location total based on the Fabric is lower than originally estimated, the Bureau will find that the support recipient has met its burden of proof to receive a downward adjustment in its location total and a corresponding pro rata support reduction for the number of locations reflected in the Fabric data, as proposed in the *High-Cost Fabric Public Notice*. No commenter proposed any other alternatives for how to conduct the location adjustment process, and the Bureau concludes this approach will further the Commission's objective of providing stakeholders with an opportunity to review and

comment on the existence of locations while also minimizing burdens on carriers that are required to participate in this process.

If the location total based on the Fabric is higher than originally estimated, the Bureau will find that the support recipient has met its burden of proof to receive an upward adjustment in its location total and a corresponding pro rata support increase for the number of locations reflected in the Fabric data. Given that the Commission has reiterated that PR Fund and the Connect USVI Fund support recipients must serve all locations in their supported areas, the Bureau concludes it serves the public interest to provide additional support to the providers that have more locations than originally estimated in their service areas. Consistent with the Commission's decision to decrease support on a pro rata basis if there are fewer locations, the Bureau will increase a carrier's support on a pro rata basis if there are more locations in the Fabric than originally estimated. The Bureau previously emphasized that the PR Fund and Connect USVI Funds are unique from other high-cost support mechanisms given the uncertainty regarding the data available for determining the number of locations post-hurricanes for the Territories. While the Commission relied on carriers to conduct due diligence to ensure they can meet their obligations, it also acknowledged "that locations numbers could be substantially different" than estimated "due to the high-level of destruction and potential shifts in population." Thus, the Bureau concludes it serves the public interest to provide some additional support to account for any additional locations so that carriers have sufficient resources to serve all locations in their service areas. No commenters filed comments addressing this issue.

The Bureau adopts its proposal to permit A-CAM I, Revised A-CAM I, and A-CAM II carriers to seek a downward adjustment in their location totals by using the Fabric to demonstrate the actual number of locations in their service areas. The Bureau agrees with commenters that participation in this process should be voluntary, similar to the Eligible Locations Adjustment Process (ELAP) for the CAF Phase II auction, given that obligations for the A-CAM I, Revised A-CAM I and A-CAM II support programs were based on model-estimated location obligations instead of a 100% commitment to offer service to all locations as required in RDOF, the PR Fund, and the Connect USVI Fund. The Bureau will permit an A-CAM I, Revised A-CAM I, or A-CAM II carrier to request a downward adjustment when there are fewer locations in eligible 2010 census blocks than the carrier has supported locations pursuant to its A-CAM

authorization.

For administrative simplicity, the Bureau will provide a one-time window for carriers to request such an adjustment, and will release a public notice specifying the process for making this request. Because the majority of A-CAM carriers' support terms will end by December 31, 2028, the Bureau finds it reasonable to open a window for revised A-CAM I and A-CAM II support recipients to request in the docket a downward adjustment. This adjustment would be based on the version of the Fabric used for the BDC collection as of June 30, 2026, which is expected to be released to licensees in June 2026, and the Bureau expects to open the window shortly after that time—approximately two years before the end of the support term. The Bureau concludes that adopting such a process later in the support term appropriately balances the importance of including as many actual locations as possible that exist during the support term with time for the carrier to adjust to any changes in support or its obligation as a result of the adjustment process. This information collection is subject to the Paperwork Reduction Act and will become effective upon announcement in the Federal Register of the OMB approval of the information collection requirements. For the A-CAM I carriers that have a support term that will end by December 31, 2026, the Bureau finds it reasonable to open a window for A-CAM I support recipients to request a downward adjustment in the docket based on the version of the Fabric that is used for BDC collection as of December 31, 2025 (i.e., December 2025 Fabric), which is expected to be released to licensees in December 2025. The Bureau expects to open the window within a reasonable amount of time after the Fabric is made available to licensees. While this affords less time for A-CAM I carriers, the Bureau finds this is an appropriate balance between the time such carriers might need to adjust to any changes in their obligations and support with the time needed for it to set up the process and to ensure that as many locations are included as possible when conducting the adjustment process, particularly when there are so few carriers that will be subject to this timing. This also provides stakeholders with an opportunity to file bulk challenges to prior versions of the Fabric and have those challenges resolved in the December 2025 Fabric version. Fewer than 10 A-CAM I carriers will be subject to this information collection, and thus this information collection is not subject to the Paperwork Reduction Act.

Similar to the PR Fund and the Connect USVI Fund, support recipients that want to participate in this process must request a downward adjustment in the relevant docket. To alleviate the burden on

carriers, particularly small carriers with limited resources, the Bureau will permit carriers to incorporate Fabric data by reference when requesting this adjustment by certifying that they have reviewed the Fabric and there are fewer locations identified in the relevant version of the Fabric in the carrier's service area than the carrier's model estimated locations total. Consistent with ELAP, the PR Fund, and the Connect USVI Fund, the Bureau adopts a preponderance of the evidence standard, and like what it adopted in this document for the PR Fund and the Connect USVI Fund, the Bureau will find that a carrier has demonstrated it has met the preponderance of the evidence standard by referencing the Fabric data. No commenter opposed this approach.

To avoid duplicating the Commission's existing processes, the Bureau will rely on the Commission's BDC Fabric challenge process to allow carriers and stakeholders to challenge the accuracy of Fabric data. To streamline our administrative process, the Bureau will rely on the versions of the Fabric that are released to licensees and that incorporate the results of any previously resolved challenges. Carriers are on notice that any outstanding or pending challenges that were filed but not incorporated in the release of these Fabric versions will not be considered for determining the final deployment obligation. Because the Bureau is announcing the versions of the Fabric that will be used now, it anticipates that carriers will take the opportunity to review the current Fabric and file any challenges as soon as possible to ensure their challenges can be resolved prior to the release of the Fabric versions it will be using for this process.

The Bureau will use the A-CAM to determine the adjusted location obligations and support amounts for A-CAM I, Revised A-CAM I, and A-CAM II carriers. Although the Bureau proposed adjusting support using a pro rata approach in the *High-Cost Fabric Public Notice*, it is persuaded that it should rely on the A-CAM to determine the relative costs of locations and adjust support based on this methodology. Unlike the Bureau's programs that used competitive processes to allocate support, for the A-CAM programs, the carriers' support is directly tied to the A-CAM's cost estimates. Accordingly, the Bureau agrees it is reasonable to also use those cost estimates to adjust the carrier's support moving forward. Specifically, the Bureau will use the cost estimates, support parameters, and census block eligibility used to originally calculate A-CAM I, Revised A-CAM I, and A-CAM II carriers' support, but update the location totals for each eligible census block to reflect the location totals in the Fabric and

generate a new support total for that carrier. Given the Bureau only has the authority to adjust a carrier's support downward, it will cap the amount of support that a carrier can receive through this adjustment process at its existing levels. Similarly, the Bureau will rely on these new location totals and the location density criteria applied previously to each carrier under its current A-CAM mechanism to recalculate the carrier's revised 25/3 Mbps, 10/1 Mbps, 4/1 Mbps and reasonable request deployment obligations. Because this methodology takes into account the previously estimated costs of serving the locations by census block, the Bureau is not persuaded that it needs to take the further steps of reducing support only in certain circumstances such as when there are fewer than 65% of locations based on the Fabric than originally estimated.

## **I. PROCEDURAL MATTERS**

### **A. Paperwork Reduction Act**

This document contains new information collection requirements. The Commission, as part of its continuing effort to reduce paperwork burdens, will be inviting the general public to comment on the information collection requirements contained in the Order as required by the Paperwork Reduction Act of 1995, Public Law 104-13. In addition, the Commission notes that pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, *see* 44 U.S.C. 3506(c)(4), the Bureau previously sought specific comment on how the Commission might further reduce the information collection burden for small business concerns with fewer than 25 employees.

### **B. Congressional Review Act**

The Commission has determined, and the Administrator of the Office of Information and Regulatory Affairs, OMB, concurs, that this rule is non-major under the Congressional Review Act, 5 U.S.C. 804(2). The Commission will send a copy of the *Order* to Congress and the Government Accountability Office pursuant to 5 U.S.C. 801(a)(1)(A).

*Supplemental Final Regulatory Flexibility Analysis.* As required by the Regulatory Flexibility Act of 1980 (RFA), the Bureau has prepared this Supplemental Final Regulatory Flexibility Analysis (Supplemental FRFA) of the possible significant economic impact on small entities by the policies and rules adopted in the *Order*. The supplemental FRFA supplements the Commission's Initial Regulatory Flexibility Analyses (IRFAs) in connection with the *USF/ICC Transformation FNPRM*, 76 FR 78384,

December 16, 2011, *April 2014 Connect America FNPRM*, 79 FR 39196, July 9, 2014, *2018 Rate-of-Return Reform NPRM*, 83 FR 17968, April 25, 2018, and *Rural Digital Opportunity Fund NPRM*, 84 FR 43543, August 21, 2019, (*NPRMs and FNPRMs*), and Final Regulatory Flexibility Analyses (FRFAs) in connection with the *USF/ICC Transformation Order*, 76 FR 73830, November 29, 2011, *2016 Rate-of-Return Reform Order*, 81 FR 24282, April 25, 2016, *2018 Rate-of-Return Reform Order*, 84 FR 18951, May 1, 2018, and *RDOF Order*, 85 FR 13773, March 10, 2020. A supplemental Initial Regulatory Flexibility Analysis (Supplemental IRFA) was also filed in the *High-Cost Fabric Public Notice* in the proceeding. The Commission sought public comment on the proposals in the IRFAs, including the Supplemental IRFA. No comments were filed addressing the Supplemental IRFA. This Supplemental Final Regulatory Flexibility Analysis (Supplemental FRFA) supplements the FRFAs and conforms to the RFA.

*Need for, and Objectives of, the Order.* The *Order* adopts the Bureau's proposal to leverage the Fabric, the "common dataset of all locations in the United States where fixed broadband internet access service can be installed, as determined by the Commission," to provide recipients with a reliable data source for determining locations and to maximize the number of consumers that are served by recipients of various high-cost support mechanisms. This includes using the Fabric to identify the actual number of residential and small businesses in each relevant high-cost support recipient's service area. The Bureau anticipates incorporating the Fabric as part of the Bureau's compliance reviews to verify high-cost carriers' reporting in the HUBB and claims that they have met their service milestones.

The Commission also delegated to WCB the authority to revise deployment obligations, and adjust funded locations and funding levels for support recipients' service areas in certain high-cost support mechanisms. For RDOF, the *Order* adopts procedures to implement the Commission's framework for adjusting required location totals based on an updated location source. For the PR Fund and the Connect USVI Fund, the *Order* adopts procedures for leveraging Fabric data to simplify the location adjustment processes for these support mechanisms. For A-CAM I, Revised A-CAM I & A-CAM II, the *Order* adopts a voluntary process for recipients with fewer locations in eligible 2010 census blocks than they have supported locations pursuant to their A-CAM authorizations to seek a downward adjustment in their location totals by using the Fabric to demonstrate the actual number of locations in

their service areas.

*Summary of Significant Issues Raised by Public Comments in Response to the Supplemental IRFA.* There were no comments filed that specifically addressed the rules and policies proposed in the Supplemental IRFA.

*Response to Comments by the Chief Counsel for Advocacy of the Small Business Administration.* Pursuant to the Small Business Jobs Act of 2010, which amended the RFA, the Commission is required to respond to any comments filed by the Chief Counsel of the Small Business Administration (SBA), and to provide a detailed statement of any change made to the proposed procedures as a result of those comments. The Chief Counsel did not file any comments in response to the proposed rules in this proceeding.

*Description and Estimate of the Number of Small Entities to Which the Rules Will Apply.* The RFA directs agencies to provide a description of, and, where feasible, an estimate of the number of small entities that may be affected by the rules adopted herein. The RFA generally defines the term “small entity” as having the same meaning as the terms “small business,” “small organization,” and “small governmental jurisdiction.” In addition, the term “small business” has the same meaning as the term “small business concern” under the Small Business Act. A “small business concern” is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA.

As noted in this document, Regulatory Flexibility Analyses were incorporated in the *USF/ICC Transformation FNPRM*, *April 2014 Connect America FNPRM*, *2018 Rate-of-Return Reform NPRM*, *Rural Digital Opportunity Fund NPRM*, *USF/ICC Transformation Order*, *2016 Rate-of-Return Reform Order*, *2018 Rate-of-Return Reform Order*, and *RDOF Order*. In those analyses, the Commission described in detail the small entities that might be significantly affected. Accordingly, in this Supplemental FRFA, the Bureau hereby incorporates by reference the descriptions and estimates of the number of small entities that may be impacted by the *Order* from these previous RFAs.

*Description of Projected Reporting, Recordkeeping, and Other Compliance Requirements for Small Entities.* In the *Order*, the Bureau sought to minimize compliance burdens on small entities where practicable. However, the requirements adopted in the *Order* may impose new or additional reporting,

recordkeeping, and/or other compliance obligations on small entities, which are discussed in the following. The Bureau notes that small and other carriers should already be familiar with how to determine which Fabric locations are in their service areas, which should help minimize the burdens imposed by additional compliance obligations. In adopting these requirements, the Bureau has balanced potential burdens on small and other entities with the Commission's objective of serving as many consumers as possible through its High-Cost program.

For the relevant high-cost support mechanisms, the *Order* describes how WCB anticipates using the Fabric to verify compliance with high-cost deployment obligations. The *Order* also adopts streamlined procedures to implement location adjustment processes adopted by the Commission, including reliance on the Fabric to determine the actual number of locations in the carrier's service areas, which will impact the number of locations carriers are required to serve pursuant to their high-cost obligations.

Specifically for RDOF, the *Order* adopts the timing for the location adjustment process as well as processes for calculating support if there are more or fewer locations in the carrier's service area than originally estimated by the CAM, for the carrier to notify the Bureau and demonstrate it has served all actual locations prior to the end of the deployment if there are fewer locations than estimated in the carrier's service area, and for submitting requests if the carrier determines that the locations it is required to serve, beyond the number of locations identified by the CAM, are unreasonable to serve. The *Order* also adopts a methodology for adjusting location totals if the carrier is required to offer service at multiple performance tiers and describes the process for determining whether requests for service at newly built locations are reasonable.

For the PR Fund, Connect USVI Fund, A-CAM I, Revised A-CAM I, and A-CAM II, the *Order* implements the location adjustment processes for these programs by leveraging existing Commission processes for maintaining the accuracy of the Fabric to minimize the burdens on support recipients, including small businesses, in demonstrating how many actual locations are within their service areas. Specifically, the *Order* adopts a process by which carriers can certify they have reviewed the Fabric to demonstrate based on the preponderance of evidence that they can have their support and location totals adjusted based on the location totals in the Fabric. The *Order* also adopts timing for when this process

will occur, as well as methodologies for increasing support for PR Fund and Connect USVI Fund carriers if there are more locations in the Fabric than originally estimated and for decreasing support for A-CAM I, Revised A-CAM I, and A-CAM II carriers if there are fewer locations in the Fabric than originally estimated.

While the Commission cannot quantify the cost of compliance for small entities, due to high-cost carriers' existing obligations, the Commission does not believe the adopted rules will impose significant additional operational or administrative costs or require small entities to hire additional attorneys, engineers, consultants, or other professionals in order to comply beyond those they have already hired to aid in compliance with their High-Cost program obligations generally.

*Steps Taken to Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered.* The RFA requires an agency to provide, “a description of the steps the agency has taken to minimize the significant economic impact on small entities. . . including a statement of the factual, policy, and legal reasons for selecting the alternative adopted in the final rule and why each one of the other significant alternatives to the rule considered by the agency which affect the impact on small entities was rejected.”

In the *Order*, the Bureau states that it anticipates incorporating the Fabric as part of its compliance reviews to verify both high-cost carriers' reporting in the HUBB and claims that those carriers have met their service milestones. While the Bureau acknowledges the burdens reconciling HUBB and Fabric data may place on all small and other carriers, it concludes that such an effort is critical to both the Bureau responsibility to coordinate with other agencies that offer funding for broadband and to its long-standing obligation to be responsible stewards of the public's funds.

In determining the final rules concerning RDOF, the Bureau considered a number of alternatives that may have a significant economic impact on small entities. For example, the Bureau considered whether it should publish a list of changes to the Fabric with each Fabric release in order to enable RDOF carriers that may lack the financial resources to monitor the Fabric to keep track of any changes to the location totals in their service areas prior to the Bureau adopting revised location counts for RDOF. The Bureau ultimately determined that all carriers should already be familiar with how to determine which Fabric locations are in their service areas as they are required to report their availability data to these

locations through the BDC and have tools available to help with this effort. The Bureau also expects to make resources available through HUBB reporting.

In addition, the Bureau considered whether it should require RDOF carriers that have to serve a significantly higher number of locations than originally estimated to seek a waiver to obtain more support. Instead, the Bureau determined that rather than implementing an onerous case-by-case process, it should increase a carrier's support pro rata if its new location count exceeds the CAM locations within their service areas in each state by more than 35%. However, the Bureau further determined that a case-by-case approach was warranted in situations where a RDOF carrier is requesting to have a location removed from its revised location total above the CAM estimated amount or does not want to fulfill a request for service because the RDOF carrier claims the location is unreasonable to serve. For removing locations from the revised location total, rather than adopt specific criteria or parameters that may have streamlined the process for such requests, the Bureau determined that each situation would likely be fact specific and determined on a case-by-case basis to avoid adopting overbroad criteria that could potentially leave locations that are otherwise reasonable to serve stranded without service. Further, this approach would also allow the Bureau to facilitate coordination with other funding programs. However, the Bureau adopted presumptions for locations that are newly built after the Commission adopts revised location totals, acknowledging the additional flexibility the Commission provided in allowing carriers to only serve these locations upon reasonable request.

Additionally, the Bureau adopted its proposal to permit a RDOF carrier that claims to have served all existing locations in the eligible census blocks prior to WCB announcing revised location totals to rely on the latest version of the Fabric available to Fabric licensees to demonstrate that there are no other locations left to serve and to request a verification that it has served all the locations identified in the Fabric. After a successful verification, the carrier can close out its letter of credit. In determining the rules adopted in the *Order*, the Bureau considered a number of alternatives that could impact small entities when adopting this approach, including whether if there are any newly identified locations prior to the Bureau adopting revised location counts, the carrier can have additional time to serve those locations. While it may impact a carrier's ability to meet its obligations if locations are newly identified later in the deployment period, the Bureau decided it was most aligned with the Commission's requirement that

carriers serve at a minimum the adjusted location total or the CAM estimated total by the end of the six-year deployment term to require carriers to serve any newly identified locations, up to the number of model estimated number of locations, by the end of the deployment period plus cure period.

The Bureau also considered whether it should withhold some portion of a carrier's support until it adopts revised location totals, but the Bureau decided the burden on carriers and the Commission in implementing such a policy would outweigh the risk to the Universal Service Fund given the carrier would have already previously served all actual locations. However, the Bureau declined to provide a grace period for carriers' challenges to be resolved while they were seeking a verification they had served all actual locations, finding the balance shifted when a carrier had not yet demonstrated it had served all actual locations as determined by the Fabric. Instead, the Bureau encourages carriers to submit challenges as soon as possible so that they can be resolved in a timely manner.

Furthermore, the Bureau decided that it would interpret the Commission's direction that support be reduced on a pro rata basis by the number of reduced locations to mean that WCB would apply the pro rata support reduction to the number of locations that bring the location total below the 65% threshold. The Bureau considered the alternative of applying the pro rata support reduction for all of the locations that make up the gap between the CAM estimated location total and the revised location total. But this approach would result in the inequity of support recipients being subject to no support reduction if their revised location total is 65% of the CAM-estimated location total, but support recipients that have a revised location total of 64% or less of the CAM-estimated location total being subject to a pro rata support reduction for all of the locations that make up the gap.

Additionally, in regards to multiple performance tier requirements, the Bureau considered whether after it adopts revised location counts it should proportionally adjust locations totals for each performance tier to maintain the same ratio of locations across all performance tiers, or instead whether it should assign locations the performance tier associated with the census block where the location is located. The Bureau decided that by adopting the proportional approach it would preserve the flexibility that the Commission intended when it decided to measure compliance on a state-level basis.

For the PR Fund and Connect USVI Fund as well as A-CAM I, Revised A-CAM I, and A-CAM II, the Bureau adopted its proposal to minimize burdens on the funded carriers, including small carriers, to

rely on existing Commission processes and the Fabric to support their requests for location adjustments rather than require carriers participating in these processes to submit their own data regarding the locations in their funded service areas.

Lastly, for A-CAM I, Revised A-CAM I, and A-CAM II the Bureau had originally proposed reducing support on a pro rata basis if there are fewer Fabric locations than the carrier is required to serve. Based on the record, the Bureau instead decided to use the A-CAM to generate new support totals for the carriers participating in the process to better capture the relative costs of serving locations.

## **II. ORDERING CLAUSES**

Accordingly, IT IS ORDERED that, pursuant to sections 1, 4(i), 5(c), 214, and 254 of the Communications Act of 1934, as amended, 47 U.S.C. 151, 154(i), 155(c), 214, 254, §§ 0.91, 0.291, and 1.3 of the Commission's rules, 47 CFR 0.91, 0.291, 1.3, and the delegations of authority in paragraphs 45 of the *RDOF Order*, FCC 20-5, paragraphs 65 and 66 of the *2019 PR-USVI Order*, FCC 19-95 (84 FR 59937, November 7, 2019), and paragraph 34 for the *2016 Rate-of-Return Reform Order*, FCC 16-33, the Order IS ADOPTED, effective thirty (30) days after publication of the text or summary thereof in the Federal Register, except for the provisions subject to the Paperwork Reduction Act, which will become effective upon announcement in the Federal Register of OMB approval of the subject information collection requirements.

IT IS FURTHER ORDERED that the petition for waiver filed by Taylor Telephone Cooperative, Inc. d/b/a Taylor Telecom is GRANTED and § 54.802(c)(1) of the Commission's rules, 47 CFR 54.802(c)(1) is WAIVED to the extent described herein.

FEDERAL COMMUNICATIONS COMMISSION.

**Trent B. Harkrader,**  
*Chief,*  
*Wireline Competition Bureau.*