**Before the**
**Federal Communications Commission**
**Washington, D.C. 20554**

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| In the Matter of | ) | |
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| Connect America Fund | ) | WC Docket No. 10-90 |
| | ) | |
| The Uniendo a Puerto Rico Fund and the Connect USVI Fund | ) | WC Docket No. 18-143 |
| | ) | |
| The Rural Digital Opportunity Fund Auction (Auction 904) | ) | AU Docket No. 20-34 |
| | ) | |
| Rural Digital Opportunity Fund | ) | WC Docket No. 19-126 |
| | ) | |

# ORDER

**Adopted: January 10, 2025** **Released: January 10, 2025**

By the Chief, Wireline Competition Bureau:

## I. INTRODUCTION

1. In this Order, 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 we 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. Specifically, we adopt 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,[1] and also leverage existing Commission processes to implement streamlined location adjustment procedures for the Bringing Puerto Rico Together (PR) Fund, the Connect USVI Fund, Alternative Connect America Cost Model (A-CAM) I, Revised A-CAM I, and A-CAM II carriers. Our decision to rely on the Fabric for these purposes is an important step towards improving accuracy, oversight, and accountability for our high-cost support mechanisms .

## II. BACKGROUND

### A. High-Cost Program

2. The Universal Service Fund's High-Cost program is designed to ensure that consumers in rural, insular, and high-cost areas have access to modern communications networks capable of providing

[1] *Rural Digital Opportunity Fund et al.*, WC Docket No. 19-126 et al., Report and Order, 35 FCC Rcd 686, 709, para. 45 (2020) (*RDOF Order*); 47 CFR § 54.802(c)(1).

voice and broadband service at rates that are reasonably comparable to those in urban areas.[2] Starting in 2011, the Commission modernized the High-Cost program, including developing a new forward-looking cost model, the Connect America Cost Model (CAM), to calculate the cost of providing service in rural and high-cost areas and adopting specific broadband deployment obligations for recipients of various high-cost support mechanisms.[3]

3. For a number of these support mechanisms, the Commission relied on data sources to establish deployment obligations that provided an estimate of the number of locations in existence in the relevant support recipient's service area at a particular point in time. Relevant here, the Commission used the CAM for RDOF, and the A-CAM for the various A-CAM offers to estimate location totals.[4] Additionally, for the PR Fund and the Connect USVI Fund, the Commission relied on the most current Census Bureau data at the time to estimate the number of locations in Puerto Rico and the U.S. Virgin

[2] 47 U.S.C. § 254(b)(3).

[3] *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (*USF/ICC Transformation Order or FNPRM*), *aff'd sub nom. In re FCC 11-161*, 753 F.3d 1015 (10th Cir. 2014). We do not specifically address the Connect America Fund Phase II auction in this Public Notice because we already completed a location adjustment process where recipients had the opportunity to have their support and obligations adjusted if they could demonstrate it is more likely than not that they have identified all eligible locations in their service area and the number of locations they identified was less than the number of locations estimated by the CAM. *Connect America Fund et al*., WC Docket No. 10-90, Order, 38 FCC Rcd 1135 (WCB 2023) (*ELAP Resolution Order*). We also do not specifically address the recently adopted Enhanced A-CAM program because obligations for those support recipients were already set and will be subject to a true-up using the Fabric. *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order et al., 38 FCC Rcd 7040, 7055 para. 34 (2023) (*Enhanced A-CAM Order*). We do not need to consider Connect America Fund Broadband Loop Support (CAF BLS) in this Public Notice because the five-year deployment obligation term ended on December 31, 2023, and the Commission deferred the commencement of the next five-year deployment obligation term until January 1, 2025, while it considers general program reforms. *Connect America Fund et al.*, WC Docket No. 10-90, Second Report and Order, 38 FCC Rcd 12876 (2023) (citing *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order, Notice of Proposed Rulemaking, and Notice of Inquiry, 38 FCC Rcd 7040, 7097-98, paras. 138-42 (Jul. 24, 2023)). Further, WCB previously determined that it is appropriate to use the Fabric to verify CAF BLS carriers' claims that they have served 100% of the locations in their service areas. Finally, we do not specifically address the Alaska Plan in this Order. *Connect America Fund, et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 10139 (2016). In November 2024, the Commission released an order adopting the next phase of high-cost fixed and mobile support in Alaska—the Alaska Connect Fund. *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 24-116 (Nov. 4, 2024). However, we do explain in this Order how we will generally use Fabric data to verify compliance with all high-cost carriers' deployment obligations.

[4] *See, e.g.*, *RDOF Order*, 35 FCC Rcd at 709, para. 45; *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order, Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, 31 FCC Rcd 3087, 3100, para. 29 (2016) (*2016 Rate-of-Return Reform Order*). The CAM and A-CAM rely on 2010 Census data updated to 2011 counts using Census Bureau 2011 county estimates and GeoResults (Q3/2012) to estimate the number of housing units and small businesses, i.e., businesses to which mass market services will be made available. CostQuest Associates, Inc., Connect America Cost Model (CACM): Model Methodology 12-15 (Dec. 22, 2014), https://www.fcc.gov/sites/default/files/CAM-Methodology-V4-2.pdf (CAM Methodology); CostQuest Associates, Inc., Connect America Cost Model (A-CAM): Model Methodology 12-16 (May 1, 2018), https://apps.fcc.gov/edocs_public/attachmatch/DOC-350679A1.pdf (A-CAM Methodology). *See also Wireline Competition Bureau Provides Guidance to Carriers Receiving Connect America Fund Support Regarding their Broadband Location Reporting Obligations*, Public Notice, WC Docket No. 10-90, 31 FCC Rcd 12900, 12903-05 (WCB 2016) (*Location Guidance Public Notice*); *Rural Digital Opportunity Fund Phase I Auction Scheduled for October 29, 2020; Notice and Filing Requirements and Other Procedures for Auction 904*, AU Docket No. 20-34 et al., Public Notice, 35 FCC Rcd 6077, 6084-85, para. 17 n.29 (2020) (*Auction 904 Procedures Public Notice*).

Islands.[5] Recognizing that these sources may not reflect real-world conditions on the ground over these programs' multi-year support terms, the Commission delegated to WCB the task of revising deployment obligations once more information was available regarding the actual number of locations within the support recipients' service areas.[6]

4. Moreover, for all modernized high-cost support mechanisms, the Commission has reiterated its goal of ensuring the universal availability of broadband and voice networks in funded areas.[7] To measure progress in meeting this goal and monitor compliance with service milestones, the Commission requires recipients of high-cost program support to report deployment data in the High Cost Universal Broadband portal (HUBB) on at least an annual basis.[8]

**B. Broadband Serviceable Location Fabric**

5. In March 2020, Congress passed the Broadband DATA Act which requires the Commission to establish a semiannual collection of geographically granular fixed broadband availability data for publication on the National Broadband Map, adopt processes for the public to challenge that availability data and for accepting crowdsourced information, and create a comprehensive dataset of Broadband Serviceable Locations (BSL).[9] The Broadband DATA Act defines the Fabric as the "common dataset of all locations in the United States where fixed broadband internet access service can be installed, as determined by the Commission,"[10] and directs that the Fabric "shall . . . serve as the foundation upon which all data relating to the availability of fixed broadband internet service . . . shall be reported and overlaid."[11] The Broadband DATA Act also requires the Commission to create a process whereby information included in the Fabric may be challenged by "consumers, State, local and Tribal government entities, and other entities or individuals."[12]

6. In July 2020 and January 2021, the Commission adopted rules establishing certain elements of the Fabric, consistent with the Broadband DATA Act.[13] In November 2021, the

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[5] *The Uniendo a Puerto Rico Fund and the Connect USVI Fund et al.*, WC Docket No. 18-143 et al., Report and Order and Order on Reconsideration, 34 FCC Rcd 9109, 9143, paras. 60-61 (2019) (*2019 PR-USVI Order*); *Wireline Competition Bureau Releases List of Reserve Prices and Location Counts for the Uniendo a Puerto Rico Fund and Connect USVI Stage 2 Fixed Support Competitive Proposal Process*, WC Docket No. 18-143 et al., Public Notice, 34 FCC Rcd 12339 (WCB 2019) (*PR-USVI Location Count Public Notice*).

[6] *RDOF Order*, 35 FCC Rcd at 709-11, paras. 45-51; *2019 PR-USVI Order*, 34 FCC Rcd at 9144, para. 63; *2016 Rate-of-Return Order*, 31 FCC Rcd at 3102, para. 34.

[7] *See, e.g.*, *USF/ICC Transformation Order*, 26 FCC Rcd at 17681, para. 51.

[8] 47 CFR § 54.316.

[9] Broadband Deployment Accuracy and Technological Availability Act, Pub. L. No. 116-130, 134 Stat. 228 (2020) (codified at 47 U.S.C. §§ 641-646) (Broadband DATA Act).

[10] 47 U.S.C. § 642(b)(1)(A)(i).

[11] 47 U.S.C. § 642(b)(1)(B)(ii).

[12] 47 U.S.C. § 642(b)(5)(A).

[13] *Establishing the Digital Opportunity Data Collection; Modernizing the FCC Form 477 Data Program*, WC Docket No. 19-195 et al., Second Report and Order and Third Further Notice of Proposed Rulemaking, 35 FCC Rcd 7460, 7483-84, paras. 52-54 (2020) (*Second BDC Report and Order*); *Establishing the Digital Opportunity Data Collection; Modernizing the FCC Form 477 Data Program*, WC Docket No. 19-195 et al., Third Report and Order, 36 FCC Rcd 1126, 1175-77, paras. 126-32 (2021) (*Third BDC Report and Order*). The Commission adopted definitions for residential and business locations that are based on definitions used for the Commission's high-cost support mechanisms, with the exception that residential locations include group quarters for the Fabric and these are not included as eligible locations in the High-Cost program. *Third BDC Report and Order*, 36 FCC Rcd at 1176, para. 127; *Location Guidance Public Notice*, 31 FCC Rcd at 12903-04.

Commission awarded the contract for Fabric development to CostQuest Associates.[14] In April 2022, the Broadband Data Task Force, WCB, and the Office of Economics and Analytics (OEA) provided access to a preliminary version of the Fabric,[15] in June 2022 released the first production version of the Fabric,[16] and have continued to release updated versions of the Fabric every six months.[17] Each Fabric version is associated with a relevant "as of" date for fixed broadband availability reporting in the Broadband Data Collection (BDC), and thus an updated iteration of the Fabric will be released in conjunction with the opening of a BDC filing window for reporting broadband availability as of June 30 or December 31 of each year.[18] Each BSL[19] in the Fabric is assigned a unique identifier (Location ID), which reflects a single point defined by a set of geographic coordinates that fall within the footprint of a structure, as well as other attributes of the structure.

7. In January 2024, WCB released a public notice seeking comment on using the data included in the Fabric to update and verify compliance with certain high-cost program support recipients' deployment obligations.[20] Generally, we proposed to leverage the Fabric to provide support recipients a reliable data source for determining which locations are within a support recipient's funded service area and to maximize the number of consumers that are served by recipients of various high-cost support mechanisms.[21]

## III. DISCUSSION

8. We adopt our proposal to use the Fabric as the data source to verify compliance with deployment obligations for high-cost support mechanisms when we conduct compliance reviews. We also adopt specific procedures related to location total adjustments for RDOF, A-CAM I, Revised A-CAM I, A-CAM II, the PR Fund, and the Connect USVI Fund.

### A. Using the Fabric to Identify Locations in High-Cost Program Supported Areas

9. *Use of the Fabric.* We adopt our proposal to use the Fabric to identify the actual number

[14] *Broadband Data Task Force Announces Access to Preliminary Broadband Serviceable Location Fabric to Fixed Service Providers and Guidance for Filing Fixed Broadband Availability Data*, WC Docket No. 19-195 et al., Public Notice, 37 FCC Rcd 5046, 5048 (BDTF, OEA, WCB 2022) (*Preliminary Fabric Public Notice*).

[15] *See generally Preliminary Fabric Public Notice.*

[16] *Broadband Data Task Force Announces The Availability Of The Production Version Of The Broadband Serviceable Location Fabric*, WC Docket No. 19-195 et al., Public Notice, 37 FCC Rcd 7537 (BDTF, WCB, OEA 2022).

[17] *See, e.g.*, *Broadband Data Task Force Announces Opening of Sixth Broadband Data Collection Filing Window and Release of Updated Broadband Serviceable Location Fabric*, WC Docket No. 11-10 et al., Public Notice, DA 24-1257 (BDTF Dec. 16, 2024) (*Sixth BDC Filing Window Public Notice*) (announcing the release of Version 6 of the Fabric to existing Fabric licensees).

[18] *Broadband Data Task Force Announces Recommended Best Practices for Challenges to Updated Broadband Serviceable Location Fabric*, WC Docket No. 11-10 et al., Public Notice, 38 FCC Rcd 445 (BDTF 2023) (*Fabric Challenges Best Practices Public Notice*).

[19] A BSL is a business or residential location in the United States at which fixed broadband Internet access service is, or can be, installed. A residential BSL includes all residential structures, including structures that are (or contain) housing units or group quarters (as those terms are defined by the United States Census Bureau). A business BSL includes all non-residential (business, government, non-profit, etc.) structures that are on property without residential locations and would expect to demand Internet access service.

[20] *Wireline Competition Bureau Seeks Comment on Leveraging the Broadband Serviceable Location Fabric for High-Cost Support Mechanism Deployment Obligations*, WC Docket No. 10-90 et al., Public Notice, 39 FCC Rcd 399 (WCB 2024) (*High-Cost Fabric Public Notice*).

[21] *Id.*

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.[22] Many commenters supported using the Fabric to revise and verify deployment obligations.[23] 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.[24] We disagree. The Fabric is the most accurate and granular dataset of BSLs we have 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.[25] Moreover, using a different data source could jeopardize our 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.[26]

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[22] *Id.* at 403-04, paras. 9-11. We use "location" throughout this Public Notice to refer to the number of units associated with a BSL in the Fabric.

[23] *See, e.g.*, Comments of NCTA—The Internet & Television Association et al., WC Docket No. 10-90 et al., at 1-2 (rec. Mar. 15, 2024) (NCTA Comments) ("Using this data creates efficiencies for High-Cost support recipients as well as both the Commission and USAC in administering the program."); Comments of Irby Utilities, 4-County Fiber, LLC, Aeneas Communications, LLC, Clay County Connect, Inc., and TEPA Connect LLC, WC Docket No. 10-90 et al., at 2 (rec. Mar. 15, 2024) (Irby et al. Comments) (agreeing the "Bureau should use the Fabric to adjust RDOF performance obligations"); Reply Comments of WISPA- The Association for Broadband without Boundaries, WC Docket No. 10-90 et al., at 1 (rec. Apr. 1, 2024) (WISPA Reply) (agreeing the Fabric should be used to verify deployment obligations).

[24] *See, e.g.*, Comments of NTCA—The Rural Broadband Association, WC Docket No. 10-90 et al., at 2-5 (rec. Mar. 15, 2024) (NTCA Comments); Comments of Rural Electric Cooperatives Providing Broadband, WC Docket No. 10-90 et al., at 3-5 (rec. Mar. 17, 2024) (RECPB Comments); Comments of the Coalition of RDOF Winners, WC Docket No. 10-90 et al., at 11-12 (rec. Mar. 15, 2024) (RDOF Winners Comments); Comments of Alaska Telecom Association, WC Docket No. 10-90 et al., at 7-10 (rec. Mar. 15, 2024) (ATA Comments); Comments of Alaska Power & Telephone Company, WC Docket No. 10-90 et al., (rec. Mar. 11, 2024); Reply Comments of the National Rural Electric Cooperative Association, WC Docket No. 10-90 et al., at 3-4 (rec. Apr. 1, 2024) (NRECA Reply); Reply Comments of NTCA-The Rural Broadband Association, WC Docket No. 10-90 et al., at 2-4 (rec. Apr. 1 2024) (NTCA Reply).

[25] *See High-Cost Fabric Public Notice,* 39 FCC Rcd at 403, para. 9 (explaining that the Broadband DATA Act directed the Commission to include in the Fabric "all locations in the United States where fixed broadband internet access service can be installed," and to iteratively update the Fabric, including by incorporating the results of challenges submitted by stakeholders, improved and more updated data sets, and updates to reflect on-the-ground changes). In stating that there is a problem with the Fabric because it contains "only approximately 114 million BSLs," the RDOF Winners are making a flawed comparison between BSLs and United States Postal Service (USPS) addresses. RDOF Winners Comments at 11-12. First, the Fabric only includes a street address for each location (i.e., without any unit number). Thus, where a location includes multiple units (e.g., multiple apartments or condominiums in a building with a single street address), there would be only one address in the Fabric, but multiple USPS addresses. Such units are not missing from the Fabric because there is only one address listed. In total, the Fabric has 163 million units in BSLs (in the Fabric used for collection as of June 30, 2024). Second, the Fabric has 1.2 million units in non-BSL locations (enterprise locations and community anchor institutions). The Fabric also has information about buildings with more than one street address. In total, that version of the Fabric has nearly 139 million street addresses.

[26] 47 U.S.C. § 642(b)(1)(B)(ii) ("[the Fabric must] serve as the foundation upon which all data relating to the availability of fixed broadband internet access service . . . shall be reported and overlaid"); 47 U.S.C. § 1702 (directing the Department of Commerce's National Telecommunications and Information Administration (NTIA) to rely on the Commission's National Broadband Map in implementing BEAD). *See, e.g.,* The Broadband Interagency Coordination Act of 2020, Pub. L. No. 116-260, 134 Stat. 3214, Div. FF, tit. IX, § 904 (2020), codified at 47 U.S.C § 1308 et seq. (building on existing coordination and improving interagency efforts to facilitate efficient use of

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10. 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.[27] The Fabric remains the most accurate picture of broadband serviceable locations we have available to date. Delaying our 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.

11. 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, we have received over 2 million challenges to add a new location that hits the footprint of a BSL that was already in the Fabric.[28] 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 we 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.

12. 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.[29] For example, 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."[30] Because NRECA's comments do not provide enough information to identify the provider that had problems with the Fabric challenge process, we are not able to specifically identify the reason for the provider's low success rate for its challenges.[31] Nevertheless, we note 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.[32] We, therefore, disagree with commenters who

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funds for broadband deployment). *See also* Irby et al. Comments at 2 (agreeing the Bureau should use the Fabric to facilitate coordination amongst agencies and for administrative efficiencies); WISPA Reply at 2.

[27] Because the June 2024 version of the Fabric has 1.9% more BSLs than the June 2022 version, those 108 million BSLs in both versions of the Fabric are slightly less than 94% of BSLs in the June 2024 Fabric version.

[28] FCC Staff Analysis of BDC Challenge Process Data.

[29] *See, e.g.*, NRECA Reply at 3; RECPB Comments at 4-5; ATA Comments at 9.

[30] NRECA Reply at 3. *See also* RECPB Comments at 5.

[31] There are no Fabric challengers (using a single FCC Registration number) that have filed between 4,000 and 6,000 challenges to add a new location to the Fabric (type 1 challenges), and have between 600 and 900 successful challenges. It is possible that the cooperative filed additional challenges after generating those figures but prior to NRECA's filing in the Electronic Comment Filing System (ECFS), but with the information provided, we cannot identify the filer.

[32] *See* NRECA Reply at 3 n.2 ("the Fabric data point is located within the center of the structure on the property, while a provider's GIS data may use the location of the electric meter or ONT. . . . ."). To the extent a challenger is trying to add a BSL where one already exists, those challenges are appropriately rejected. If the service provider wants to update the data associated with the BSL, rather than adding a new location, it needs to use the other challenge types. In addition, the Commission stated in the *Third BDC Report and Order* that each BSL in the Fabric is "defined by a set of geographic coordinates that fall within the footprint of a building." *Third BDC Report and Order*, 36 FCC Rcd at 1175, para. 126. So, where a challenger is attempting to add a genuinely new point, but does not identify the specific structure with the coordinates submitted, it has not met the FCC's requirements. NRECA proposes that we add a buffer to the processing of such challenger; but they do not make a specific proposal about buffer size, nor address how the FCC might deal with a situation where such a buffer intersects more than one

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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.[33]

13. 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.[34] 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 BDC system notifies them of the challenge outcome.[35] When providers have made the Commission aware of concerns related to their Fabric challenge results, we have worked closely with the provider and CostQuest, to review their submissions and to identify opportunities for improvements to our 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. We have begun to provide certain types of Fabric challenge results earlier in the process, generally within weeks of the challenge being submitted. We believe 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.

14. *Adjustments.* In identifying the eligible locations that are relevant to a high-cost support

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building. They also do not address why the FCC would be better positioned to buffer the data and determine which building should be included in the Fabric, given NRECA members' local information. NRECA Reply at 5-6. To the extent NRECA has data that would further improve the Fabric, we encourage NRECA to coordinate with Broadband Data Task Force staff. *See* NRECA Reply at 5-6 (suggesting "that WCB and CostQuest could make more effective use of electric service meter geolocation data . . .").

[33] A few commenters have also cited issues with making challenges in Alaska to suggest that the challenge process requires improvements before we adopt the Fabric to revise and verify high-cost obligations. *See, e.g.*, ATA Comments at 9-10. In Alaska, there are a total of 326,200 housing units according to the US Census Bureau. United States Census Bureau, Profiles, https://data.census.gov/profile?g=040XX00US02 (last visited Jan. 7, 2025). Challengers have filed over 407,000 challenges to add locations in Alaska, seeking the addition of more than 950,000 units. FCC Staff Analysis of BDC Challenge Process Data. In other words, challengers have attempted to add nearly three times as many units to the Fabric in the state of Alaska as there are residential units in the state (i.e., in sum, trying to more than triple the number of units in the state, from approximately 353,000 units in the initial version of the Fabric to more than 1.3 million). Allowing such challenges to succeed would completely distort the Fabric and any funding tied to it.

[34] FCC staff have conducted extensive outreach and developed various resources to help providers understand the challenge processes and the results of challenges. FCC staff have worked closely with providers to explain both the availability and Fabric (location) challenge processes, including providing a number of technical assistance resources such as webinars, tutorials, knowledge base articles, standing up a technical assistance help desk, and one-on-one meetings with staff. *See, e.g.*, Federal Communications Commission, Broadband Data Collection Help Center, https://help.bdc.fcc.gov/hc/en-us (last visited Jan. 7, 2025) (BDC Help Center). To date, FCC staff have participated in over 200 one-on-one or small group meetings with providers to answer questions related to the BDC, including the challenge processes. We encourage any provider with questions or concerns about the challenge processes to contact the Commission's Broadband Data Task Force.

[35] Fabric challenge response codes are explained in more detail in the BDC Help Center. *See* Federal Communications Commission, Broadband Data Collection Help Center, https://help.bdc.fcc.gov/hc/en-us/articles/17077103993371-Fabric-Challenge-Response-Codes (last visited Jan. 7, 2025).

recipient's service area, we adopt our proposal to exclude group quarters locations,[36] 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.[37] Although the RDOF Winners suggested that we should include group quarters when recalculating location totals,[38] 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.[39] 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, we note that the Fabric has a unique building type code for group quarters locations.[40] Ultimately, we find 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.

15. We also adopt our proposal that if a portion of a parcel is inside an eligible census block,[41] 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 our other high-cost support mechanisms, subject to any modifications that may be made to account for the 7.6-meter buffer we describe below.[42] No commenters opposed this proposal, and we expect adopting this approach will provide further clarity to providers regarding which locations they will be required to serve as they complete their deployments. Additionally, we reiterate our plan to overlay 2010 census blocks on the Fabric to determine updated location counts.[43] 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."[44]

16. *Consistency with HUBB Submissions.* In the *High-Cost Fabric Public Notice*, we explained that we expect high-cost support recipients to review the data they submit into the HUBB and

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[36] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 403-04, para. 10.

[37] *Third BDC Report and Order*, 36 FCC Rcd at 1176, para. 127; *Location Guidance Public Notice*, 31 FCC Rcd at 12903.

[38] RDOF Winners Comments at 12-13.

[39] CAM Methodology at 12-15; A-CAM Methodology at 13-16 (explaining the models relied on Census Bureau data as "the primary source of counts of housing units by [c]ensus [b]lock"); *Location Guidance Public Notice*, 31 FCC Rcd at 12903 (explaining the "Census Bureau does not classify group quarters . . . as housing units" and "filers should not report group quarters as residential locations in their location data").

[40] Federal Communications Commission, Broadband Data Collection, Data Specifications for Bulk Fabric Challenge Data, at 5, https://us-fcc.app.box.com/v/bdc-bulk-fabric-challenge-spec (Mar. 19, 2024).

[41] We note that for the PR Fund and the Connect USVI Fund, the Commission adopted unique eligible geographic areas that are not defined by U.S. Census Blocks. *2019 PR-USVI Order*, 34 FCC Rcd at 9140, para. 51. For purposes of this Public Notice, all references to eligible census blocks include the eligible geographic areas adopted in the PR Fund and the Connect USVI Fund unless otherwise specifically noted.

[42] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 403-04, para. 10.

[43] *Id.* at 404, para. 10.

[44] NCTA Comments at 3-4. *See also* WISPA Reply at 2-3 (agreeing with NCTA). For support programs where the location totals were determined by the CAM or A-CAM, these models assigned locations to census blocks using 2010 Census data that was updated to 2011 counts using Census Bureau 2011 county estimates. CAM Methodology at 12-15; A-CAM Methodology at 12-16.

as part of their BDC reporting to identify any inconsistencies between the datasets.[45] We 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.[46]

17. Consistent with our use of the Fabric for verifying CAF BLS carriers' claims that they have served 100% of the locations in their service areas,[47] we also anticipate incorporating the Fabric as part of our 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 we identify material inconsistences between data collected through the BDC and data that the carrier has filed in the HUBB, we anticipate investigating those discrepancies as part of our 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.[48] 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 we acknowledge that reconciling the data sets may require a significant effort for both carriers and Commission staff,[49] 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.

18. 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, we 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.[50] 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—we will cross-reference the Fabric with the HUBB data and to the

[45] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 402, para. 7. *See also* CostQuest Associates, National Fabric FAQ, https://www.costquest.com/broadband-serviceable-location-fabric/fabric-faq/ (last visited Jan. 7, 2025) ("In addition to permitting use of the Fabric in meeting Broadband Data Act ("BDA") obligations, such as the Broadband Data Collection, the modified license now allows Tier 2 licensees, such as broadband internet access service providers, to submit Fabric-derived filings to the FCC (and/or any FCC-established entities, e.g., USAC) for Universal Service Fund reporting obligations. Currently this allows Tier 2 license holders to use the Fabric for comparative analysis of their BDC filings and other FCC required filings.").

[46] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 402, para. 7.

[47] *Id.* at 403, para. 8 n.21.

[48] 47 U.S.C. § 642(b)(1)(B)(ii).

[49] *See, e.g.*, NTCA Comments at 4-5, RECPB Comments at 3-6; NTCA Reply at 3-4; NRECA Reply at 3-4.

[50] Universal Service Administrative Company, HUBB Frequently Asked Questions, at 6 https://www.usac.org/wp-content/uploads/high-cost/documents/Tools/HC-HUBB-FAQ.pdf (last visited Jan. 7, 2025). We expect that we will further address this issue as we determine how to reconcile HUBB data with Fabric data.

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 we explain below, for RDOF, the PR Fund, and the Connect USVI Fund, we 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. We also will account for the buffer when reconciling inconsistencies between all carriers' HUBB reporting and data reported in the BDC.

## B. Relevant High-Cost Support Mechanisms' Specific Uses for the Fabric

### 1. Rural Digital Opportunity Fund

#### a. Background

19. In January 2020, the Commission adopted a framework for RDOF to award high-cost support through a multi-round reverse, descending clock auction in unserved areas.[51] Bidding concluded in November 2020,[52] and currently there are 369 support recipients with authorized winning bids totaling just under $6 billion in support over a 10-year term, covering over 3.3 million locations in 48 states and one territory.[53] While authorized bids included a range of performance tiers, over 98% of locations are covered by authorized winning bids for Gigabit speed broadband service.[54]

20. Using CAM-estimated location totals, the Commission adopted service milestones for RDOF recipients, requiring support recipients to commercially offer voice and broadband service to 40% of the CAM-calculated number of locations in the relevant eligible census blocks in a state by the end of the third full calendar year following funding authorization, and 20% each year thereafter.[55] To account for disparities between locations on the ground and those estimated by the CAM and to acknowledge its confidence that the Commission would have access to more accurate location data in the next few years, the Commission directed WCB to seek comment on the updated location data and publish revised location counts no later than the end of service milestone year six.[56] The Commission indicated that it did not expect these updated location counts to result in significantly increasing the deployment obligations of support recipients, and thus the Commission decided that a support recipient no longer had to maintain a letter of credit to protect the public's funds once it had been verified that the support recipient had met the sixth year service milestone.[57]

21. The Commission also adopted a framework for how service milestones would be revised in various circumstances after WCB had published more accurate location counts. Specifically, in areas where there are more locations than locations estimated by the CAM, a support recipient has until the end of the eighth calendar year to offer service to the additional locations, and only CAM location counts

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[51] *RDOF Order*, 35 FCC Rcd at 688, para. 5. RDOF support was targeted to census blocks that were wholly unserved with fixed voice and broadband service at speeds of 25/3 Mbps, which were identified using the most recent publicly available FCC Form 477 data and a limited challenge process. *Id.* at 690-94, paras. 9-16.

[52] *Rural Digital Opportunity Fund Phase I Auction (Auction 904) Closes; Winning Bidders Announced; FCC Form 683 Due January 29, 2021*, AU Docket No. 20-34 et al., Public Notice, 35 FCC Rcd 13888 (WCB and OEA 2020) (*Auction 904 Closing Public Notice*).

[53] *Rural Digital Opportunity Fund Auction 904 Application Review Concludes; Long-Form Applications Made Public*, AU Docket No. 20-34 et al., Public Notice, 38 FCC Rcd 12029 (WCB 2023).

[54] *Id.*

[55] 47 CFR § 54.802(c)(1); *RDOF Order*, 35 FCC Rcd at 709, para. 45. A support recipient is deemed to be commercially offering voice and/or broadband service if it provides services to the location or could provide it within 10 business days upon request. *Id.* at 711-12, para. 54.

[56] *RDOF Order*, 35 FCC Rcd at 709, para. 45.

[57] *Id.* at 731, para. 103.

will be used to measure compliance with interim service milestones up to 100% of CAM locations by the end of the sixth calendar year.[58] If the new location count exceeds the CAM location count by more than 35%, an RDOF support recipient can also seek additional support or relief from the Commission.[59] Additionally, an RDOF support recipient may seek to have its new location count adjusted to exclude additional locations, beyond the number identified by the CAM, that are ineligible, unreasonable to deploy to, or are part of a development that is newly built after the sixth year of support for which the cost and/or time to deploy before the end of the support term would be unreasonable.[60]

22. If there are fewer locations than estimated by the CAM in a service area, the Commission directed support recipients to notify WCB no later than March 1st following the fifth year of deployment.[61] Upon confirmation by WCB, the support recipient will be required to serve 100% of the new number of locations by the end of the sixth calendar year.[62] If the new location total is less than 65% of the CAM location total, WCB will reduce the support recipient's support on a pro rata basis by the number of reduced locations.[63] The Commission directed RDOF support recipients that discover that there are not enough locations to meet their 40% or 60% service milestones to seek waiver from WCB.[64]

23. Finally, the Commission required that RDOF support recipients offer service upon reasonable request to locations built after WCB has updated location totals.[65] However, the Commission made several exceptions and did not require an RDOF support recipient to serve locations that do not request service, locations with exclusive arrangements with other providers, and locations built after service milestone year eight.[66]

### b. Discussion

24. As directed by the Commission, we adopt a process to implement the Commission's framework for adjusting required location totals based on the Fabric. Specifically, we determine the timing for when WCB 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 CAM, adopt standards we should use for waivers, describe the process for determining whether requests for service are reasonable, and determine how we will apply the framework to support recipients that have multiple performance tiers associated with their winning bids.

#### (i) Timing for Revised Location Totals

25. 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,[67] we 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

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[58] 47 CFR § 54.802(c)(1)(i); *RDOF Order*, 35 FCC Rcd at 710, para. 49.

[59] 47 CFR § 54.802(c)(1)(i); *RDOF Order*, 35 FCC Rcd at 710, para. 49.

[60] *RDOF Order*, 35 FCC Rcd at 710-11, para. 50.

[61] 47 CFR § 54.802(c)(1)(ii); *RDOF Order*, 35 FCC Rcd at 711, para. 51.

[62] 47 CFR § 54.802(c)(1)(ii); *RDOF Order*, 35 FCC Rcd at 711, para. 51.

[63] 47 CFR § 54.802(c)(1)(ii); *RDOF Order*, 35 FCC Rcd at 711, para. 51.

[64] *RDOF Order*, 35 FCC Rcd at 711, para. 51.

[65] 47 CFR § 54.802(c)(1)(iii); *RDOF Order*, 35 FCC Rcd at 711, para. 52.

[66] *RDOF Order*, 35 FCC Rcd at 711, para. 52.

[67] *Id.* at 709, para. 45.

December.[68] We expect 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 our original proposal to use the June 2027 version of the Fabric,[69] we 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. We find these benefits outweigh any disadvantages of using an earlier version of the Fabric. We also believe this approach appropriately balances our 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.[70]

26. 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, we 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 we note that the RDOF carrier must also serve any newly built locations upon reasonable request in the eligible census blocks subject to limited exceptions.[71] As a result, RDOF carriers will transition to reporting Location IDs in their HUBB filings.

27. 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, we will rely on licensees to overlay their RDOF service areas on the latest version of the Fabric.[72] 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.[73] We conclude 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.[74] Additionally, we expect to provide resources as part of carriers' HUBB reporting to

[68] *Fabric Challenges Best Practices Public Notice*.

[69] *High Cost Fabric Public Notice*, 38 FCC Rcd at 406, paras. 18-19.

[70] Bulk Fabric challenges to the June 2026 version of the Fabric will need to filed soon after that version of the Fabric is made available to licensees in order to be incorporated into the December 2026 version of the Fabric.

[71] 47 CFR § 54.802(c)(1)(iii); *RDOF Order*, 35 FCC Rcd at 711, para. 52.

[72] The FCC also provides information regarding how to use the Fabric in the BDC Help Center. FCC, Broadband Data Collection Help Center, https://help.bdc.fcc.gov/hc/en-us/sections/8772314095259-Use-the-Fabric (last visited Jan. 7, 2025).

[73] *See, e.g.*, RECPB Comments at 7; Irby et al. Comments at 2-3.

[74] *See Second BDC Report and Order*, 35 FCC Rcd at 7465, para. 12 ("All terrestrial fixed and satellite service providers must report either polygon shapefiles or lists of addresses or locations that constitute their service areas.").

assist in this effort. Accordingly, we do 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.

28. We also adopt our 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.[75] Such an approach means that locations built after we announce 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.[76] NCTA supported this approach, and no commenter indicated it disagreed with our 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.[77]

#### (ii) More Locations than Included in the RDOF Auction

29. For RDOF support recipients that must deploy to additional locations once WCB announces revised location totals, we adopt our proposal with a minor modification: we will increase support on a pro rata basis for each location over the 35% threshold based on the average support amount per location.[78] In adopting this approach, we agree 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 we were to use the new location total to calculate the average cost per location.[79]

30. We conclude 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 we 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

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[75] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 406, para. 20. *See also* NCTA Comments at 4 (supporting this approach). Support recipients authorized in 2022 and 2023 have the same service milestones and must serve 100% of CAM-estimated locations by December 31, 2028. *Rural Digital Opportunity Fund Support for 1,764 Winning Bids Ready to be Authorized; Bid Defaults Announced*, AU Docket No. 20-34 et al., Public Notice, 37 FCC Rcd 14699 (WCB/OEA 2022).

[76] Pursuant to the Commission's rules, carriers authorized in 2022 and 2023 will still have until December 31, 2028 to serve 100% of their model-estimated location total (or their adjusted location total if there are fewer locations than estimated) and until December 31, 2030 to serve any additional locations identified during the recount. 47 CFR § 54.802(c)(1). *See also* NCTA Comments at 5 (noting that carriers authorized in 2022 and 2023 should not be disadvantaged if the Bureau adopts location counts earlier than required).

[77] NCTA Comments at 4-5. *See also RDOF Order*, 35 FCC Rcd at 711, para. 52.

[78] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 406-07, para. 21.

[79] NCTA Comments at 6 n.50; RECPB at 11. We originally proposed that we would calculate average support per location by dividing the total authorized support by the new location total. However, based on the record, we instead implement this support adjustment as follows: if an RDOF support recipient's original CAM-estimated location total is 100 locations for $10,000 in support over the 10-year term and its revised location total is 138 locations, we would increase the support recipient's support by approximately $300. The average support per location would be approximately $100 ($10,000 divided by 100= $100) and the support recipient would receive an increase in support for three locations because three locations exceed the 35% threshold ($100 x 3 = $300).

would delay broadband to these areas.[80]

31. We disagree with commenters that suggest we should provide support to carriers for every location that exceeds their original estimated location total or that we should provide extra support for such locations to carriers that demonstrate good cause.[81] First, RECPB's request that we "abandon" the 35% threshold is an untimely petition for reconsideration of the Commission's decision to adopt this threshold.[82] 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.[83] Even if we 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.[84]

32. For the same reasons, we also disagree with the suggestion that we adopt 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.[85] Such an approach would undermine the Commission's goal of maximizing service to RDOF areas[86] and would be at odds with the Commission's requirement that RDOF carriers serve 100% of locations subject to only very limited

[80] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 407, para. 22.

[81] *See, e.g.*, RECPB Comments at 11; WISPA Reply at 4. *See also* NTCA Reply at 5 (noting that the Bureau's proposal "is far more reasonable and better aligns with the realistic needs by providing an appropriate level of incremental support.").

[82] RECPB Comments at 11. *See also* NTCA Reply at 5; WISPA Reply at 4. Petitions for reconsideration must be filed within 30 days from the date of public notice of the Commission's action. 47 CFR § 1.429(d). The *RDOF Order* was published in the Federal Register in March 2020. FCC, Rural Digital Opportunity Fund, Connect America Fund, Final Rule, 85 FR 13773 (Mar. 10, 2020).

[83] *Auction 904 Procedures Public Notice*, 35 FCC Rcd at 6125, paras. 128-34. We are also not persuaded that we should adopt a more complex process for determining support amounts for all additional locations. For example, we decline to adopt the RDOF Winners' suggestion that we increase support on a pro rata basis for all new locations that exist because of the addition of new roads. RDOF Winners Comments at 2-9. We expect that it would be burdensome for Commission staff and service providers to determine on a road-by-road basis whether certain roads were in existence at the time of bidding. While the RDOF Winners suggest comparing the Fabric to the road system used for developing the CAM, the model relied on 2010 US Census TIGER data to identify roads, years before RDOF bidding occurred, and carriers were expected to conduct due diligence to determine whether there were differences between the CAM and their actual service area before bidding in the RDOF auction. RDOF Winners Comments at 5-6; CAM Methodology at 52. Accordingly, carriers had the opportunity to determine if roads had been built since the data used in the CAM prior to bidding. It would be a fact-intensive inquiry to determine whether roads that appear in the Fabric were constructed before bidding which could delay our ability to calculate support amounts for carriers to provide them with certainty regarding how much support they will have to deploy to additional locations. Instead, we conclude the approach we adopt better balances administrative efficiency and certainty for carriers with a reasonable methodology for determining a funding amount that carriers can use to build to locations. Carriers that believe it is unreasonable to serve additional locations with the funding they receive have the opportunity to raise this with the Bureau as detailed below.

[84] WISPA Reply at 4.

[85] *Id.* at 4.

[85] RECPB Comments at 7.

[86] *RDOF Order*, 35 FCC Rcd at 710, para. 47 ("By requiring build-out to the entire designated area even in light of the possibility that location numbers could change, we seek to ensure the availability of broadband and voice services to as many rural consumers and small businesses within the Phase I auction areas by the end of the ten-year term as possible.").

exceptions.[87] 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.[88]

33. 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.[89] We adopt our 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.[90] NCTA supports this approach,[91] and no parties indicated disagreement with our rationale that this approach would enable us 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.

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[87] *RDOF Order*, 35 FCC Rcd at 710-11, paras. 49-50.

[88] To promote the efficient use of broadband funding, a number of funding programs make areas ineligible for broadband deployment funding where a service provider is already subject to an enforceable commitment to serve. *See, e.g.*, Department of Commerce, National Telecommunications and Information Administration, Broadband Equity, Access, and Deployment (BEAD) Program Notice of Funding Opportunity at 36-37 & n.52 (May 13, 2022), https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf (BEAD Program NOFO) (explaining that any location that is already subject to an enforceable commitment for the deployment of qualifying broadband cannot be treated as unserved or underserved); Department of Commerce, National Telecommunications and Information Administration, Tribal Broadband Connectivity Program Round 2 Notice of Funding Opportunity at 10-11, 28 (July 27, 2023), https://www.ntia.gov/sites/default/files/2023-07/ntia-tbcp-round2-nofo.pdf ("A Tribal Government may not certify Tribal Lands covered under an Enforceable Buildout Commitment as defined [in the NOFO] . . ., as Unserved"); Department of Agriculture, Rural Utilities Service, Corrected Notice of Funding Opportunity for the Community Connect Grant Program for Fiscal Year 2023, 88 Fed. Reg. 87750, 87751 (Dec. 19, 2023) ("Areas receiving, or areas that have received final approval for, other federal funding to construct terrestrial facilities providing at least 10/1 Mbps service in the project Proposed Funded Service Area as of the date of this notice, and which have been reported to the agency, are ineligible."); Department of Agriculture, Rural Utilities Service, Rural eConnectivity (ReConnect) Program Notice of Funding Opportunity, 89 Fed. Reg. 13035, 13036 (Feb. 21, 2024) (defining an enforceable commitment to mean "a legally enforceable obligation by any federal, state, or local agency, utilizing Federal Funds, to provide broadband service with speeds of at least 100 megabits per second (Mbps) downstream and 20 (Mbps) upstream"); Department of Treasury, Guidance for the Coronavirus Capital Projects Fund for States, Territories, and Freely Associated States, at 3-4 (Sept. 2021), https://home.treasury.gov/system/files/136/Capital-Projects-Fund-Guidance-States-Territories-and-Freely-Associated-States.pdf ("To the extent Recipients are considering deploying broadband to locations where there are existing enforceable federal or state funding commitments for reliable wireline service at speeds of at least 100 Mbps of download speed and 20 Mbps of upload speed, the Recipient should ensure that the Capital Projects Fund grant funding will not be used for costs that will be reimbursed by the other federal or state funding stream(s). That is, Capital Projects Fund grant funds must be used only for complementary purposes.").

[89] *RDOF Order*, 35 FCC Rcd at 710-11, para. 50.

[90] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 407, para. 24. Individual challenges can be made directly on the FCC National Broadband Map. Federal Communications Commission, National Broadband Map, https://broadbandmap.fcc.gov/home (last visited Jan. 7, 2025). *See also Broadband Data Task Force Publishes Specifications for Bulk Fixed Availability Challenge and Crowdsource Data*, WC Docket No 19-195 et al., Public Notice, 37 FCC Rcd 10626 (BDTAF/WCB/OEA 2022).

[91] NCTA Comments at 6 n.11 ("This is a reasonable and manageable approach that will have the benefit of improving the accuracy of the Fabric.").

34. For locations that a carrier believes are unreasonable to serve, we 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.[92] Accordingly, we decline to adopt specific criteria or presumptions at this point for defining what constitutes a location that is unreasonable to serve.[93] We agree 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,[94] how far away the location is from the existing network footprint,[95] terrain issues,[96] the marginal cost to deploy to the location as compared to revenues,[97] and whether a location has been deemed extremely high-cost by the state for the BEAD program,[98] are all factors that may be relevant to determining whether a location is unreasonable to serve. As part of this inquiry, we 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.[99]

35. 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, we conclude that it would be best to examine each situation on a case-by-case basis. Otherwise, we 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 us to examine all relevant factors, including the enforceable buildout commitment preventing broadband funding for deployment by other federal programs, and allow us to coordinate with other federal, state, and local partners if we in fact do 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 we will deem unreasonable to serve,[100] we conclude that these concerns are outweighed by the importance of ensuring as many locations as possible have access to broadband service.

36. As we explained in the *High-Cost Fabric Public Notice*, we do not expect to routinely

[92] *RDOF Order*, 35 FCC Rcd at 710, para. 47.

[93] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 407, paras. 23-25 (seeking comment on criteria the Bureau should consider when determining whether a location is unreasonable to serve).

[94] NCTA Comments at 6.

[95] *Id.* at 6, 8 (suggesting a standard of "500 feet or more of new plant construction (excluding footage for the drop to the location) or more than 1,200 feet of fiber drop construction" for newly built locations); Irby et al. Comments at 5.

[96] NCTA Comments at 6.

[97] *Id.* at 8 (suggesting this as a presumption for newly built locations).

[98] *Id.* at 6-7. *See also* BEAD Program NOFO at 13-14. While NTIA indicated that it "expects" states will allocate BEAD funding to fund "end-to-end fiber projects . . . wherever feasible," each state is required to set an "Extremely High Cost Per Location Threshold" and can select subgrantees that plan to use alternative technologies to serve locations that exceed the threshold if the alternative technology proposals are "less expensive" than fiber proposals. *Id.* at 13 n.6, 14, 38.

[99] *Auction 904 Procedures Public Notice*, 35 FCC Rcd at 6126, para. 133 (requiring that each RDOF bidder certify in its short-form applications that it has the "sole responsibility for investigating and evaluating all technical and marketplace factors that may have a bearing on the level of [RDOF] support it submits as a bid, and that if the applicant wins support, it will be able to build and operate facilities in accordance with the [RDOF] obligations and the Commission's rules generally").

[100] Irby et al. Comments at 6 (encouraging the Bureau to "make clear what is reasonable").

grant requests to exclude locations from a support recipient's new location total.[101] 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.[102] Accordingly, in determining whether a request is unreasonable, we will conduct a rigorous, thorough and searching review that (1) will include, but not be limited to, the consideration of all the factors discussed above and (2) will be comparable to a total company earnings review in which we 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.

37. Once we have announced revised location totals in 2027, we will require carriers to submit any requests to remove locations from their revised location lists no later than six months after the date we announce the revised location totals. We expect 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.[103] 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, we are not able to adopt a set timeline for when we would be able to make determinations, but we anticipate that requiring carriers to notify us within six months of the Bureau 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.[104]

38. We encourage all carriers that have more locations than estimated in their service areas to file a location request with the Bureau as soon as the Bureau 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 we do deem a location unreasonable to serve, we 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

[101] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 407, para. 25.

[102] *RDOF Order*, 35 FCC Rcd at 710-11, paras. 47, 49-50 (explaining the Commission "required build-out to the entire designated area"). .

[103] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 407, para. 23 (seeking comment on whether the Bureau should set up a process by which support recipients must notify us that their new location total includes locations that they would like to be excluded so that those locations can become eligible for other funding programs and require that support recipients notify the Bureau in the relevant docket by a specific date during the support term). *See also* NCTA Comments at 7-8 (urging the Bureau to "set a deadline that gives recipients sufficient time after the adjustment of the location count to identify locations that would present unusual challenges, while also providing for sufficient time for recipients to complete deployment to those locations if the Commission denies the recipient's request to exclude the location").

[104] 47 CFR § 54.806(c)(1); *RDOF Order*, 35 FCC Rcd at 714, para. 59. *See* NCTA Comments at 7-8 (urging the Bureau "to set a time certain within which it will issue decisions on exclusion requests").

CAM-estimated location total at a minimum by the end of the deployment term.[105]

39. We disagree 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.[106] We conclude 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*.[107] While we recognize that it may increase costs for carriers to go back and serve additional locations that were not in existence during the initial build,[108] we agree with 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.[109] And we also expect that because they knew they would be required to offer service to the locations included in the Bureau's recount subject to limited exceptions,[110] 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.[111] As described above, 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.[112] We are 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.[113] 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.

**(iii) Fewer Locations than Included in the RDOF Auction**

40. We also adopt 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.

41. *Prior to the sixth year service milestone*. The Commission directed RDOF carriers to

[105] 47 CFR § 54.806(c)(1)(i); *RDOF Order*, 35 FCC Rcd at 710, para. 49.

[106] NCTA Comments at 9.

[107] 47 CFR § 54.806(c)(1)(i); *RDOF Order*, 35 FCC Rcd at 710-11, para. 50.

[108] NCTA Comments at 9 ("After a provider has completed its initial deployment, the cost and effort required to go back and build additional network extensions is not always the same as the cost and effort required to connect existing locations as part of an initial build, and may be much higher, as construction crews have moved on.").

[109] *See* Irby et al. Comments at 5 ("[I]t is worth noting that any newly built locations would in all likelihood be within the footprint of the existing broadband infrastructure that has already been deployed to meet the requirements of the original RDOF authorization. Any new locations presumably would be on or near existing roads over which fiber has been deployed to serve the consumers that exist today, and therefore it should be easy to extend service to those new locations.").

[110] 47 CFR § 54.806(c)(1); *RDOF Order*, 35 FCC Rcd at 710-11, para. 50.

[111] *RDOF Order*, 35 FCC Rcd at 710, para. 47 ("By requiring build-out to the entire designated area even in light of the possibility that location numbers could change, we seek to ensure the availability of broadband and voice services to as many rural consumers and small businesses within the Phase I auction areas by the end of the ten-year term as possible.").

[112] *RDOF Order*, 35 FCC Rcd at 710-11, para. 50. Carriers facing special circumstances that prevent them from serving locations in the required timeframe have the option to seek waiver.

[113] NCTA Comments at 10 ("[A]n unqualified requirement to deploy to serve new locations after deployment is otherwise considered complete could discourage providers from completing construction early.").

notify WCB no later than March 1st following the fifth year of deployment—i.e., March 1, 2027—if there are fewer actual locations than were included in the RDOF auction.[114] RDOF carriers with fewer locations shall submit a notification in 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 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. We expect 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.

42. We also adopt our 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.[115] If a verification determines that the support recipient has served all existing locations prior to the sixth year service milestone, we will permit the support recipient to close out its letter of credit. Commenters generally supported this proposal,[116] 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,[117] and that any non-compliance issues can be handled pursuant to the Commission's rules.[118] WISPA also explained that giving carriers this option may create further incentives for recipients to complete their deployment plans sooner.[119]

43. We disagree that we 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.[120] If a challenge is not resolved favorably for the carrier, that could result in the carrier having unserved locations in its service area. We find 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, we encourage carriers to file challenges as soon as possible to avoid delays.

44. 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

[114] 47 CFR § 54.802(c)(1)(ii); *RDOF Order*, 35 FCC Rcd at 711, para. 51.

[115] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 408, para. 27. In situations where there are more actual locations than estimated by the model in a RDOF carrier's service area, we already permit such a carrier to close out its letter of credit if USAC verifies the carrier is offering the required service to the model-estimated number of locations. 47 CFR § 54.804(c)(1) (explaining that a RDOF carrier "shall maintain the standby letter of credit . . . until [USAC] has verified that the recipient has served 100 percent of the Connect America Cost Model-determined location total").

[116] *See, e.g.*, NCTA Comments at 10; RECPB at 9-10; Irby et al. Comments at 3-4; NTCA Reply at 6; WISPA Reply at 3-4.

[117] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 408, para. 27. *See also RDOF Order*, 35 FCC Rcd at 731, para. 103 (permitting RDOF support recipients to close out their letters of credit once it has been verified they have met the sixth year service milestone because the Commission does not "expect new additional locations in years seven and eight to be significant enough that it would be necessary to secure that additional deployment with a letter of credit . . . .").

[118] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 408, para. 27. *See, e.g.*, 47 CFR § 54.320.

[119] WISPA Reply at 3-4.

[120] RECPB Comments at 10.

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).[121] We recognize that some locations may come into existence soon before the Bureau adopts the revised location totals.[122] 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.[123] We expect 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 we explained above, 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 we do not find it necessary to release updated location counts with each release of the Fabric.[124]

45. 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.[125] We adopt our 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 USAC verifies that the support recipient offers service meeting the relevant Commission requirements to all existing locations.[126] No commenters opposed this proposal nor offered any rationale for why we should not find:

[121] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 408, para. 28 (seeking comment on requiring a support recipient that has already been verified to have served all existing locations to serve any locations that are newly identified prior to the sixth year service milestone, up to the CAM-estimated total). *See also* 47 CFR § 54.806(c)(1)(i); *RDOF Order*, 35 FCC Rcd at 710, 711, paras. 49, 51.

[122] *See, e.g.*, Irby et al. Comments at 5 (stating that they have "no objection" to the Bureau requiring that WCB require support recipient to serve newly added locations by the end of the deployment period or some additional reasonable amount of time "so long as the Bureau recognizes it may not be reasonable to extend service to Fabric locations that are newly identified in 2026 . . . by the end of 2027").

[123] 47 CFR § 54.806(c)(1)(i); *RDOF Order*, 35 FCC Rcd at 714, para. 59. For the same reasons we decline to adopt objective standards or a presumption for defining locations that exceed the model-estimated count as unreasonable to serve, we also decline to adopt objective standards or a presumption here. Irby et al. Comments at 5 (stating "[i]t may be helpful . . . for the Bureau to issue some objective standards, or at least a presumption, that would help service providers understand what is deemed reasonable (or conversely unreasonable) after completion of the final milestone verification.").

[124] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 408, para. 28; Irby et al. Comments at 5 (supporting an announcement by the Bureau after each Fabric release regarding whether any new locations had been identified by the Fabric).

[125] *RDOF Order*, 35 FCC Rcd at 711, para. 51.

[126] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 409, paras. 31-32. Applying this standard, we grant Taylor Telephone Coop., Inc. d/b/a Taylor Telecom (Taylor) a waiver of the 40%, 60%, and 80% RDOF service milestones. 47 CFR § 54.802(c)(1). Taylor has demonstrated there are currently no locations in its service area and we have confirmed the current version of the Fabric does not show any locations in Taylor's service area. Taylor Telephone Cooperative, Inc. d/b/a Taylor Telecom Petition for Waiver, AU Docket No. 20-34 et al. (filed Mar. 10, 2023) (Taylor Petition); Letter from John Kuykendall, Consultant for Taylor Telephone Cooperative, Inc. d/b/a Taylor Telecom, to Marlene H. Dortch, Secretary, FCC, AU Docket No. 20-34 et al. (filed Nov. 14, 2024). However, we will require Taylor to continue to monitor the Fabric, and if when the Bureau adopts revised location counts, it identifies locations in Taylor's service area, Taylor will be required to serve those locations by the end of

(continued….)

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.[127]

46. We are persuaded by commenters that we 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.[128] The Commission has explained that it withholds support through its non-compliance measures framework to encourage compliance,[129] and if a carrier has already served 100% of actual locations, the need to take additional measures to incentivize compliance diminishes.[130] Moreover, no commenters supported withholding funds from such carriers, so there is nothing in the record that convinces us 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.

47. *Post WCB's announcement of revised location totals.* We adopt our 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.[131] Accordingly, we 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.[132] As we explained in the *High-Cost Fabric Comment 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

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the six-year deployment period. *See* Taylor Petition at 3 (explaining "Taylor Telecom is ready, willing, and able to serve all locations within its awarded, eligible census blocks").

[127] Generally, the Commission's rules may be waived for good cause shown. 47 CFR § 1.3. Waiver of the Commission's rules is appropriate only if both: (1) special circumstances warrant a deviation from the general rule, and (2) such deviation will serve the public interest. *See Northeast Cellular Tel. Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (citing *WAIT Radio v. FCC*, 418 F.2d 1153, 1157-59 (D.C. Cir. 1969), *cert. denied*, 93 S.Ct. 461 (1972) (*WAIT Radio)*) (*Northeast Cellular*).

[128] *See, e.g.*, NCTA Comment at 10; Irby et al. Comments at 4. *See also High-Cost Fabric Public Notice*, 39 FCC Rcd at 408-09, para. 30 (seeking comment on withholding a certain percentage of support from carriers that close out their letters of credit early for added protection).

[129] *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order, 29 FCC Rcd 15644, 15697, para. 148 n.328 (2014) ("Our overriding objective is to create a framework that incents full performance.").

[130] *See* Irby et al. Comments at 4.

[131] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 409-10, para. 33. *See also RDOF Order*, 35 FCC Rcd at 711, para. 51. We acknowledge that in the public notices that we released when authorizing RDOF support recipients we included a different calculation for decreasing support for those carriers for which the revised location count is less than 65% of the CAM locations. *See, e.g., Rural Digital Opportunity Fund Support Authorized for 1,605 Winning Bids*, AU Docket No. 20-34 et al., Public Notice, 37 FCC Rcd 8331, 8333 n.11 (WCB/OEA 2022). The methodology we adopt in this Order pursuant to a notice and comment opportunity supersedes the calculation we included in the authorization public notices.

[132] *RDOF Order*, 35 FCC Rcd at 711, para. 51. If an RDOF support recipient's original CAM-estimated location total is 100 locations for $10,000 in support over the 10-year term and its revised location total is 62 locations, we will decrease the support recipient's support by approximately $300. The average support per location would be approximately $100 ($10,000 divided by 100= $100) and the support recipient would receive a decrease in support for three locations because three locations fall below the 65% threshold ($100 x 3 = $300).

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.[133] No commenters specifically opposed our rationale for adopting this approach.

48. As we explained above regarding the 35% threshold for providing more support to carriers that have additional locations added to their required location totals, we are not persuaded that carriers for which the revised location count is less than 65% should retain their full support. As noted above, the RECPB's suggestion that we not reduce support for such carriers is an untimely request for reconsideration of the Commission's decision to adopt this threshold.[134] Moreover, we are not persuaded we 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.[135]

#### (iv) Multiple Performance Tiers

49. We adopt our proposed methodology for revising the location totals for those support recipients that were authorized to receive support for multiple performance tiers in a state.[136] Specifically, when revising the location totals for such support recipients, we will proportionally adjust their location totals for each performance tier so that we maintain the same ratio of locations across all performance tiers for the new location total as what was authorized under the initial deployment obligation.[137] As we 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.[138] 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.[139]

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[133] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 410, para. 33.

[134] RECPB Comments at 10-11. *See also* 47 CFR § 1.429(d). For the reasons we discussed above, we also do not agree with the RDOF Winners' comments that we should consider whether the carrier "has deployed its fiber along all the roads the CAM Methodology identified" in determining whether to reduce the carrier's support. RDOF Winners Comments at 9-11.

[135] WISPA Reply at 4 (suggesting that the Bureau waive the threshold when "the lower subscriber revenue is not projected to be offset by lower costs."). *See also RDOF Order*, 35 FCC Rcd at 711, para. 51; *Auction 904 Procedures Public Notice*, 36 FCC Rcd at 6125-27, paras. 128-34.

[136] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 410, para. 34. *See also* Federal Communications Commission, Auction 904: Rural Digital Opportunity Fund, "Results" tab, https://www.fcc.gov/auction/904 (last visited Jan. 7, 2025); *RDOF Order*, 35 FCC Rcd at 702-05, paras. 31-37 (describing the RDOF performance tiers and latency levels).

[137] For example, if a RDOF support recipient was authorized to offer Gigabit service to 50 locations and Above Baseline to 50 locations, and then 20 additional locations are added when WCB revises the location totals, WCB would adjust the location count so that the RDOF support recipient would have to serve 10 additional locations at Gigabit and 10 additional locations at Above Baseline.

[138] *RDOF Order*, 35 FCC Rcd at 712, para. 54. This approach is also consistent with how WCB adjusted location totals for Connect America Fund Phase II auction support recipients that were authorized to receive support for multiple performance tiers in a state and that participated in the Eligible Locations Adjustment Process. *ELAP Resolution Order*, 38 FCC Rcd at 1140, para. 12, n.32.

[139] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 410, para. 34; *RDOF Order*, 35 FCC Rcd at 712, para. 54.

#### (v) Newly Built Locations

50. 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.[140] We adopt our 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.[141] 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 we explained above, no commenter offered an alternative that was more comprehensive or up-to-date than the Fabric, and thus we conclude the Fabric is the appropriate source for verifying compliance with this requirement. We also expect carriers will use the existing BDC Fabric challenge process to ensure the Fabric accurately depicts the locations they are serving in their service areas.

51. For the same reasons we discuss above, we decline to adopt specific parameters for determining whether a request for service is reasonable.[142] However, we recognize 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, we find 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.[143] Similarly, we adopt 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 we declined to adopt such presumptions for locations that were built prior to the Bureau adopting revised location totals, we find 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.

52. We expect to monitor compliance with this requirement as part of our 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.

### 2. The Bringing Puerto Rico Together and Connect USVI Funds

#### a. Background

53. Hurricanes Irma and Maria caused widespread devastation to Puerto Rico and the U.S. Virgin Islands, destroying thousands of homes and causing near total destruction of critical

[140] *RDOF Order*, 35 FCC Rcd at 711, para. 52.

[141] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 410-11, para. 35. *See also* Irby et al. Comments at 5-6 (agreeing with using the Fabric to verify that service providers have offered service upon reasonable request).

[142] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 411, para. 36 (seeking comment on criteria for determining whether a request is reasonable).

[143] *See* NCTA comments at 8 (suggesting that the Commission adopt "a presumption that a request for service is not reasonable" based on certain specified criteria); Irby et al. Comments at 6 ("[W]e urge the Bureau to provide some objective criteria in advance that would provide greater clarity regarding how the reasonable request standard will be applied after revised performance obligations are adopted.").

infrastructure.[144] The Commission took a number of actions to facilitate restoration of communication services in Puerto Rico and the U.S. Virgin Islands (collectively, the Territories), including in 2018 establishing the PR Fund and the Connect USVI Fund to award high-cost support in two stages.[145]

54. In Stage 1, the Commission provided approximately $51.2 million in new support to Puerto Rico and $13 million to the U.S. Virgin Islands to help provide immediate relief and restore voice and broadband service.[146] In Stage 2, the Commission adopted a single-round competitive proposal process to allocate Stage 2 support to promote the deployment of advanced, hardened networks to all locations in the Territories.[147] In 2021, the Bureau authorized $84,456,870 in Connect USVI Fund Stage 2 support to Liberty Mobile USVI, Inc.[148] to provide fixed voice and broadband service for a 10-year period to more than 46,000 locations in the U.S. Virgin Islands.[149] The Bureau also authorized $127,095,164 in PR Fund support to Puerto Rico Telephone Company, Inc. and Liberty Communications of Puerto Rico, LLC collectively to provide fixed voice and broadband service for a 10-year period to more than 1.2 million locations in Puerto Rico.[150]

55. The Commission required the authorized carriers to provide service to all locations in their respective areas.[151] The Commission relied on Census Bureau data to determine the specific deployment obligations for each authorized carrier.[152] Acknowledging the uncertainty of location data following the hurricanes and the compelling need to adequately verify the number of locations, the Commission adopted a location adjustment process within one year after the release of a public notice announcing winning bidders.[153] As part of this process, the Commission required carriers that could not identify enough actual locations to submit evidence of the total number of locations in the eligible areas, including geolocation data, of all the locations they could identify.[154] The Commission explained that the process was mandatory for support recipients to ensure accuracy and efficient use of support.[155] The Commission also directed WCB to provide stakeholders an opportunity to review and comment on the

[144] *PR-USVI Order*, 33 FCC Rcd at 5404-05, para. 1.

[145] *See generally id.*

[146] *Id.* at 5408-09, para. 15.

[147] *2019 PR-USVI Order*, 34 FCC Rcd at 9114-15, para. 11.

[148] Liberty Mobile is the successor company of the winning Stage 2 applicant, Broadband VI. *Domestic 214 Application Granted for the Transfer of Control of Broadband VI, LLC to Liberty Mobile USVI, Inc.*, WC Docket No. 21-386, Public Notice, 36 FCC Rcd 17330 (WCB 2021).

[149] *Connect USVI Fund Stage 2 Support Authorized for Broadband VI*, WC Docket No. 18-43 et al., Public Notice, 36 FCC Rcd 9405 (WCB 2021) (*Broadband VI Authorization Public Notice*).

[150] *Wireline Competition Bureau Authorizes Stage 2 Support for Puerto Rico Telephone Company and Liberty Communications of Puerto Rico*, WC Docket No. 18-143 et al., Public Notice, 36 FCC Rcd 9914 (WCB 2021) (*PRTC and Liberty Authorization Public Notice*).

[151] *2019 PR USVI Order*, 34 FCC Rcd at 9121, para. 22.

[152] *2019 PR-USVI Order*, 34 FCC Rcd at 9143, paras. 60-61; *Wireline Competition Bureau Releases Updated List of Reserve Prices and Location Counts for the Uniendo a Puerto Rico Fund and Connect USVI Fund Stage 2 Fixed Support Competitive Proposal Process*, WC Docket No. 18-143 et al., Public Notice, 35 FCC Rcd 8228 (WCB 2020).

[153] *2019 PR-USVI Order*, 34 FCC Rcd at 9144-45, paras. 63-65. The Commission noted that the process it adopted was similar to the Eligible Locations Adjustment Process that it adopted for the CAF Phase II auction. *2019 PR-USVI Order*, 34 FCC Rcd at 9144, para. 63. *See generally Connect America Fund et al.*, WC Docket No. 10-90 et al., Order on Reconsideration, 33 FCC Rcd 1380, 1389, para. 23 (2018); *ELAP Resolution Order*.

[154] *2019 PR-USVI Order*, 34 FCC Rcd at 9145, para. 65.

[155] *Id.* at 9145, para. 64.

information provided.[156] If WCB determined by a preponderance of evidence that there were no additional locations, the Commission directed WCB to issue an order and adjust the support recipients' required total location obligation and reduce their support on a pro rata basis.[157] However, carriers are required to serve all locations in their authorized areas, even if the total number of locations is greater than the number estimated. Therefore, the Commission adopted a fifth-year reassessment, creating a voluntary opportunity for support recipients to request that the Commission carefully review their obligations no later than the beginning of the fifth year of support, and directed WCB to seek comment on any requested reassessment, including the documentation, data, and evidence to put forward to support the request.[158] WCB will make adjustments to the location totals and support amounts, if it determines such adjustments are warranted.[159]

56. In April 2023, the Commission acknowledged that the location adjustment process was delayed.[160] The Commission explained that WCB expects to implement the adjustment process based on an internal review of the Fabric.[161]

**b. Discussion**

57. We adopt our proposal to leverage Fabric data to simplify the location adjustment process for the PR Fund and the Connect USVI Fund.[162] Specifically, we 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. We conclude it is sufficient for support recipients to incorporate the data from the Fabric in their filings in ECFS by reference. We find 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.[163] No commenters provided suggestions for alternatives on how to accomplish this objective.

58. 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, we 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.

59. We will conduct the location adjustment process within a reasonable amount of time after

[156] *Id.* at 9145, para. 65.

[157] *Id.* at 9145, paras. 64-65. The Commission indicated the new support amount would be calculated by reducing authorized support by (total support/model locations) x number of deficient locations. *2019 PR-USVI Order*, 34 FCC Rcd at 9145, para. 65 n.238. WCB dismissed as untimely and alternatively denied requests to reconsider or review the location adjustment process and pro rata support reduction to align the process with the location recount process adopted for RDOF. *The Uniendo a Puerto Rico Fund and the Connect USVI Fund et al.*, WC Docket No. 18-143 et al., Order on Reconsideration and Order, 35 FCC Rcd 8211, 8213-15, 8219-21, paras. 8-11, 21-27 (WCB 2020) (*PR-USVI Recon Order*).

[158] *2019 PR-USVI Order*, 34 FCC Rcd at 9145-46, para. 66.

[159] *Id.*; *The Uniendo a Puerto Rico Fund and the Connect USVI Fund et al.*, WC Docket No. 18-143 et al., Report and Order and Order on Review, 38 FCC Rcd at 3898-90, para. 11 n.29 (2023) (*PR-USVI Transitional Support Order*).

[160] *PR-USVI Transitional Support Order*, 38 FCC Rcd at 3898-90, para. 11 n.29.

[161] *Id.*

[162] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 412-13, para. 41.

[163] *2019 PR-USVI Order*, 34 FCC Rcd at 9144, para. 63.

the version of the Fabric used for the BDC collection as of December 2025 is made available to licensees, which we expect to occur in December 2025.[164] 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.[165] No commenters proposed any particular timeline for conducting this process, but ,we conclude 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 require to serve, while also balancing the need to provide sufficient time to carriers to challenge the Fabric.[166] 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 we see 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 we expect to adopt revised location totals for PR Fund and USVI Connect Fund carriers based on the Fabric.[167]

60. For further administrative efficiency, we adopt our proposal to rely on the BDC's location challenge process to provide stakeholders and carriers an opportunity to propose corrections to the Fabric.[168] We will rely on the version of the Fabric that is released to licensees and that incorporates the results of any previously resolved challenges. Because we are 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 we 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 we could otherwise provide an opportunity for stakeholders to participate in this process as required by the Commission.

61. As proposed, if the location total based on the Fabric is lower than originally estimated, we 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*.[169] No commenter proposed any other alternatives for how to conduct the location adjustment process, and we conclude 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.

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[164] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 413, para. 45 (seeking comment on when WCB should conduct this process).

[165] *2019 PR-USVI Order*, 34 FCC Rcd at 9144, para. 63; *PR-USVI Transitional Support Order*, 38 FCC Rcd at 3898-90, para. 11 n.29.

[166] *PRTC and Liberty Authorization Public Notice*, 36 FCC Rcd at 9916; *Broadband VI Authorization Public Notice*, 36 FCC Rcd at 9407. *See also High-Cost Fabric Public Notice*, 39 FCC Rcd at 412-13, para. 41.

[167] *2019 PR-USVI Order*, 34 FCC Rcd at 9145-46, para. 66; *High-Cost Fabric Public Notice*, 39 FCC Rcd at 413-14, para. 46.

[168] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 413, para. 43.

[169] *Id.* at 413, para. 44.

62. If the location total based on the Fabric is higher than originally estimated, we 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.[170] Given that the Commission has reiterated that PR Fund and the Connect USVI Fund support recipients must serve all locations in their supported areas,[171] we conclude 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, we 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.[172] 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."[173] Thus, we conclude 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.

### 3. Alternative Connect America Cost Model I & II

#### a. Background

63. In 2016, the Commission provided rate-of-return carriers with a voluntary path from traditional rate-of-return support to model-based support and using the A-CAM established a fixed monthly support amount over a 10-year term ending in 2026 in exchange for broadband deployment to a pre-determined number of eligible locations (A-CAM I).[174] The number of locations to which a support recipient was required to offer broadband at speeds of 25/3 Mbps, 10/1 Mbps, 4/1 Mbps or upon reasonable request was based on the housing unit density of the eligible areas in the offer and the assumption that the support recipient's deployment obligations could be met by serving any eligible location in its service area.[175] The Commission made a subsequent offer to existing A-CAM carriers for more support and increased deployment,[176] and then, finally, in 2018 another offer for more support, increased deployment, and an extended support and deployment term through 2028 (Revised A-CAM I).[177] The Commission also made a new model offer for carriers still receiving support pursuant to legacy support mechanisms based on historical costs, with support and deployment terms through the end of 2028 (A-CAM II).[178]

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[170] *Id.* at 414, para. 47 (asking whether the Bureau should increase support on a pro rata basis for any additional locations, and also seeking comment on alternatives).

[171] *2019 PR-USVI Order*, 34 FCC Rcd at 9144, para. 63; *PR-USVI Transitional Support Order,* 38 FCC Rcd at 3898-90, para. 11 n.29.

[172] *PR-USVI Recon Order*, 35 FCC Rcd at 8221, para. 26. *See also* 2019 *PR-USVI Order*, 34 FCC Rcd at 9144, para. 63.

[173] *2019 PR-USVI Order*, 34 FCC Rcd at 9144, para. 63.

[174] *2016 Rate-of-Return Reform Order*, 31 FCC Rcd at 3094-3117, paras. 17-79.

[175] *Id.* at 3097-98, paras. 23-26.

[176] *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order et al., 33 FCC Rcd 2990, 3018-21, paras. 62-68 (2018).

[177] *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order et al., 33 FCC Rcd 11893, 11900-03, paras. 20-30 (2018) (*December 2018 Rate-of-Return Order*).

[178] *Id.* at 11903-15, paras. 31-69.

64. The Commission decided that A-CAM support recipients that discover there is a widely divergent number of locations in their funded census blocks as compared to the model should have the opportunity to seek an adjustment to modify their deployment obligations.[179] It delegated to WCB the authority to adjust the number of funded locations downward and reduce associated funding levels.[180]

65. In July 2023, the Commission adopted the Enhanced A-CAM support program to support the widespread deployment of 100/20 Mbps broadband service throughout the rural areas served by carriers currently receiving A-CAM support and in areas served by rate-of-return carriers.[181] While 216 A-CAM I and A-CAM II carriers at the holding company level accepted Enhanced A-CAM offers,[182] they were still required to report any progress made in 2023 towards their existing A-CAM I and A-CAM II service milestones and are subject to non-compliance measures if they do not meet those service milestones.[183] Enhanced A-CAM carriers that have met their 2023 interim deployment milestones from A-CAM I, Revised A-CAM I, or A-CAM are thereafter subject only to Enhanced A-CAM deployment obligations.[184]

#### b. Discussion

66. We adopt our 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. We agree with commenters that participation in this process should be voluntary, similar to the Eligible Locations Adjustment Process (ELAP) for the CAF Phase II auction,[185] 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.[186] We 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.[187]

67. For administrative simplicity, we 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.[188] Because the majority of A-CAM carriers' support terms will end by December 31, 2028, we find it reasonable to open a window for revised A-CAM I and A-CAM II support recipients to request in the

[179] *2016 Rate-of-Return Reform Order*, 31 FCC Rcd at 3102, para. 34.

[180] *Id.* at 3102, para. 34. *See also December 2018 Rate-of-Return Order*, 33 FCC Rcd at 11903, para. 34 (noting that the Commission adopted for A-CAM II the same terms of the A-CAM I offer to the extent the *December 2018 Rate-or-Return Order* was silent regarding the terms and conditions of A-CAM II).

[181] *See generally Enhanced A-CAM Order*.

[182] *Wireline Competition Bureau Authorizes 368 Companies in 44 States to Receive Enhanced Alternative Connect America Cost Model Support to Expand Rural Broadband*, WC Docket No. 10-90, Public Notice, 38 FCC Rcd 10304 (WCB 2023) (*Enhanced A-CAM Authorization Public Notice*).

[183] *Enhanced A-CAM Order*, 38 FCC Rcd at 7062-63, para. 49.

[184] *Id.* at 7061, paras. 48-49.

[185] *See generally ELAP Resolution Order*.

[186] NTCA Comments at 5-6; Reply Comments of WTA – Advocates for Rural Broadband, WC Docket No. 109-90 et al., at 2 (rec. Apr. 1, 2024) (WTA Reply).

[187] An A-CAM II carrier with an obligation to serve locations in Tribal lands may similarly request a downward adjustment if it has fewer Tribal locations (as determined using the boundaries previously used for A-CAM II purposes) than supported pursuant to its A-CAM II authorization.

[188] *See High-Cost Fabric Public Notice*, 39 FCC Rcd at 415, para. 53 (seeking comment on timing for the location adjustment process).

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 we expect to open the window shortly after that time—approximately two years before the end of the support term. We conclude 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. For the A-CAM I carriers that have a support term that will end by December 31, 2026, we find 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. We expect 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, we find 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 the Bureau 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.[189] 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.

68. 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, we 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, we adopt a preponderance of the evidence standard, and like what we adopted above for the PR Fund and the Connect USVI Fund, we will find that a carrier has demonstrated it has met the preponderance of the evidence standard by referencing the Fabric data.[190] No commenter opposed this approach.

69. To avoid duplicating the Commission's existing processes, we will rely on the Commission's BDC Fabric challenge process to allow carriers and stakeholders to challenge the accuracy of Fabric data.[191] To streamline our administrative process, we 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 we are announcing the versions of the Fabric that will be used now, we anticipate 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 we will be using for this process.

70. We 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 we proposed adjusting support using a pro rata approach in the *High-Cost Fabric Public Notice*,[192] we are persuaded that we should rely on the A-CAM to determine the relative costs of locations and adjust support based on this

[189] Updated summaries of A-CAM I and II authorizations are available at https://www.fcc.gov/wireline-competition/acam-authorization-summary.

[190] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 415, para. 51 (seeking comments on procedures for the location adjustment process)

[191] *Id.* (seeking comment on relying on the Commission's existing challenge process).

[192] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 415, para. 52.

methodology.[193] Unlike our 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, we agree it is reasonable to also use those cost estimates to adjust the carrier's support moving forward. Specifically, we 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.[194] Given we only have the authority to adjust a carrier's support downward, we will cap the amount of support that a carrier can receive through this adjustment process at its existing levels. Similarly, we 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.[195] Because this methodology takes into account the previously estimated costs of serving the locations by census block, we are not persuaded that we need to take the further step of reducing support only in certain circumstances such as when there are fewer than 65% of locations based on the Fabric than originally estimated.[196]

## IV. PROCEDURAL MATTERS

71. *Paperwork Reduction Act - Final.* This document contains proposed new information collection requirements. The Commission, as part of its continuing effort to reduce paperwork burdens, invites the general public and the Office of Management and Budget (OMB) to comment on the information collection requirements contained in this document, as required by the Paperwork Reduction Act of 1995, Public Law 104-13. In addition, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, *see* 44 U.S.C. 3506(c)(4), we seek specific comment on how we might further reduce the information collection burden for small business concerns with fewer than 25 employees.

72. *Congressional Review Act.* The Commission has determined, and the Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget, concurs, that this rule is non-major under the Congressional Review Act, 5 U.S.C. § 804(2). The Commission will send a

[193] *See, e.g.*, NTCA Comments at 6-7.

[194] Adjusted support for ACAM I, Revised ACAM and ACAM II recipients will be calculated according to the following procedures. Eligible census blocks will be based on 2010 census blocks and each carrier's eligible area will remain unchanged from the eligible area determined at the time of current support authorization. The model parameters of average cost per location, support cap per location, and funding threshold per location will all remain the same as those used in the calculation of currently authorized support. Specifically, average cost per location at the census block level will remain the same as the model generated average costs used in the calculation of currently authorized support. Per location support caps and support funding thresholds will remain the same as those used in the calculation of currently authorized support. The number of locations at the census block level will be recalculated to equal the number of fabric locations determined by the appropriate version of the fabric as specified in this order. For ACAM II carriers, the number of tribal locations in each census block will be equal to the number of fabric locations that fall within the tribal boundaries used at the time current support authorization. Support at the census block level will be calculated by taking the number of fabric locations in each census block above the funding threshold multiplied by the model generated average cost per location for that census block less the funding threshold capped by the per location support cap. Total support will be the sum of census block level support for all census blocks in the eligible area. If the amount of adjusted total support is greater than currently authorized support then the support will remain at the current authorized level.

[195] *See 2016 Rate-of-Return Reform Order*, 31 FCC Rcd at 3097-99, paras. 25-26; *December 2018 Rate-of-Return Reform Order*, 33 FCC Rcd at 11900-01, 11913-14, paras. 23; 64-65.

[196] *See, e.g.*, Comments of Union River Telephone Company, WC Docket No. 10-90 et al., at 4-6 (rec. Mar. 15, 2024) (suggesting that the Bureau adopt the 65% threshold); WTA Reply at 4 (stating that "for many there should be no reduction at all").

copy of this *Order* to Congress and the Government Accountability Office pursuant to 5 U.S.C. § 801(a)(1)(A). IT IS FURTHER ORDERED that the Office of the Managing Director, Performance Program Management, SHALL SEND a copy of this *Order* in a report to be sent to Congress and the Government Accountability Office pursuant to the Congressional Review Act, 5 U.S.C. § 801(a)(1)(A).

73. *Supplemental Final Regulatory Flexibility Analysis.* As required by the Regulatory Flexibility Act of 1980 (RFA),[197] 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 this *Order*. The supplemental FRFA supplements the Commission's Initial Regulatory Flexibility Analyses (IRFAs) in connection with the *USF/ICC Transformation FNPRM*,[198] *April 2014 Connect America FNPRM*,[199] *2018 Rate-of-Return Reform NPRM*,[200] and *Rural Digital Opportunity Fund NPRM* (*NPRMs and FNPRMs*),[201] and Final Regulatory Flexibility Analyses (FRFAs) in connection with the *USF/ICC Transformation Order*,[202] *2016 Rate-of-Return Reform Order*,[203] *2018 Rate-of-Return Reform Order*,[204] and *RDOF Order*.[205] A supplemental Initial Regulatory Flexibility Analysis (Supplemental IRFA) was also filed in the *High-Cost Fabric Public Notice* in this proceeding.[206] 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

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[197] 5 U.S.C. § 603. The RFA, 5 U.S.C. §§ 601-612, has been amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), Public L. No. 104-121, Title II, 110 Stat. 857 (1996).

[198] *USF/ICC Transformation FNPRM*, 26 FCC Rcd at 18364-95, Appx. P.

[199] *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order et al., 29 FCC Rcd 7051, 7216-44, Appx. D (2014) (*April 2014 Connect America FNPRM*).

[200] *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order et al., 33 FCC Rcd 2990, 3070-94, Appx. C (2018) (*2018 Rate-of-Return Reform NPRM*).

[201] *Rural Digital Opportunity Fund et al.*, WC Docket Nos. 19-126, 10-90, Notice of Proposed Rulemaking, 34 FCC Rcd 6778, 6821-34, Appx. B (2019) (*RDOF NPRM*).

[202] *USF/ICC Transformation Order*, 26 FCC Rcd at 18324-63, Appx. O.

[203] *2016 Rate-of-Return Order*, 31 FCC Rcd at 3286-3314, Appx. D.

[204] *2018 Rate-of-Return Order*, 33 FCC Rcd at 11992-12016, Appx. C.

[205] *RDOF Order*, 35 FCC Rcd at 758-772, Appx. B. The Commission did not prepare an IRFA or FRFA for the PR Fund and the Connect USVI Fund because the Commission anticipated that the rules adopted for these programs would not affect a substantial number of small entities. *PR-USVI Stage 2 Order*, 34 FCC Rcd at 9186, paras. 163-66; *The Uniendo a Puerto Rico Fund and the Connect USVI Fund et al.*, WC Docket No. 18-143 et al., Order and Notice of Proposed Rulemaking, 33 FCC Rcd 5404, 5428-29, paras. 102-103 (2018). The Commission sought written public comment on the proposals in the *NPRMs and FNPRMs*, including comments on the IRFAs. The Commission received comments in response to the *USF/ICC Transformation Order* IRFA, but did not receive any comments in response to the other Regulatory Flexibility Analyses. *USF/ICC Transformation Order*, 26 FCC Rcd at 18333, Appx. O. The comments received in response to the *USF/ICC Transformation Order* IRFA were addressed in the *USF/ICC Transformation Order FRFA*,[205] and did not specifically address the issues that we sought comment on in the Public Notice. *Id.*; *See* Letter from Brenda Crosby, President, Cascade Utilities, Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket Nos. 10-90, et al., at 3 (filed Apr. 6, 2011); Comments of Molalla Telephone Company at 3 (filed Apr. 18, 2011); Letter from John Hemphill, Vice President, Pine Telephone System, Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket Nos. 10-90, et al., at 3 (filed Mar. 30, 2011); Letter from Dave Osborn, Valley Telephone Cooperative, Inc. to Marlene H. Dortch, Secretary, FCC, WC Docket Nos. 10-90, et al., at 3-4 (filed Aug. 29, 2011).

[206] *High-Cost Fabric Public Notice*, 39 FCC Rcd at 417-20, paras. 59-67.

the RFA.[207]

74. *Need for, and Objectives of, the Order*. This *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,"[208] 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 our compliance reviews to verify high-cost carriers' reporting in the HUBB and claims that they have met their service milestones.

75. 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.[209] 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.

76. *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.

77. *Response to Comments by the Chief Counsel for Advocacy of the Small Business Administration*. Pursuant to the Small Business Jobs Act of 2010,[210] 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.

78. *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.[211] The RFA generally defines the term "small entity" as having the same meaning as the terms "small business," "small organization," and "small governmental jurisdiction."[212] In addition, the term "small business" has the same meaning as the term "small business concern" under the Small Business Act.[213] A "small business concern" is one

[207] *See* 5 U.S.C. § 604.

[208] 47 U.S.C. § 642(b)(1)(A)(i).

[209] *See, e.g.*, *RDOF Order*, 35 FCC Rcd at 709-12, paras. 45-52; *2019 PR-USVI Order*, 34 FCC Rcd at 9144-46, paras. 63-66; *2016 Rate-of-Return Order*, 31 FCC Rcd at 3102, para. 34.

[210] 5 U.S.C. § 604(a)(3).

[211] *Id.* § 603(b)(3).

[212] *Id.* § 601(6).

[213] *Id.* § 601(3) (incorporating by reference the definition of "small-business concern" in the Small Business Act, 15 U.S.C. § 632). Pursuant to 5 U.S.C. § 601(3), the statutory definition of a small business applies "unless an agency, after consultation with the Office of Advocacy of the Small Business Administration and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition(s) in the Federal Register."

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.[214]

79. As noted above, Regulatory Flexibility Analyses were incorporated in the *USF/ICC Transformation FNPRM*,[215] *April 2014 Connect America FNPRM*,[216] *2018 Rate-of-Return Reform NPRM*,[217] *Rural Digital Opportunity Fund NPRM*,[218] *USF/ICC Transformation Order*,[219] *2016 Rate-of-Return Reform Order*,[220] *2018 Rate-of-Return Reform Order*,[221] and *RDOF Order*.[222] In those analyses, the Commission described in detail the small entities that might be significantly affected. Accordingly, in this Supplemental FRFA, we hereby incorporate by reference the descriptions and estimates of the number of small entities that may be impacted by the *Order* from these previous Regulatory Flexibility Analyses.

80. *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 below. We note 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, we have 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.

81. 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.

82. 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 us 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.

83. 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

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[214] 15 U.S.C. § 632.

[215] *USF/ICC Transformation FNPRM*, 26 FCC Rcd at 18364-95, Appx. P.

[216] *April 2014 Connect America FNPRM*, 29 FCC Rcd at 7216-44, Appx. D.

[217] *2018 Rate-of-Return Reform NPRM*, 33 FCC Rcd at 3070-94, Appx. C.

[218] *RDOF Order*, 34 FCC Rcd at 6821-34, Appx. B.

[219] *USF/ICC Transformation Order*, 26 FCC Rcd at 18324-63, Appx. O.

[220] *2016 Rate-of-Return Order*, 31 FCC Rcd at 3286-3315, Appx. D.

[221] *2018 Rate-of-Return Order*, 33 FCC Rcd at 11992-12016, Appx. C.

[222] *RDOF Order*, 35 FCC Rcd at 758-772, Appx. B.

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.

84. 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.

85. *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."[223]

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

87. In determining the final rules concerning RDOF, we considered a number of alternatives that may have a significant economic impact on small entities. For example, we considered whether we 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. We 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. We also expect to make resources available through HUBB reporting.

88. In addition, we considered whether we 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, we determined that rather than implementing an onerous case-by-case process, we 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, we 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, we 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

223 5 U.S.C. § 604(a)(6).

also allow us to facilitate coordination with other funding programs. However, we 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.

89. Additionally, we adopted our 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*, we 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, we 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.

90. We also considered whether we should withhold some portion of a carrier's support until we adopt revised location totals, but we 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, we 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, we encourage carriers to submit challenges as soon as possible so that they can be resolved in a timely manner.

91. Furthermore, we decided that we 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. We 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.

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

93. For the PR Fund and Connect USVI Fund as well as A-CAM I, Revised A-CAM I, and A-CAM II, we adopted our 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.

94. Lastly, for A-CAM I, Revised A-CAM I, and A-CAM II we 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, we 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.

95. *Report to Congress.* The Bureau will send a copy of this *Order*, including this Supplemental FRFA, in a report to Congress pursuant to the Congressional Review Act.[224] In addition, we will send a copy of this *Order*, including this Supplemental FRFA, to the Chief Counsel for Advocacy of the SBA. A copy of this *Order* and Supplemental FRFA (or summaries thereof) will also be published in the *Federal Register*.[225]

## V. ORDERING CLAUSES

96. 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, sections 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, and paragraph 34 for the *2016 Rate-of-Return Reform Order*, FCC 16-33, this Report and 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 PRA, which will become effective upon announcement in the Federal Register of OMB approval of the subject information collection requirements.

97. IT IS FURTHER ORDERED that the petition for waiver filed by Taylor Telephone Cooperative, Inc. d/b/a Taylor Telecom is GRANTED and section 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

[224] *Id.* § 801(a)(1)(A).

[225] *Id.* § 604(b).