

FCC USF and Appropriated Broadband Programs

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Programs Overview

- **Universal Service Fund (USF) :**

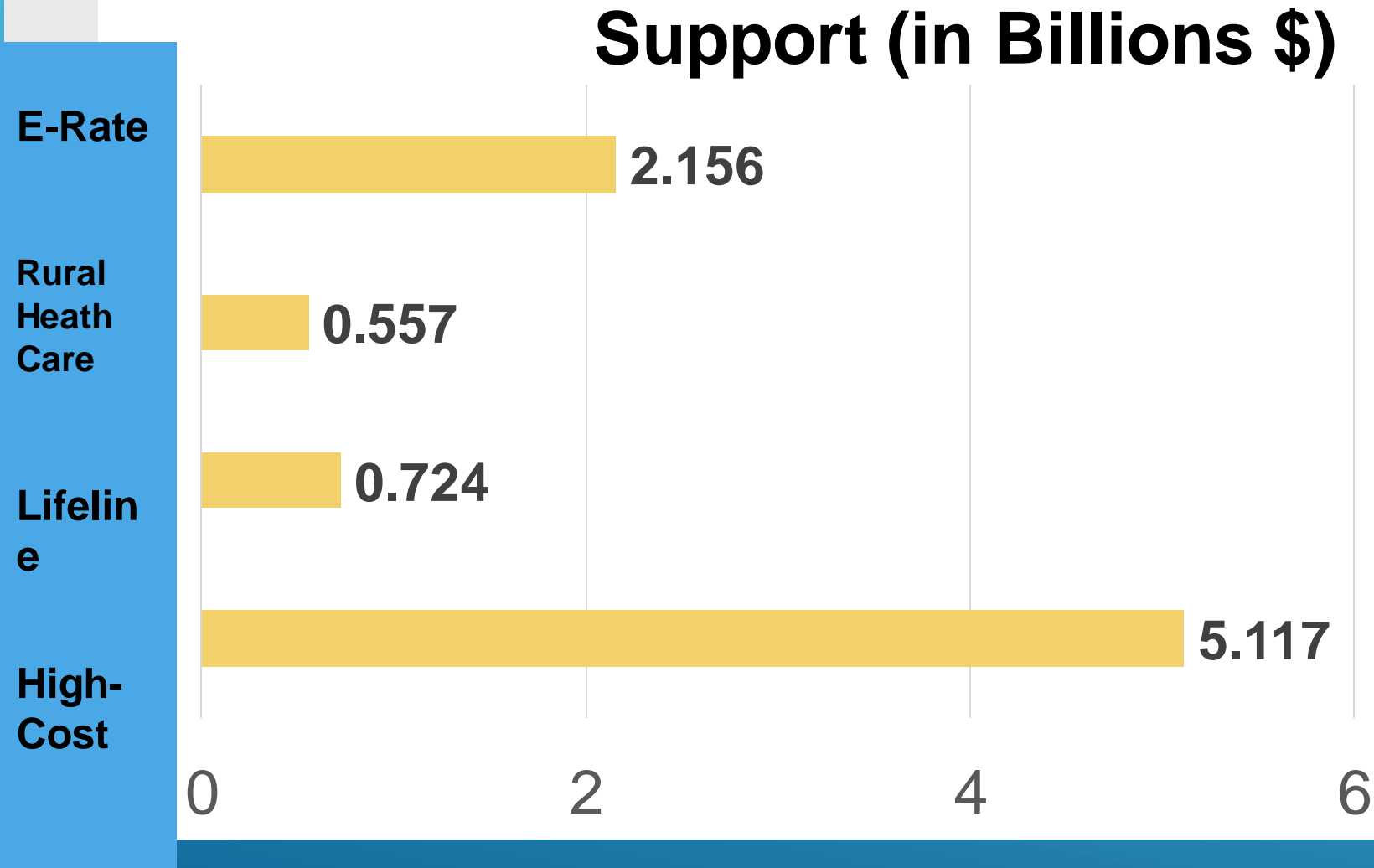
Connect America Fund (High-Cost); Lifeline; E-Rate; Rural Health Care; Contributions

- **Appropriated Programs:**

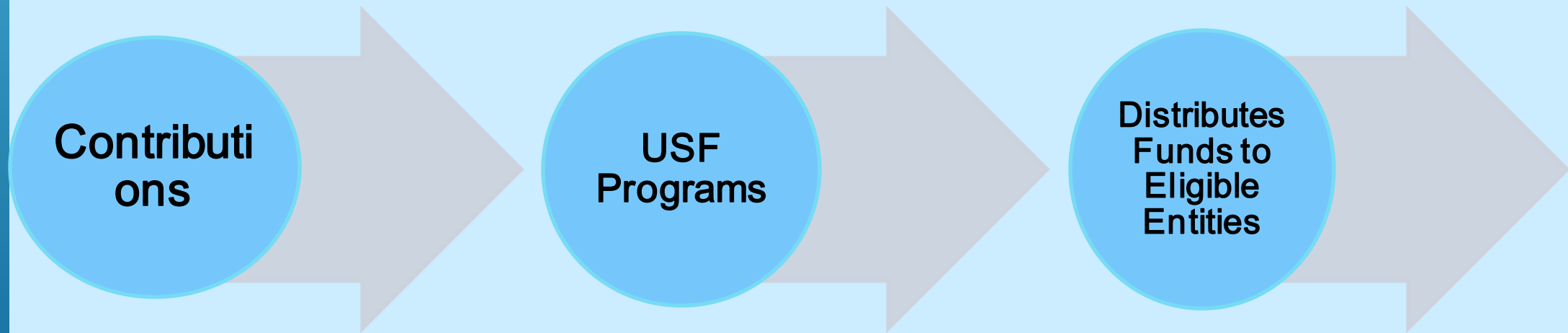
COVID-19 Telehealth Program; Affordable Connectivity Fund; Emergency Connectivity Fund; Secure and Trusted Communications Networks Reimbursement Program



2021 Authorized USF Support



Universal Service Fund (USF)



, the FCC established the Universal Service Fund in 1997 to subsidize telecom services for low-income consumers, rural health care providers, schools and libraries, and consumers in high-cost areas

Connect America Fund

The High-Cost Programs



Connect America Fund Principles

Universal service: Deliver, expand, and maintain voice and broadband service in high-cost areas that is reasonably comparable to urban areas

Fiscal responsibility: Eliminate inefficiency and control costs to manage ratepayers' burdens

Regulatory Goals

- No subsidy for areas served by unsubsidized competitor
- Dedicated support for highest cost areas
- Incentive-based support: Support amounts determined by cost models or competitive bidding (including reverse auctions)
- Explicit, accountable public interest obligations, including mandatory build-out and performance testing
- Budget for CAF support



Connect America Fund Phase II

CAF Phase II Model:

- Offered support based on a cost model to **price cap carriers**
- 10 carriers accepted \$9 billion over 6 years to deploy at least 10/1 Mbps to more than 3.6 million locations by end of 2020 plus a one-year cure period
- The Commission extended support payments through 2021
- Over 4.2 million broadband locations deployed based on deployment data as of March 1, 2022

CAF II Phase II Auction:

- Support for areas where price cap carriers declined model support and certain other price cap areas was auctioned in 2018
- Reverse auction: providers compete for funding amounts, reducing costs
- FCC authorized ~\$1.476 billion in support over 10 years to 193 winning bidders to provide fixed broadband and voice services to over 700,000 locations in 45 states
 - Winning bidders included wireless Internet service providers, satellite, electric cooperatives, and price cap and rate-of-return carriers
- 40% of locations must be served by the end of 2022, 100% by 2025

Rural Digital Opportunity Fund

The RDOF Auction

- RDOF Phase I (Auction 904) targeted support to census blocks in price cap areas that Commission data showed were unserved by 25/3 Mbps broadband service
- Auction 904 closed on November 25:
 - \$9.23 billion in 10-year support to 180 winning bidders to provide fixed broadband and voice service to 5.22 million locations in 49 states (Alaska ineligible due to its own funding mechanism) and 1 territory (U.S. Mariana Islands)
 - 5.2 million locations (99.7%) to receive 100/20 Mbps or Gigabit per second service
 - 4.5 million locations (85.57%) to receive Gigabit per second service
- Winning bidders filed post-auction long-form applications, most of which have been granted.
- To ensure the funding will be used effectively, the FCC also sent letters to winning bidders, giving them the opportunity to withdraw their funding requests from any places already with service or where significant questions of waste have been raised.
- As of January 2023, over \$5.2 billion in support has been announced as Ready to Authorize to deploy voice and broadband service to over 2.9 million model locations.

RDOF Performance Tiers, Latency, and Weights

Performance Tier	Speed	Usage Allowance	Weight
Minimum	$\geq 25/3$ Mbps	≥ 250 GB or U.S. average, whichever is higher	50
Baseline	$\geq 50/5$ Mbps	≥ 250 GB or U.S. median, whichever is higher	35
Above Baseline	$\geq 100/20$ Mbps	≥ 2 TB	20
Gigabit	≥ 1 Gbps/500 Mbps	≥ 2 TB	0

Latency	Requirement	Weight
Low Latency	≤ 100 ms	0
High Latency	≤ 750 ms & MOS of ≥ 4	40

RDOF Application Process

Generally, the same process as CAF II:



Monitoring Deployment Obligations

The HUBB Portal

Carriers must report deployment data in the High-Cost Universal Broadband portal, or HUBB, showing locations deployed to in satisfaction of public interest obligations

Information includes geocoordinates for every location, the broadband speeds offered, and the date of deployment

Reporting is displayed on the Connect America Fund Broadband Map

- **Performance Measures Testing**

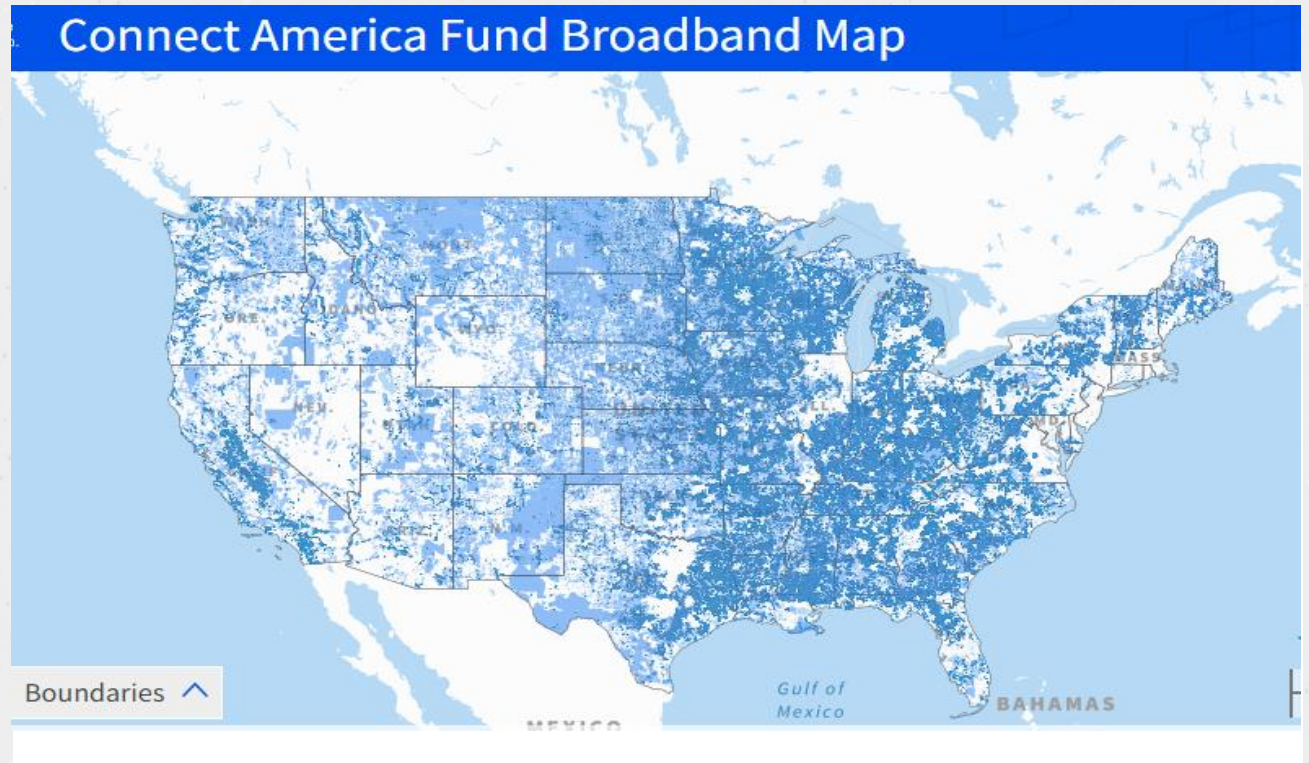
Carriers that provide fixed-location broadband service must conduct speed and latency testing of their networks and submit the results to USAC

Carriers must conduct one week of speed and latency testing using a random sample of CAF-supported broadband locations with active subscribers selected by USAC in each quarter of the calendar year

- **Rural Broadband Accountability Plan**

Rural Broadband Accountability Plan, announced in February 2022, will increase audits, verifications, and transparency for USF High-Cost programs

Connect America Fund Resources



- <https://data.usac.org/publicreports/caf-map/>
- <https://www.usac.org/high-cost/>
- <https://www.fcc.gov/general/connect-america-fund-caf>
- <https://www.fcc.gov/auction/904>

Lifeline

Affordable Services for Low-Income Consumers



Lifeline Principles



Affordable Service: Congress outlined, in section 254(b) of the Telecommunications of 1996 Act, that Americans should have access to “quality services at just, reasonable, and affordable rates”

Fiscal Responsibility: Eliminate waste, fraud, and abuse through reasonable control mechanisms

Regulatory Goals

- Subsidize service: support the affordability of mobile and fixed services by providing up to **\$9.25 per month** for qualifying broadband service or up to **\$5.25 per month** for voice service to eligible households, and up to **\$34.25** for eligible households on Tribal lands
- Minimum service standards: protect comparability in service through mandatory minimum standards
- Verified eligibility: independent, third-party National Verifier to handle eligibility verification and recertification
- Transparency: make more program data publicly available

Lifeline National Eligibility Verifier

Modern Database Verification

Unified interface to independently process eligibility verification and recertification of Lifeline subscribers

Improving Program Integrity

Interconnected verification with other federal agency and state eligibility databases to improve program controls

Launch Process

The National Verifier has fully launched in all states and territories

Automated Eligibility Checks

The National Verifier uses connections to federal and state databases to streamline the Lifeline eligibility check. With the addition of a nationwide automated connection to the Centers for Medicare & Medicaid Services for Medicaid eligibility data, the National Verifier regularly achieves an automated eligibility pass rate of around 66% for new applications



E-Rate

**Funding Telecommunications and
Broadband Services for Schools and
Libraries**



E-Rate Principles



Access for Schools and Libraries: Congress mandated, in 1996 Telecommunications Act, that the FCC enhance access to broadband and telecommunications services in elementary and secondary schools and libraries.

Regulatory Overview

- Eligible schools and libraries (as well as consortia of eligible schools and libraries) may apply for USF discounts on the following services:
 - **Category One:** Services that support connectivity to schools and libraries (including special construction).
 - **Category Two:** Services that support connectivity *within* schools and libraries (aka internal connections).
- **Annual Funding Cap:** \$4.23 billion per funding year, adjusted annually for inflation.
- **Timeline:** Commitments are made by funding year (FY), which runs from July 1 through the following June 30.

E-Rate Eligibility

Schools

- Must provide elementary and/or secondary education, as determined under state law.
- Cannot have an endowment exceeding \$50 million.
- Cannot operate as a for-profit business.

Libraries

- Must be eligible for assistance from a state library agency under Library Services Technology Act (LSTA).
- On January 27, 2022, the Commission modified its definition of library to clarify Tribal libraries are eligible for E-Rate support.
- Budget must be separate from any schools.
- Cannot operate as a for-profit business.

Consortia

- Consortia that comprise of eligible schools and libraries may also apply for E-Rate program funding.

E-Rate Applications

Competitive Bidding:

An eligible school or library identifies the eligible services and equipment it needs and submits a request for competitive bids to USAC. USAC notifies providers of the bidding opportunity by posting the request on its website.

Application for Funding:

After reviewing bids, and selecting the most cost-effective offering, the school or library may submit a funding request to USAC during the applicable funding year's filing window. USAC issues a funding commitment decision pursuant to its review of the request.

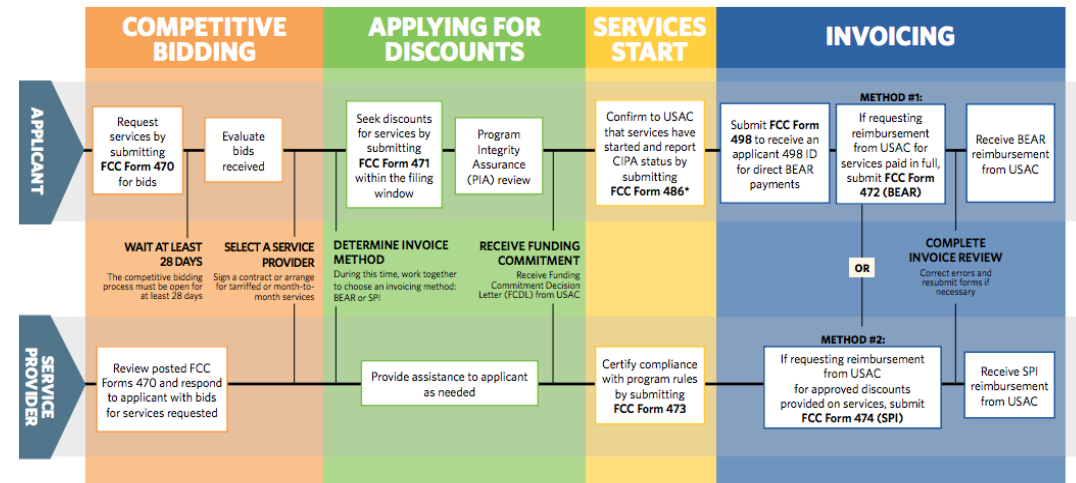


Schools and Libraries (E-rate) Program APPLICATION PROCESS

BEFORE YOU BEGIN:

APPLICANTS: Applicants must first have an entity number and an E-rate Productivity Center (EPC) account.

SERVICE PROVIDERS: Service providers must first obtain a Service Provider Identification Number (SPIN/service provider 498 ID) by submitting FCC Form 498.



E-Rate Program Resources

Further information on the E-Rate Program can be found at the following links.

<https://www.fcc.gov/general/e-rate-schools-libraries-usf-program>



<https://www.fcc.gov/document/fcc-connecting-tribal-libraries-through-e-rate-program-0>



<https://www.usac.org/e-rate/>



<https://data.usac.org/publicreports/Forms/Form470Rfp/Index> (to search for FCC Forms 470)



<https://data.usac.org/publicreports/Forms/Form470Detail/Index> (to download FCC Form 470 data)



<https://www.usac.org/e-rate/service-providers/> (additional information to participate as a service provider in the E-Rate program)



Rural Health Care

**Funding Telecommunications and
Broadband Services and Facilities for
Rural Health Care Providers**



Rural Health Care



Access for Rural Health Care Providers: In the 1996 Telecommunications Act, Congress mandated that the FCC enhance access to broadband and telecommunications services for eligible public or nonprofit health care providers (HCPs).

Overview

- The Rural Health Care (RHC) Program is made up of two subprograms:
 - *Telecommunications*: Subsidizes the difference between the urban and rural rate for telecommunications services purchased by eligible HCPs.
 - *Healthcare Connect Fund*: Provides a flat 65% discount for the cost of broadband services and facilities. Eligible non-rural HCPs can participate in a consortium and receive support if the majority of members in the consortium are eligible rural HCPs.
- Eligibility: (1) Post-secondary educational institutions offering healthcare instruction, teaching hospitals and medical schools; (2) community health centers or migrant health centers; (3) local health departments or agencies; (4) community mental health centers; (5) not-for-profit hospitals; (6) rural health clinics; (7) skilled nursing facilities; (8) consortium of HCPs consisting of one or more entities falling into the first seven categories.

RHC Timeline and Funding

Timeline

Commitments are made by funding year, which typically runs from July 1 through the following June 30.

Funding for FY2022

The funding cap for FY2022 is \$637.7 million, after adjustments for inflation. There is sufficient funding for all eligible FY2022 funding requests.

Connected Care Pilot Program

Program Overview:

- Provides up to \$100 million over 3 years to offset 85% of qualifying costs necessary to provide connected care services, with an emphasis on treating low-income and veteran patients

Program Goals:

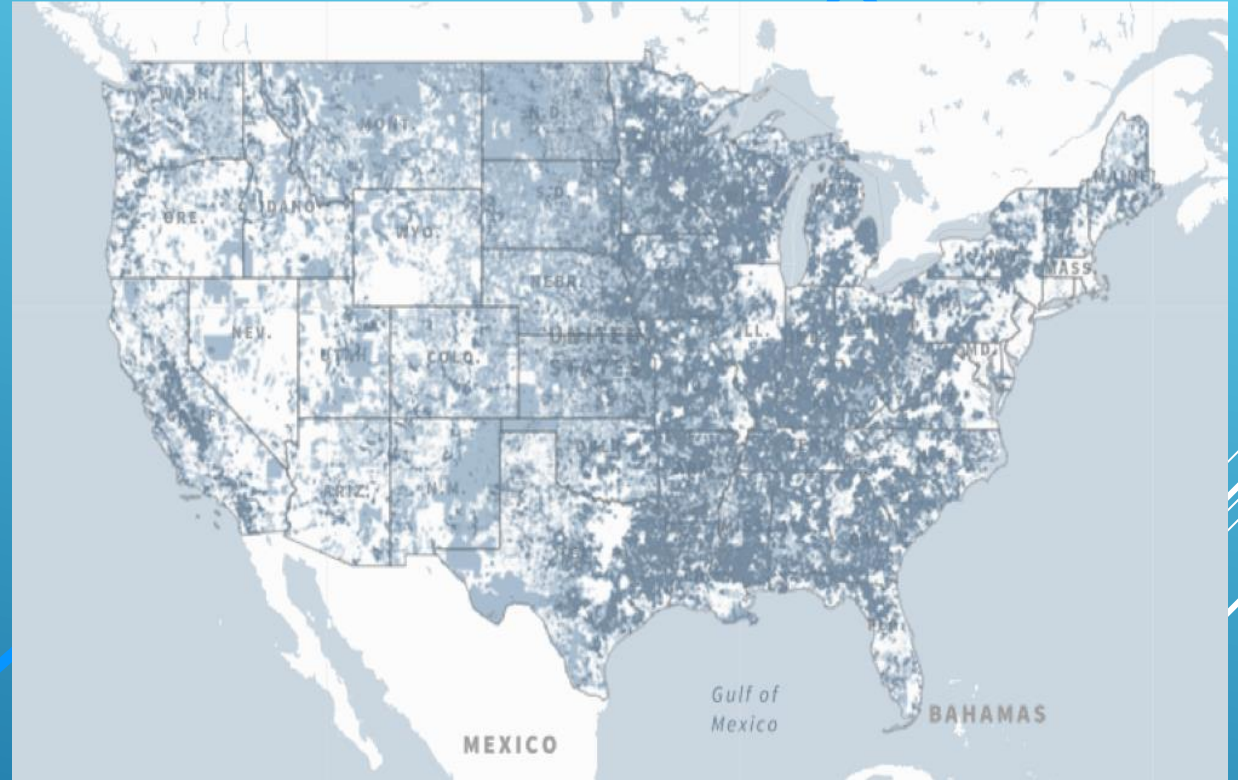
- Improve health outcomes through connected care
- Reduce costs for patients, facilities, and the health care system
- Support the trend towards connected care everywhere

Eligible Services:

- Patient broadband Internet access services
- Health care provider broadband Internet access services
- Connected care services
- Certain network equipment

Contributions

Funding the Universal Service Fund



Contributions



- Section 254(d) of the Telecommunications Act of 1996: every **telecommunications service provider** that provides **interstate telecommunications services** and **certain other providers of interstate telecommunications** services must contribute to the Universal Service Fund based on a percentage of their **interstate and international end-user telecommunications revenues**. That percentage is called the **contribution factor**.
 - Current rules: providers offering **certain interstate voice and data services** (whether offered by wireline or wireless provider) and **interconnected VoIP** offered by any entity, have an obligation to contribute to the USF.
- The contribution factor is announced on a quarterly basis and contributors are invoiced each month. Contributors often elect to recover their contributions through their end users' monthly bills.
- The Commission has sought recommendations from the Federal-State Joint Board on Universal Service on contributions methodology reform.

Appropriated Programs

COVID-19 Telehealth Program

Emergency Broadband Benefit Program/Affordable Connectivity Program

Emergency Connectivity Fund

Secure and Trusted Communications Networks Reimbursement Program



COVID-19 Telehealth Program

Funding Telehealth Services and Devices for Health Care Providers



Telehealth Program Overview

- The 2020 CARES Act appropriated \$200 million for the Commission to create the COVID-19 Telehealth Program. The funding was awarded to eligible health care providers for the **purchase and use of eligible devices and services that would facilitate the provision of telehealth.**
- Between April 13 and July 8, 2020, the FCC issued 539 funding commitments to eligible health care providers.

In order to build on the success of the Telehealth Program, Congress appropriated an additional \$249.95 million for Round 2 of the Program.

Telehealth Program Overview

- Applications for Round 2 of the Program were accepted between April 29 and May 6, 2021. Over 1,800 health care providers applied for the Program.
- Awards were announced between August 26 and January 26, 2022. Ultimately, 446 funding commitments were awarded for over \$256 million.

Affordable Connectivity Program

Helping Low-Income Households Pay for
Broadband Service and Connected Devices



Affordable Connectivity Program Overview

- The Infrastructure Investment and Jobs Act provided \$14.2 billion to modify and extend the Emergency Broadband Benefit (EBB) Program to a longer-term broadband affordability program called the Affordable Connectivity Program (ACP). The ACP began on December 31, 2021.
- The ACP provides a discount off an eligible household's monthly service bill and/or device. The benefit is limited to:
 - One monthly service discount of up to \$30 a month for broadband service, including associated equipment rentals (up to \$75 a month for households on qualifying Tribal lands), and
 - A one-time connected device discount of up to \$100 to purchase a laptop, desktop computer, or tablet from participating providers if the eligible household contributes between \$10 - \$50 toward the purchase price.

Affordable Connectivity Program Principles

Eligibility: A Household is eligible if it has an income that is at or below 200% of the Federal Poverty Guidelines OR

A member of the household:

- Participates in certain assistance programs, such as SNAP, Medicaid, Federal Public Housing Assistance, Veterans Pension and Survivors Benefit, SSI, WIC, or Lifeline;
- Participates in one of several Tribal specific programs, such as Bureau of Indian Affairs General Assistance, Tribal Head Start, Tribal TANF, or Food Distribution Program on Indian Reservations;
- Is approved to receive benefits under the free and reduced-price school lunch program or the school breakfast program, including through the USDA Community Eligibility Provision;
- Received a Federal Pell Grant during the current award year; or
- Meets the eligibility criteria for a participating broadband provider's existing low-income program

Affordable Connectivity Program Resources

For more information on the Affordable Connectivity Program:

- For program information: www.fcc.gov/affordable-connectivity-program

For service provider updates: <https://www.usac.org/about/affordable-connectivity-program/affordable-connectivity-program-learn/>

For ACP enrollment data: <https://www.usac.org/about/affordable-connectivity-program/acp-enrollment-and-claims-tracker/>

- For consumers: www.fcc.gov/acp
- To apply: [AffordableConnectivity.gov](https://affordableconnectivity.gov)

Emergency Connectivity Fund

Funding Connected Devices and Broadband Services Needed by Schools and Libraries for Remote Learning During the COVID-19 Emergency Period



Emergency Connectivity Fund Program Overview

- **\$7.171 billion Emergency Connectivity Fund:**

- Created in the American Rescue Plan Act of 2021
- Provides funding to **eligible schools and libraries** for purchase of connected devices, Wi-Fi hotspots, routers, modems, and broadband connections for use by students, school staff, and library patrons with unmet needs **at locations other than a school or library, during the COVID-19 emergency period.**
- **Eligible schools or libraries** include all schools, libraries, and consortia of schools and libraries, including Tribal libraries, that are eligible for support under the E-Rate Program.

Emergency Connectivity Fund Program

- Three Application Filing Windows for ECF support for equipment and services received or delivered between **July 1, 2021-June 30, 2022** and between **July 1, 2022 - December 31, 2023**.
- Applicants applied for ~\$9.2 billion.
- As of January 27, 2023, the program has committed over \$6.5 billion to support:
 - Over 10,000 schools, 1,000 libraries, and 100 consortia across the nation;
 - Over 12 million connected devices; and
 - Over 8 million broadband connections.

Emergency Connectivity Fund Program Resources

Further information on the ECF Program can be found at:

- <https://www.emergencyconnectivityfund.org/>
- <https://www.fcc.gov/emergency-connectivity-fund>