



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU RELEASES ADDITIONAL ILLUSTRATIVE RESULTS FOR ALTERNATIVE CONNECT AMERICA COST MODEL VERSION 2.1 FOR POTENTIAL USE IN RATE-OF-RETURN AREAS

WC Docket No. 10-90

The Wireline Competition Bureau (Bureau) announces the release of additional illustrative results for the Alternative Connect America Cost Model (A-CAM) v2.1,¹ utilizing input values reflecting a 9.75 percent cost of money.² All previously released illustrative results for A-CAM utilized input values reflected an 8.5 percent cost of money. The results released today illustrate how different assumptions used in calculating support impact the potential support for a particular study area.³

Today, the Bureau releases illustrative results reflecting a 9.75 percent cost of money for two coverage options.⁴ Raising the cost of money increases costs for all study areas. For one scenario, that requires using a lower per-location funding cap to keep total calculated support within the total budget for rate-of-return carriers, specifically, a per-location funding cap of \$160.79. Results for the second scenario that excludes from support calculations census blocks served with either FTTP or cable are calculated using a per-location funding cap of \$200.

¹ A-CAM v2.1 incorporated broadband coverage to reflect the publicly available December 2014 FCC Form 477 data released on November 10, 2015, and the results released today utilize the same broadband coverage data. *Wireline Competition Bureau Releases Alternative Connect America Cost Model Version 2.1 and Illustrative Results for Potential Use in Rate-Of-Return Areas*, WC Docket No. 10-90, Public Notice, DA 15-1431 (WCB, Dec. 17, 2015) (*A-CAM v2.1 Public Notice*). In A-CAM v2.1, any broadband deployment with speeds of at least 10 Mbps downstream/1 Mbps upstream (10/1 Mbps) that was reported in FCC Form 477 by a rate-of-return carrier or its affiliates (based on the published “holding company number”) within the study area is treated as telco-served, regardless of technology. The Bureau is working on updates to the model to reflect more recent FCC Form 477 data, including corrections to FCC Form 477 data previously submitted by a number of providers.

² See Letter from B. Lynn Follansbee, Vice President, Law & Policy, USTelecom, to Marlene H. Dortch, Secretary, FCC (filed on behalf of USTelecom and NTCA) (filed Feb. 5, 2016) (discussing authorized rate of return); see also Letter from Genevieve Morelli, President, ITTA, to Marlene H. Dortch, Secretary, FCC, at 2 (filed Dec. 22, 2015) (requesting that Bureau release illustrative A-CAM results with higher cost of money input value).

³ These illustrative results are produced using solution sets SSACAM20160205v21ACF975 and SACAM20160205v21ACF975FTTPCa, and are available at https://transition.fcc.gov/wcb/ACAM_21_ILL_Rpt_Version5_0_FINAL_020416_975.xlsx.

⁴ The A-CAM support module allows users to “filter” the cost data to focus on specific geographic areas, such as those census blocks that are not served by an unsubsidized competitor. A-CAM v2.1 also provides a second coverage option that excludes from support calculations census blocks served with either fiber to the premises (FTTP) or cable. In this coverage option, all census blocks with reported FTTP or cable broadband of at least 10/1 Mbps are classified as “wired broadband” and excluded from support calculations.

For additional information on this proceeding, contact Katie King (Katie.King@fcc.gov) of the Wireline Competition Bureau, Telecommunications Access Policy Division, (202) 418-7400.

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