



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU PROVIDES FURTHER GUIDANCE TO RECIPIENTS OF CONNECT AMERICA FUND-BROADBAND LOOP SUPPORT ON REPORTING AND DEPLOYMENT OBLIGATIONS

WC Docket No. 10-90

The Wireline Competition Bureau hereby provides additional guidance and clarification regarding FCC Form 477 and High Cost Universal Broadband (HUBB) reporting obligations. In the 2016 *Rate-of-Return Reform Order*, the Commission directed the Universal Service Administrative Company (USAC) to develop an online system (later named the HUBB) to accept high-cost carriers' broadband location information and related certifications.¹

Effect of Corrected FCC Form 477 Data on Connect America Fund-Broadband Loop Support (CAF-BLS) Carrier Deployment Obligations. Deployment obligations for CAF-BLS carriers were based upon certified FCC Form 477 data due by March 1, 2016 (and subsequent revisions made before August 29, 2016) ("pre-existing deployment" or "2015 FCC Form 477 Data").² CAF-BLS recipients with less than 80 percent pre-existing deployment in their study area as of December 31, 2015 are subject to defined deployment and HUBB filing obligations.³ CAF-BLS recipients with 80 percent or more pre-existing deployment are not subject to defined deployment and HUBB filing obligations.⁴ Any CAF-BLS recipient that believes its pre-existing deployment percentage is incorrect due to an error in its filed 2015

¹ See *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, 3166, para. 214 (2016) (*Rate-of-Return Reform Order*).

² *FCC Releases Form 477 Data on Fixed Broadband Deployment as of December 31, 2015*, WC Docket No. 11-10, Public Notice, 31 FCC Rcd 9806 (WCB 2016); *Wireline Competition Bureau Announces National Average and Individual Carrier Broadband Deployment Percentages for Rate-of-return Carriers*, WC Docket No. 10-90, Public Notice, 31 FCC Rcd 10516, n.1 (WCB 2016) (*Broadband Deployment Percentages Public Notice*).

³ See *Rate-of-Return Reform Order*, 31 FCC Rcd at 3150, para. 168; *Broadband Deployment Percentages Public Notice*, 31 FCC Rcd at 10516, n.1. Carrier deployment obligations are posted on USAC's website. See Funding Tools – ACAM and CAF BLS Requirements available at <http://www.usac.org/hc/tools/default.aspx>.

⁴ See *Rate-of-Return Reform Order*, 31 FCC Rcd at 3152, para. 173; *Broadband Deployment Percentages Public Notice*, 31 FCC Rcd at 10516, n.2. CAF-BLS recipients without a defined deployment obligation report their broadband location information on FCC Form 481. See *Rate-of-Return Reform Order*, 31 FCC Rcd at 3152, para. 173. See also *Wireline Competition Bureau Provides Guidance to Carriers Receiving Connect America Fund Support Regarding Their Broadband Location Reporting Obligations*, WC Docket No. 10-90, Public Notice, 31 FCC Rcd 12900, 12900 n.1 (WCB 2016) (*HUBB Public Notice*).

FCC Form 477 Data must refile corrected data.⁵ However, corrected 2015 FCC Form 477 data that shows a carrier 80 percent or more deployed *will not* convert a CAF-BLS carrier with a defined deployment and HUBB filing obligations into a carrier without these obligations. Nor would any additional deployment included in the corrected FCC Form 477 submission be credited towards or reduce their deployment obligation. CAF-BLS recipients with defined deployment obligations can receive credit for only those locations deployed after May 25, 2016.⁶

Process to Demonstrate There are Fewer than the Required Number of Locations or that a Carrier Is Fully Deployed. Any CAF-BLS carrier will be able to voluntarily certify to USAC⁷ that it is fully deployed (and thus has fulfilled its buildout obligation) because it has deployed qualifying broadband to all locations in its study area that do not result in its total support per line exceeding the \$250 per-line per-month cap⁸ or the carrier's Maximum Average Per Location Construction Project Limitation.⁹ USAC shall adjust the carrier's deployment obligation accordingly and note that a carrier's deployment obligation has been met. For determining whether the cost of serving a census block would exceed the \$250 per month-per line cap or the Maximum Average Per Location Construction Project Limitation, USAC would examine the carrier's costs during the 5-year support term. All certifications regarding the costs of deployment are subject to USAC audit and verification, and we remind carriers to retain all records and analysis so that USAC may authenticate the carrier's certification.¹⁰

Ongoing HUBB Reporting Obligations. Carriers' annual reporting and deployment obligations are separate and independent duties.¹¹ We clarify that our rules require carriers with HUBB filing obligations to submit locations and make related certifications on an annual basis until the end of their support term, regardless of whether they have already met their final deployment obligation.¹² We note that a carrier can certify in the HUBB that it did not deploy any locations in the prior reporting year.

For further information, please contact Suzanne Yelen, Industry Analysis and Technology Division, Wireline Competition Bureau, at (202) 418-0626 or (202) 418-0484 (TTY), or suzanne.yelen@fcc.gov.

⁵ See 47 CFR § 1.7001(c) (requiring a certification as specified in the FCC Form 477 instructions, which requires all statements of fact contained in the FCC Form 477 are true and correct), and 47 CFR § 1.7001(e) (regarding errors in 477 data). See FCC Form 477 Local Telephone Competition and Broadband Reporting Instructions, 32, Dec. 5, 2016, available at <https://transition.fcc.gov/form477/477inst.pdf>. This duty is consistent with all carriers' ongoing obligation to correct filings with the Commission, including FCC Form 477. Cf 47 CFR § 1.17 (requiring truthful and accurate statements to the Commission), and 47 CFR § 1.65 (requiring accuracy and completeness of information provided in a pending application or in Commission proceedings involving a pending application).

⁶ See *HUBB Public Notice*, 31 FCC Rcd at 12907.

⁷ USAC will notify carriers when it has implemented this certification functionality in the HUBB.

⁸ See 47 CFR § 54.308(a)(2)(iii).

⁹ See 47 CFR § 54.303(f).

¹⁰ See 47 CFR § 54.320(b).

¹¹ See e.g., *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, 10150, para. 31 (2016) (“[W]e anticipate that some carriers will complete their deployment in a shorter timeframe. Carriers will still be required to report their progress on an annual basis . . .”); *HUBB Public Notice*, 31 FCC Rcd at 12910 (requiring CAF-BLS recipients to annually report to the HUBB portal all locations that meet their reporting obligations and not hold back any locations).

¹² See 47 CFR §§ 54.316(a)(1), (c)(1).

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