



PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Internet: <https://www.fcc.gov>
TTY: 1-888-835-5322

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WIRELINE COMPETITION BUREAU ANNOUNCES UNIVERSAL SERVICE SUPPORT AMOUNTS OFFERED TO PRICE CAP CARRIERS AND FIXED COMPETITIVE ELIGIBLE TELECOMMUNICATIONS CARRIERS AFTER AUTHORIZATION OF CONNECT AMERICA PHASE II AUCTION SUPPORT

WC Docket No. 10-90

Today, the Wireline Competition Bureau (Bureau) announces the legacy universal service support amounts available for price cap carriers and fixed competitive eligible telecommunications carriers (fixed competitive ETCs) after the authorization of Connect America Fund (CAF) Phase II auction support. Carriers declining this phase-down support will have until **Thursday, April 11, 2019** to provide, on a state-by-state basis, notice of such election to the Bureau.¹ Price cap carriers' and fixed competitive ETCs' legacy support will then begin to phase out upon the authorization of Phase II auction support.²

In the *Phase II Transitions Order*, the Commission decided that price cap carriers receiving legacy CAF Phase I frozen support prior to the CAF Phase II auction will continue receiving such support in areas won at auction until the first day of the month following the authorization of CAF Phase II support in the same areas.³ In auction-eligible areas not won at auction, price cap carriers will continue receiving legacy support for an interim period.⁴ Fixed competitive ETCs, however, will begin receiving two-thirds of their total frozen legacy support beginning the first day of the month following the first authorization of any CAF Phase II auction support nationwide, and will receive one-third of their support the following year, before their legacy support is eliminated.⁵ Noting that "some carriers may conclude that they do not wish to continue receiving legacy support in every state," the Commission provided carriers an option to decline this phase-down support on a state-by-state basis, within 30 days after the

¹ See *Connect America Fund*, Report and Order, FCC 19-8, at 10, para. 24 (Feb. 15, 2019) (*Phase II Transitions Order*) ("Within 30 days after the release of public notice of such support amounts, price cap carriers and fixed competitive ETCs electing not to receive phase-down support in any states must provide notice of such election in the manner specified by the Wireline Competition Bureau.").

² The Bureau announced the first applications that were ready to authorize, and those applicants must submit by March 13, 2019, acceptable irrevocable standby letter(s) of credit and Bankruptcy Code opinion letter(s) from their legal counsel. See generally *Connect America Fund Phase II Auction Support for 962 Winning Bids Ready to be Authorized*, Public Notice, DA 19-126 (Feb. 27, 2019). By future public notice, the Bureau will authorize support for specific winning bids for which all requirements, including submission of the letter of credit and opinion letter, have been met.

³ *Phase II Transitions Order* at 5-6, paras. 14-15.

⁴ *Id.* at 5, para. 13.

⁵ *Id.* at 6, para. 17.

Bureau releases notice of the relevant support amounts.⁶

Price cap carriers currently receive the legacy support amounts shown for each census block at <https://docs.fcc.gov/public/attachments/DOC-356505A1.xlsx>.⁷ The report notes the census blocks for which CAF Phase II auction support was awarded and may ultimately be authorized, after which, for price cap carriers that do not decline phase-down support, legacy support for those blocks will cease. As CAF Phase II auction support is authorized, the Bureau will update the report accordingly. In non-awarded, auction-eligible census blocks, a price cap carrier that does not decline phase-down support will continue receiving legacy phase-down support—in the amounts shown in the report—until further Commission action.⁸

Competitive ETCs offering service to fixed locations currently receive the legacy support amounts shown at <https://docs.fcc.gov/public/attachments/DOC-356510A1.xlsx>. If a fixed competitive ETC does not decline phase-down support, it will begin receiving legacy support at a reduced level (i.e., initially, two-thirds of the current legacy support amounts) beginning the first day of the month after the first authorization of any CAF Phase II auction support nationwide.⁹

Any price cap carrier or fixed competitive ETC that wishes to decline this phase-down support must notify the Bureau at ConnectAmerica@fcc.gov. The carrier must submit a letter signed by an officer of the company confirming that the carrier declines phase-down legacy support for a particular state where the carrier currently receives legacy support. If a carrier fails to submit such a letter by the **Thursday, April 11, 2019** deadline, it will be deemed to have accepted phase-down support. Any competitive ETC providing mobile service that believes that it has been erroneously identified on this list as a competitive ETC offering service to fixed locations should notify the Bureau at ConnectAmerica@fcc.gov.

For further information, please contact Stephen Wang, Telecommunications Access Policy Division, Wireline Competition Bureau, at (202) 418-7400 or via email at Stephen.Wang@fcc.gov.

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⁶ *Id.* at 10-11, paras. 24-25.

⁷ The allocated support amounts in this report are based on carriers' 2018 claims and calculated using the Connect America Cost Model, consistent with the *Phase II Transitions Order*. *See id.* at 3-4, para. 9.

⁸ *Id.* at 5-6, paras. 13-15.

⁹ *Id.* at 6, para. 17.