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WIRELINE COMPETITION BUREAU ANNOUNCES DEADLINE FOR PRICE CAP CARRIERS TO ELECT SEVENTH YEAR OF CONNECT AMERICA FUND PHASE II MODEL-BASED SUPPORT

WC Docket No. 10-90

Today, the Wireline Competition Bureau (Bureau) announces the process by which price cap carriers currently receiving Connect America Phase II support based on the Connect America Cost Model (CAM) may elect to receive an additional, seventh year of such support. Carriers have until **September 28, 2020** to indicate, on a state-by-state basis, whether they will continue to receive model-based support for 2021.¹

The Commission has long recognized the importance of providing a gradual transition path between recipients of CAF Phase II model-based support and recipients of funding under a new support mechanism.² As a result, the Commission previously determined that it would offer incumbent price cap carriers the option of electing an additional, seventh year of support if they did not receive support through the subsequent competitive bidding process.³ In the *Rural Digital Opportunity Fund Order*, the Commission clarified that this seventh year of support would cover the full calendar year—from January 2021 through December 2021—and be available to all price cap carriers that originally elected the offer of model-based support.⁴ In exchange for receiving a seventh year of support, carriers would "be required to continue providing broadband with performance characteristics that remain reasonably comparable to the performance characteristics of terrestrial fixed broadband service in urban America."⁵

The process we establish today is similar to prior options we have made available to allow certain carriers to elect to receive high-cost support.⁶ Specifically, we require price cap carriers currently

³ *Id*.

⁴ *Rural Digital Opportunity Fund Order* at 740-2, paras. 127, 129. (directing Bureau to implement mechanism for carriers to elect seventh year of support).

⁵ *Id.* at 741-42, para. 129 (citing *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Red 17663, 17726-27, para. 163 (2011), *aff'd sub nom. In re FCC 11-161*, 753 F.3d 1015 (10th Cir. 2014)).

¹ Carriers that elect not to receive a seventh year are indicating that ongoing model-based support is not necessary to maintain voice and broadband services in these areas and will receive no further model-based support after the conclusion of their six-year term (i.e., December 31, 2020). *See Rural Digital Opportunity Fund; Connect America Fund*, WC Docket Nos. 19-126, 10-90, Report and Order, 35 FCC Rcd 686, 741, para. 128 (2020) (*Rural Digital Opportunity Fund Order*).

² See Connect America Fund et al., WC Docket No. 10-90 et al., Report and Order, 29 FCC Rcd 15644, 15666-67, para. 32 (2014) (December 2014 Connect America Order).

⁶ See e.g., Wireline Competition Bureau Announce Alternative Connect America Cost Model II Support Amounts Offered to Rate-of-Return Carriers to Expand Rural Broadband, WC Docket No. 10-90, Public Notice, 34 FCC Rcd (continued....)

receiving CAM support to submit their election letters to the Bureau at <u>ConnectAmerica@fcc.gov</u>.⁷ To receive an additional, seventh year of model-based support for a state or states, a carrier must submit a letter signed by an officer of the company confirming that the carrier elects the model-based support amounts as specified in Appendices A and B and committing to satisfy the specific service obligations associated with that amount of model support. Additionally, we require carriers to file this letter in WC Docket No. 10-90 via the Commission's Electronic Comment Filing System (ECFS) to ensure that this information is publicly available to all potential Auction 904 bidders. If a carrier fails to submit an election letter by the **September 28, 2020** deadline, it will be deemed to have declined the seventh year of support and will cease receiving model-based support as of December 31, 2020. Carriers submitting election letters will receive an e-mail confirming that their letters have been received and reviewed for completeness and should contact the Bureau **no later than 4 p.m. on September 28, 2020** if they do not receive such confirmation. Following this deadline, the Bureau will release a public notice confirming which price cap carriers elected to receive a seventh year of support and authorizing the Universal Service Administrative Company to disburse the appropriate amounts.

For additional information on this proceeding, contact Ian Forbes, <u>Ian.Forbes@fcc.gov</u> of the Wireline Competition Bureau, Telecommunications Access Policy Division, (202) 418-7400.

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^{2868 (}Wireline Comp. Bur. 2019) (offering rate-of-return carriers the option of electing to receive A-CAM support); *Connect America Fund; High-Cost Universal Service Support*, WC Docket Nos. 10-90,05-337, Report and Order, 29 FCC Rcd 3964, 4029, para. 153 (offering non-contiguous carriers the option of electing to receive frozen support or model-determined support).

⁷ Carriers are encouraged to submit their election letter prior to the deadline to the extent feasible.

Carrier	State	Authorized Annual Support
AT&T INC.	AL	\$ 23,161,780
AT&T INC.	AR	\$ 21,350,835
AT&T INC.	CA	\$ 60,240,434
AT&T INC.	FL	\$ 8,485,813
AT&T INC.	GA	\$ 25,345,199
AT&T INC.	IL	\$ 8,932,507
AT&T INC.	IN	\$ 17,576,788
AT&T INC.	KS	\$ 18,942,367
AT&T INC.	KY	\$ 30,962,548
AT&T INC.	LA	\$ 27,907,591
AT&T INC.	MI	\$ 29,750,677
AT&T INC.	MS	\$ 49,772,592
AT&T INC.	NC	\$ 3,498,889
AT&T INC.	OH	\$ 14,802,500
AT&T INC.	SC	\$ 9,689,453
AT&T INC.	TN	\$ 26,137,862
AT&T INC.	TX	\$ 42,078,424
AT&T INC.	WI	\$ 9,070,392
CENTURYLINK, INC.	AL	\$ 17,290,009
CENTURYLINK, INC.	AR	\$ 19,761,508
CENTURYLINK, INC.	AZ	\$ 10,089,092
CENTURYLINK, INC.	СО	\$ 26,509,143
CENTURYLINK, INC.	FL	\$ 10,916,671
CENTURYLINK, INC.	GA	\$ 269,719
CENTURYLINK, INC.	IA	\$ 17,893,887
CENTURYLINK, INC.	ID	\$ 6,279,869
CENTURYLINK, INC.	IL	\$ 2,093,982
CENTURYLINK, INC.	IN	\$ 10,736,352
CENTURYLINK, INC.	KS	\$ 16,501,327
CENTURYLINK, INC.	LA	\$ 9,471,015
CENTURYLINK, INC.	MI	\$ 9,028,031
CENTURYLINK, INC.	MN	\$ 54,035,150
CENTURYLINK, INC.	MO	\$ 74,927,427
CENTURYLINK, INC.	MT	\$ 15,195,628
CENTURYLINK, INC.	NC	\$ 10,008,390
CENTURYLINK, INC.	ND	\$ 5,656,741
CENTURYLINK, INC.	NE	\$ 6,888,416
CENTURYLINK, INC.	NJ	\$ 450,340
CENTURYLINK, INC.	NM	\$ 10,942,747

Appendix A CACM Authorized Annual Support by Carrier

CENTURYLINK, INC.	NV	\$ 1,072,346
CENTURYLINK, INC.	OH	\$ 15,982,805
CENTURYLINK, INC.	OR	\$ 17,759,903
CENTURYLINK, INC.	PA	\$ 10,562,353
CENTURYLINK, INC.	SC	\$ 2,952,228
CENTURYLINK, INC.	SD	\$ 9,117,215
CENTURYLINK, INC.	TN	\$ 1,662,828
CENTURYLINK, INC.	TX	\$ 11,300,418
CENTURYLINK, INC.	UT	\$ 1,894,802
CENTURYLINK, INC.	VA	\$ 15,731,765
CENTURYLINK, INC.	WA	\$ 24,412,884
CENTURYLINK, INC.	WI	\$ 55,384,589
CINCINNATI BELL INC.	HI	\$ 4,424,319
CINCINNATI BELL INC.	KY	\$ 2,034,186
CINCINNATI BELL INC.	OH	\$ 194,944
CONSOLIDATED COMMUNICATIONS, INC.	CA	\$ 14,837
CONSOLIDATED COMMUNICATIONS, INC.	FL	\$ 2,660,998
CONSOLIDATED COMMUNICATIONS, INC.	IL	\$ 8,084,857
CONSOLIDATED COMMUNICATIONS, INC.	ME	\$ 13,289,220
CONSOLIDATED COMMUNICATIONS, INC.	MN	\$ 2,516,502
CONSOLIDATED COMMUNICATIONS, INC.	MO	\$ 1,689,794
CONSOLIDATED COMMUNICATIONS, INC.	NH	\$ 4,376,606
CONSOLIDATED COMMUNICATIONS, INC.	NY	\$ 2,568,269
CONSOLIDATED COMMUNICATIONS, INC.	OH	\$ 420,997
CONSOLIDATED COMMUNICATIONS, INC.	OK	\$ 215,303
CONSOLIDATED COMMUNICATIONS, INC.	PA	\$ 239,836
CONSOLIDATED COMMUNICATIONS, INC.	TX	\$ 1,915,321
CONSOLIDATED COMMUNICATIONS, INC.	VT	\$ 8,789,359
CONSOLIDATED COMMUNICATIONS, INC.	WA	\$ 1,321,014
FRONTIER COMMUNICATIONS		
CORPORATION	AL	\$ 2,998,480
FRONTIER COMMUNICATIONS	AZ	\$ 12 281 066
CORPORATION	AL	\$ 13,281,066
FRONTIER COMMUNICATIONS	CA	\$ 38,074,824
CORPORATION FRONTIER COMMUNICATIONS		
CORPORATION	CT	\$ 435,139
FRONTIER COMMUNICATIONS		¢ 242 400
CORPORATION	FL	\$ 342,490
FRONTIER COMMUNICATIONS	GA	\$ 375,826
CORPORATION EPONITIER COMMUNICATIONS		. ,
FRONTIER COMMUNICATIONS CORPORATION	IA	\$ 4,240,587
FRONTIER COMMUNICATIONS		¢ 5 222 121
CORPORATION	ID	\$ 5,223,121

FRONTIER COMMUNICATIONS CORPORATION	IL	\$ 31,017,498
FRONTIER COMMUNICATIONS CORPORATION	IN	\$ 22,815,087
FRONTIER COMMUNICATIONS CORPORATION	MI	\$ 21,733,859
FRONTIER COMMUNICATIONS CORPORATION	MN	\$ 27,551,363
FRONTIER COMMUNICATIONS CORPORATION	MS	\$ 816,996
FRONTIER COMMUNICATIONS CORPORATION	MT	\$ 1,114,484
FRONTIER COMMUNICATIONS CORPORATION	NC	\$ 3,596,156
FRONTIER COMMUNICATIONS CORPORATION	NE	\$ 2,735,761
FRONTIER COMMUNICATIONS CORPORATION	NM	\$ 4,426,327
FRONTIER COMMUNICATIONS CORPORATION	NV	\$ 1,379,494
FRONTIER COMMUNICATIONS CORPORATION	NY	\$ 17,381,485
FRONTIER COMMUNICATIONS CORPORATION	ОН	\$ 22,927,850
FRONTIER COMMUNICATIONS CORPORATION	OR	\$ 3,897,357
FRONTIER COMMUNICATIONS CORPORATION	PA	\$ 3,891,253
FRONTIER COMMUNICATIONS CORPORATION	SC	\$ 2,709,651
FRONTIER COMMUNICATIONS CORPORATION	TN	\$ 2,126,605
FRONTIER COMMUNICATIONS CORPORATION	TX	\$ 16,576,929
FRONTIER COMMUNICATIONS CORPORATION	UT	\$ 2,547,047
FRONTIER COMMUNICATIONS CORPORATION	WA	\$ 8,688,054
FRONTIER COMMUNICATIONS CORPORATION	WI	\$ 30,983,715
FRONTIER COMMUNICATIONS CORPORATION	WV	\$ 38,068,337
MUTUAL TELEPHONE COMPANY (IA)	IA	\$ 2,184,040
PTI PACIFICA INC.	MP	\$ 2,627,177
WILKES TELEPHONE MEMBERSHIP CORPORATION	VA	\$ 857,021
WINDSTREAM HOLDINGS, INC.	AL	\$ 511,038
WINDSTREAM HOLDINGS, INC.	AR	\$ 13,163,783
WINDSTREAM HOLDINGS, INC.	FL	\$ 5,236,626
WINDSTREAM HOLDINGS, INC.	GA	\$ 24,867,807

Sub-Total		\$ 1,497,972,328
WINNEBAGO COOPERATIVE TELECOM ASSN.	IA	\$ 209,176
WINDSTREAM HOLDINGS, INC.	TX	\$ 21,260,790
WINDSTREAM HOLDINGS, INC.	SC	\$ 935,383
WINDSTREAM HOLDINGS, INC.	PA	\$ 13,001,364
WINDSTREAM HOLDINGS, INC.	OK	\$ 7,788,213
WINDSTREAM HOLDINGS, INC.	OH	\$ 4,154,270
WINDSTREAM HOLDINGS, INC.	NY	\$ 1,557,976
WINDSTREAM HOLDINGS, INC.	NE	\$ 13,591,437
WINDSTREAM HOLDINGS, INC.	NC	\$ 1,952,082
WINDSTREAM HOLDINGS, INC.	MS	\$ 917,403
WINDSTREAM HOLDINGS, INC.	WINDSTREAM HOLDINGS, INC. MO \$ 14,187	
WINDSTREAM HOLDINGS, INC.	MN	\$ 1,519,855
WINDSTREAM HOLDINGS, INC.	KY	\$ 21,576,987
WINDSTREAM HOLDINGS, INC.	IA	\$ 28,672,554

State	Carrier	Authorized Annual Support
AL	AT&T INC.	\$ 23,161,780
AL	CENTURYLINK, INC.	\$ 17,290,009
AL	FRONTIER COMMUNICATIONS CORPORATION	\$ 2,998,480
AL	WINDSTREAM HOLDINGS, INC.	\$ 511,038
AR	AT&T INC.	\$ 21,350,835
AR	CENTURYLINK, INC.	\$ 19,761,508
AR	WINDSTREAM HOLDINGS, INC.	\$ 13,163,783
AZ	CENTURYLINK, INC.	\$ 10,089,092
AZ	FRONTIER COMMUNICATIONS CORPORATION	\$ 13,281,066
CA	AT&T INC.	\$ 60,240,434
CA	CONSOLIDATED COMMUNICATIONS, INC.	\$ 14,837
CA	FRONTIER COMMUNICATIONS CORPORATION	\$ 38,074,824
CO	CENTURYLINK, INC.	\$ 26,509,143
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GA	AT&T INC.	\$ 25,345,199
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GA	FRONTIER COMMUNICATIONS CORPORATION	\$ 375,826
GA	WINDSTREAM HOLDINGS, INC.	\$ 24,867,807
HI	CINCINNATI BELL INC.	\$ 4,424,319
IA	CENTURYLINK, INC.	\$ 17,893,887
IA	FRONTIER COMMUNICATIONS CORPORATION	\$ 4,240,587
IA	MUTUAL TELEPHONE COMPANY (IA)	\$ 2,184,040
IA	WINDSTREAM HOLDINGS, INC.	\$ 28,672,554
IA	WINNEBAGO COOPERATIVE TELECOM ASSN.	\$ 209,176
ID	CENTURYLINK, INC.	6,279,869
ID	FRONTIER COMMUNICATIONS CORPORATION	\$ 5,223,121
IL	AT&T INC.	\$ 8,932,507
IL	CENTURYLINK, INC.	\$ 2,093,982

Appendix B CACM Authorized Annual Support by State

IL	CONSOLIDATED COMMUNICATIONS, INC.	\$ 8,084,857
IL	FRONTIER COMMUNICATIONS CORPORATION	\$ 31,017,498
IN	AT&T INC.	\$ 17,576,788
IN	CENTURYLINK, INC.	\$ 10,736,352
IN	FRONTIER COMMUNICATIONS CORPORATION	\$ 22,815,087
KS	AT&T INC.	\$ 18,942,367
KS	CENTURYLINK, INC.	\$ 16,501,327
KY	AT&T INC.	\$ 30,962,548
KY	CINCINNATI BELL INC.	\$ 2,034,186
KY	WINDSTREAM HOLDINGS, INC.	\$ 21,576,987
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МО	CENTURYLINK, INC.	\$ 74,927,427
МО	CONSOLIDATED COMMUNICATIONS, INC.	\$ 1,689,794
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MS	AT&T INC.	\$ 49,772,592
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NC	WINDSTREAM HOLDINGS, INC.	\$ 1,952,082
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WI	AT&T INC.	\$ 9,070,392
WA	FRONTIER COMMUNICATIONS CORPORATION	\$ 8,688,054
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