By this Public Notice, the Wireline Competition Bureau (Bureau) and the Office of Economics and Analytics (Office) announce the 2022 reasonable comparability benchmarks for fixed voice and broadband services for eligible telecommunications carriers (ETCs) that are subject to broadband public interest obligations. These ETCs include incumbent local exchange rate-of-return carriers, incumbent price-cap carriers that are receiving Connect America Fund (CAF) Phase II support, Rural Broadband Experiment providers, CAF Phase II Auction (Auction 903) winners, and Rural Digital Opportunity Fund Auction (Auction 904) winners. In addition, we announce the posting of the fixed voice and broadband services data collected in the most recent urban rate survey, and explanatory notes regarding the data, on the Commission’s website at http://www.fcc.gov/encyclopedia/urban-rate-survey-data. The Bureau and Office also announce the required minimum usage allowance for ETCs subject to public interest obligations for fixed broadband.

Voice Rates. Based on the survey results, the 2022 urban average monthly rate is $35.05. Therefore, the reasonable comparability benchmark for voice services, two standard deviations above the urban average, is $52.65. Under the Commission’s rules, each ETC, including competitive ETCs providing fixed voice services, must certify in the FCC Form 481 filed no later than July 1, 2022, that the pricing of its basic residential voice services is no more than $52.65.

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2 The USF/ICC Transformation Order defined the average urban rate to include local end-user rates plus state regulated fees (specifically, state subscriber line charges (SLCs), state universal service, and mandatory extended area service charges). USF/ICC Transformation Order, 26 FCC Red at 17751, para. 238. The reasonable comparability benchmark for voice services applies to mainland providers and those in Alaska.

3 Id. at 17694, para. 84.

4 The Bureau has adopted a benchmark only for fixed voice services because “the differences in rate plans and other attributes of fixed and mobile services would make it inordinately difficult to create a unified benchmark” that applied to both fixed and mobile services. See Connect America Fund, WC Docket No. 10-90, Order, 28 FCC Red 4242, para. 6 (WCB 2014).
**Broadband Rates.** Recipients of high-cost and/or Connect America Fund support that are subject to broadband performance obligations are required to offer broadband service at rates that are at or below the relevant reasonable comparability benchmark.\(^6\) Carriers subject to the Alaska Plan are required to meet Alaska-specific benchmarks\(^7\) and to certify that they are meeting the relevant reasonable comparability benchmark for their broadband service offering in the FCC Form 481 filed no later than July 1, 2022.\(^8\)

Under the approach adopted by the Bureau in 2014, the reasonable comparability broadband benchmark varies, depending upon the supported service’s download and upload bandwidths and usage allowance.\(^9\) Alaska-specific benchmarks were developed in the same manner using data from Alaska carriers serving Alaska urban areas.

The following table provides the 2022 benchmark for a number of different broadband service offerings, though providers will need to determine the benchmark for services with characteristics not shown in the table.\(^10\)

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\(^5\) 47 CFR § 54.313(a)(10); see also USF/ICC Transformation Order, 26 FCC Rcd at 18046-47, para. 1026. In the USF/ICC Transformation Order, the Commission required that as a condition of receiving high-cost support, ETCs must offer voice service in supported areas at rates that are reasonably comparable to rates for similar services in urban areas. USF/Transformation Order, 26 FCC Rcd at 17693, para. 81.

\(^6\) USF/Transformation Order, 26 FCC Rcd at 17695, para. 86.


\(^10\) We emphasize that carriers subject to broadband public interest obligations may offer their customers services other than those meeting the defined benchmark and minimum usage allowance. As long as the carrier offers at least one broadband service plan that meets the relevant metrics, it is free to offer other plans and packages to meet the varying needs of consumers. We note that usage allowance requirements do not apply to those areas that rely exclusively on satellite backhaul. See USF/ICC Transformation Order, 26 FCC Rcd at 17699-700, para. 101; see also 47 CFR § 54.313(g).
To facilitate benchmark calculations, the Office will post an Excel file with a tool in which providers can enter the relevant variables to determine the benchmark for specific service characteristics at http://www.fcc.gov/encyclopedia/urban-rate-survey-data.

**Minimum Usage Allowance.** Under the USF/ICC Transformation Order and subsequent orders, ETCs subject to broadband public interest obligations must provide broadband with usage allowances reasonably comparable to those available through comparable offerings in urban areas.\(^\text{11}\) The Commission delegated to the Bureau the task of setting a specific minimum usage allowance and stated that the minimum should be adjusted over time.\(^\text{12}\) For the reasons explained below, the Bureau adopts a minimum monthly usage allowance of 500 GB for 2022.

In the 2016 Rate-of-Return Reform Order, the Commission specified that the required minimum usage allowance for rate-of-return carriers receiving model-based support would be 150 GB per month, or a usage allowance reflecting the average usage of a majority of fixed broadband customers, using Measuring Broadband America (MBA) data or a similar data source, whichever is higher.\(^\text{13}\) The usage allowance adopted by the Commission for the baseline performance tier is: 150 GB per month, or a usage allowance that reflects the average usage of a majority of fixed broadband customers, using MBA data or a similar data source, whichever is higher.\(^\text{14}\) However, the minimum usage allowance for carriers

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\(^{11}\) See USF/ICC Transformation Order, 26 FCC Rcd at 17699, para. 99.  See 47 CFR §§ 54.308(a), 54.309(a).

\(^{12}\) USF/ICC Transformation Order, 26 FCC Rcd at 17699, para. 99.

receiving support from the Rural Digital Opportunity Fund is the greater of 250 GB or the average usage calculated by the Bureau for the Minimum and Baseline tiers and 2 Terabytes (TB) for the Above-Baseline and Gigabit tiers.\textsuperscript{15}

MBA usage data for 2021 shows an average of 365 GBs per month, with 409 GBs per month in the third quarter. However, MBA data may not fully represent the current average usage among a majority of fixed broadband customers. MBA data show the same increasing trend in usage as other national average sources but have consistently shown lower numbers. This is likely because the MBA was designed to measure performance, not usage, and may not contain a representative sample of broadband customers, such as cord-cutters, i.e., those that receive all video programming via the Internet rather than cable or satellite subscription services, customers in rural areas, or customers served by small providers.\textsuperscript{16}

Therefore, we look to “a similar data source.” Specifically, OpenVault, which aggregates data for the broadband and financial industries, stated in its Broadband Insights Report that Internet usage in the first quarter of 2021 was 461.7 GB.\textsuperscript{17} Mark Trudeau, founder and CEO of OpenVault, predicts that average broadband consumption per household will be approximately 600-650 GBs by the end of 2021.\textsuperscript{18} Charter, a large broadband provider, finds that its broadband-only customers use an average of 700 GB of data per month,\textsuperscript{19} with 20% of its customers exceeding 1 TB of usage every month.\textsuperscript{20} With average usage reports of 409 and 461.7 GB during 2021, the likelihood of continued increases now and into next year, and the higher Internet usage by broadband-only subscribers, we find that 500 GB is a reasonable minimum monthly usage allowance for 2022.

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\textsuperscript{17}Alan Breznick, OpenVault: Higher broadband use emerging as new normal (June 1, 2021), https://www.lightreading.com/cable-tech/openvault-higher-broadband-use-emerging-as-new-normal/d/d-id/769915.

\textsuperscript{18}Sara Fischer, The massive jump in broadband usage won’t be going away after the pandemic ends, AXIOS (May 4, 2021), https://www.yahoo.com/the-120219824.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlUmNvbS8&guce_referrer_sig=AQAAANvHLSc6Wf0o2P8u7WcdnERieq0Kx0Wcs5U98a0D2PYx_2Vlj_P3a-VY3NYgC96otXqmpKgp5pDePPngAvHNZzh9MCa-yCMcaZfsgyktWw9na-3j3ZuA29kX_z8n17rs9EP_vLTFP8terJioPLaUCChQ9K5ky7mlkcFX6NA_6D.
