



**Federal Communications Commission
Washington, DC 20554**

December 8, 2025

DA 25-1023

SMALL ENTITY COMPLIANCE GUIDE

**Connect America Fund et al.
High-Cost Fabric Order**

**DA 25-32
WC Docket Nos. 10-90, 18-143, 19-126
AU Docket No. 20-34**

Released January 10, 2025

In accordance with Section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996, this Small Entity Compliance Guide (Guide) is intended to help small entities—small businesses, small organizations (non-profits), and small governmental jurisdictions—comply with the rules adopted in the above-referenced Federal Communications Commission (FCC or Commission) rulemaking dockets. This Guide is not intended to replace or supersede these rules, but to facilitate compliance with the rules. Although we have attempted to cover all parts of the rules that might be especially important to small entities, the coverage may not be exhaustive. This Guide cannot anticipate all situations in which the rules apply. Furthermore, the Commission retains the discretion to adopt case-by-case approaches, where appropriate, that may differ from this Guide. Any decision regarding a particular small entity will be based on the statute and any relevant rules.

In any civil or administrative action against a small entity for a violation of rules, the content of the Guide may be considered as evidence of the reasonableness or appropriateness of proposed fines, penalties or damages. Interested parties are free to file comments regarding this Guide in the above referenced docket and the appropriateness of its application to a particular situation. The Commission will then consider whether the recommendations or interpretations in the Guide are appropriate in that situation. The Commission may decide to revise this Guide without public notice to reflect changes in its approach to implementing a rule, or it may clarify or update the text of the Guide. Please direct comments and recommendations, or requests for further assistance, to the FCC's Consumer Center:

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I. OBJECTIVES OF THE PROCEEDING

On January 10, 2025, the Wireline Competition Bureau (WCB) released the *High-Cost Fabric Order* adopting the Broadband Serviceable Location Fabric (Fabric), the most up-to-date and comprehensive source for identifying Broadband Serviceable Locations (BSL), as the basis WCB will rely upon for generally verifying compliance with high-cost program deployment obligations and for adjusting the location obligations for certain high-cost support mechanisms.¹

Specifically, WCB adopted processes and policies for implementing the Rural Digital Opportunity Fund (RDOF) location readjustment process prior to the six-year RDOF service milestone as well as streamlined location adjustment procedures for the Bringing Puerto Rico Together (PR) Fund, the Connect USVI Fund, Alternative Connect America Cost Model (A-CAM) I, Revised A-CAM I, and A-CAM II carriers.²

WCB's decision to rely on the Fabric for these purposes is an important step towards improving accuracy, oversight, and accountability for the high-cost support mechanisms. Moreover, in the *High-Cost Fabric Order* WCB adopted processes and policies for the various high-cost support program location adjustment processes with the objective of maximizing the number of consumers served with high-cost support while also leveraging existing Commission processes to reduce burdens for all high-cost carriers, including small carriers.

II. COMPLIANCE REQUIREMENTS

In the *High-Cost Fabric Order*, WCB adopted various compliance requirements related to its use of the Fabric for both verifying compliance with high-cost program deployment obligations and also for adjusting the location obligations for certain high-cost support mechanisms.

A. High-Cost Support Generally (47 CFR § 54.316)

High-Cost support recipients are required to submit locations in the High Cost Universal Broadband (HUBB) portal on at least an annual basis.³ WCB explained in the *High-Cost Fabric Order* that it would incorporate the Fabric as part of its compliance reviews to verify high-cost carriers' reporting in the HUBB and claims that they have met their service milestones. Accordingly, WCB reiterated that it expects high-cost support recipients to review the data they submit into the HUBB and as part of their Broadband Data Collection (BDC) reporting to identify any inconsistencies between the datasets. WCB also reiterated that if a support recipient identifies a mismatch between its two datasets, it can take one of the following steps to address the mismatch: 1) remove the location from its HUBB submission or modify the attributes of its HUBB submitted location(s) to better align with its BDC

¹ *Connect America Fund et al.*, WC Docket No. 10-90 et al., Order, 40 FCC Rcd 281 (WCB 2025) (*High-Cost Fabric Order*). In March 2020, Congress passed the Broadband DATA Act which requires the Commission to establish a semiannual collection of geographically granular fixed broadband availability data for publication on the National Broadband Map, adopt processes for the public to challenge that availability data and for accepting crowdsourced information, and create a comprehensive dataset of BSLs. Broadband Deployment Accuracy and Technological Availability Act, Pub. L. No. 116-130, 134 Stat. 228 (2020) (codified at 47 U.S.C. §§ 641-646) (Broadband DATA Act). The Broadband DATA Act defines the Fabric as the "common dataset of all locations in the United States where fixed broadband internet access service can be installed, as determined by the Commission," and directs that the Fabric "shall . . . serve as the foundation upon which all data relating to the availability of fixed broadband internet service . . . shall be reported and overlaid." The Broadband DATA Act also requires the Commission to create a process whereby information included in the Fabric may be challenged by "consumers, State, local and Tribal government entities, and other entities or individuals." 47 U.S.C. § 642(b)(1)(A)(i), (b)(1)(B)(ii), (b)(5)(A).

² See generally *High-Cost Fabric Order*.

³ 47 CFR § 54.316.

submissions, or 2) submit a Fabric challenge through the National Broadband Map or the BDC system to the extent a support recipient believes the Fabric is not accurate.⁴

B. Rural Digital Opportunity Fund (47 CFR § 54.802(c))

In the *Rural Digital Opportunity Fund Order*, the Commission directed WCB to adopt a process to implement the Commission's framework for adjusting RDOF carriers' estimated required location totals to account for the actual locations within a RDOF carrier's service area.⁵ In the *High-Cost Fabric Order*, WCB adopted the Fabric as the source for identifying locations and adopted a number of processes to implement the Commission's framework that include some requirements for carriers.⁶

- WCB will announce revised location totals for RDOF carriers in 2027 based on the Fabric version used for the BDC as of December 31, 2026. Carriers will be required to serve all broadband serviceable locations in this list. Accordingly, carriers should use the Fabric challenge process to challenge any locations. Any outstanding or pending challenges that were filed but not incorporated in the Fabric version used for final obligations will not be considered for determining the final deployment obligation.⁷
- RDOF carriers that must deploy to *additional locations*:
 - If a new location count exceeds the estimated location count by more than 35%, support will be increased on a pro rata basis for each location over the 35% threshold.⁸
 - If there are additional locations, beyond the original number of estimated locations, that the carrier believes are ineligible, the carrier must first successfully challenge the location through the Fabric challenge process to have the location removed from its list.⁹
 - If there are additional locations, beyond the original number of estimated locations, that the carrier believes are unreasonable to serve, the carrier must demonstrate the location is unreasonable to serve to have the location removed from its list of required locations.¹⁰
- RDOF carriers that have *fewer actual locations* in eligible census blocks in their service area than originally estimated:
 - If the new location count is less than 65% of the estimated location account, WCB will apply a pro rata support reduction to the number of locations that bring the location total below the 65% threshold.¹¹
 - If a carrier has served all existing locations in the eligible census blocks prior to WCB announcing revised location totals, it can request a verification. The carrier can close out its letter of credit if a verification determines the support recipient has served all existing locations prior to the sixth year milestone based

⁴ *High-Cost Fabric Order*, 40 FCC Rcd at 288-89, paras. 16-17.

⁵ *Rural Digital Opportunity Fund et al.*, WC Docket No. 19-126 et al., Report and Order, 35 FCC Rcd 686, 709, para. 45 (2020) (*RDOF Order*). See also 47 CFR § 54.802(c).

⁶ *High-Cost Fabric Order*, 40 FCC Rcd at 291-303, paras. 24-52.

⁷ *Id.* at 291-92, paras. 25-26.

⁸ *Id.* at 293, para. 29.

⁹ *Id.* at 295, para. 33.

¹⁰ *Id.* at 295-98, paras. 33-38.

¹¹ *Id.* at 301-02, para. 47.

on the latest version of the Fabric available to Fabric licensees. If additional Fabric locations appear in later versions of the Fabric up to and including the Fabric version used for final obligations, the carrier will be required to serve the additional locations by the end of the six-year deployment period until the carrier has served the number of locations estimated by the cost model (if there are the same number or more locations in the carrier's service area than originally estimated) or the adjusted location total adopted by WCB (if there are fewer locations in the carrier's service area than originally estimated).¹²

- WCB will find good cause exists to waive the relevant interim service milestones for carriers that cannot meet the service milestone if the carrier demonstrates with Fabric data that it has identified all existing locations in its service area and the Universal Service Administrative Company (USAC) verifies that the carrier offers service meeting the relevant requirements to all existing locations.¹³
- When revising location totals for support recipients that have authorized winning bids across multiple performance tiers, WCB will proportionally adjust location totals for each performance tier so that WCB maintains the same ratio of locations across all performance tiers for the new location total as what was authorized under the initial deployment obligation.¹⁴
- In the *RDOF Order*, the Commission required that RDOF carriers provide the required RDOF service upon reasonable request to any locations built after WCB announces revised location totals and prior to the end of the eighth year of support, excluding any locations that do not request service or that have exclusive arrangements with other providers.¹⁵
 - In the *High-Cost Fabric Order*, WCB adopted the use of Fabric data to identify any new locations that meet these criteria and confirm compliance with this requirement. To the extent a provider gets a reasonable request to provide service to a location that is not but should be in the Fabric, a provider is required to provide service to that location and submit a challenge to the Fabric to add the location.¹⁶
 - In the *High-Cost Fabric Order*, WCB adopted a presumption that a newly built location is:
 - 1) Unreasonable to serve if a newly built location falls outside of the footprint of a carrier's existing network or the network that the carrier would be required to build to serve any additional locations that WCB identified when it adopted revised location counts, and
 - 2) Reasonable to serve if a newly built location falls within the footprint of the carrier's existing network or network that the carrier would be

¹² *Id.* at 299-300, paras. 42-44.

¹³ *Id.* at 300-01, para. 45.

¹⁴ *Id.* at 302, para. 49.

¹⁵ *RDOF Order*, 35 FCC Rcd at 711, para. 52; 47 CFR § 54.802(c)(1)(iii).

¹⁶ *High-Cost Fabric Order*, 40 FCC Rcd at 303, para. 50.

required to build to serve any additional locations that WCB identified when it adopted revised location counts¹⁷

C. The Bringing Puerto Rico Together and Connect USVI Funds

Acknowledging the uncertainty of location data following the hurricanes and the compelling need to adequately verify the number of locations, the Commission adopted a location adjustment process for the PR Fund and USVI Fund.¹⁸ The Commission also adopted a fifth-year reassessment, creating a voluntary opportunity for support recipients to request that the Commission carefully review their obligations no later than the beginning of the fifth year of support, and directed WCB to seek comment on any requested reassessment, including the documentation, data, and evidence to put forward to support the request.¹⁹

In the *High-Cost Fabric Order*, WCB decided to leverage Fabric data to simplify the location adjustment process for the PR Fund and the Connect USVI Fund and adopted procedures for this process.²⁰ WCB also decided to combine the location adjustment process with the fifth-year assessment.²¹

- WCB will conduct a location adjustment process for the PR Fund and Connect USVI Fund within a reasonable amount of time after the version of the Fabric used for the BDC collection as of December 2025 is made available to licensees. PR Fund and Connect USVI carriers are required to participate in this process and will be required to serve all broadband serviceable locations in the list generated from the process. Accordingly, carriers should use the Fabric location challenge process to challenge any locations. Any outstanding or pending challenges that were filed but not incorporated in the Fabric version used for final obligations will not be considered for determining the final deployment obligation.²²
- If the location total based on the Fabric is lower than originally estimated, WCB will find that the support recipient has met its burden of proof to receive a downward adjustment in its location total and a corresponding pro rata support reduction for the number of locations reflected in the Fabric data.²³
- If the location total based on the Fabric is higher than originally estimated, WCB will find that the support recipient has met its burden of proof to receive an upward adjustment in its location total and a corresponding pro rata support increase for the number of locations reflected in the Fabric data²⁴

D. Alternative Connect America Cost Model I & II

The Commission decided that A-CAM carriers that discover there is a widely divergent number of locations in their funded census blocks as compared to the model should have the opportunity to seek

¹⁷ *Id.* at 303, para. 51.

¹⁸ *The Uniendo a Puerto Rico Fund and the Connect USVI Fund et al.*, WC Docket No. 18-143 et al., Report and Order and Order on Reconsideration, 34 FCC Rcd 9109, 9144-45, paras. 63-65 (2019) (*2019 PR-USVI Order*).

¹⁹ *Id.* at 9145-46, para. 66.

²⁰ *High-Cost Fabric Order*, 40 FCC Rcd at 305-07, paras. 57-62.

²¹ *Id.* at 306, para. 59.

²² *Id.* at 305-06, paras. 57-60.

²³ *2019 PR-USVI Order*, 34 FCC Rcd at 9145, para. 65; *High-Cost Fabric Order*, at 26, para. 61.

²⁴ *High-Cost Fabric Order*, 40 FCC Rcd at 307, para. 62.

an adjustment to modify their deployment obligations.²⁵ It delegated to WCB the authority to adjust the number of funded locations downward and reduce associated funding levels.²⁶ In the *High-Cost Fabric Order*, WCB decided to permit A-CAM carriers to seek a downward adjustment in their location totals by using the Fabric to demonstrate the actual number of locations in their service areas and adopted procedures for this process.²⁷

- WCB will conduct voluntary location adjustment processes for A-CAM I, Revised A-CAM I, and A-CAM II carriers. An A-CAM carrier can request a downward adjustment when the relevant version of the Fabric shows fewer locations in the eligible 2010 census blocks than the carrier has supported locations pursuant to its A-CAM authorization.²⁸
 - For Revised A-CAM I and A-CAM II carriers, WCB will rely on the version of the Fabric used for the BDC collection as of June 30, 2026²⁹
 - For A-CAM I carriers, WCB will rely on the version of the Fabric that is used for BDC collection as of December 31, 2025³⁰
 - Carriers should use the Fabric location challenge process to challenge any locations. Any outstanding or pending challenges that were filed but not incorporated in the relevant Fabric version will not be considered for determining the final deployment obligation.³¹
- WCB will use the A-CAM to determine the adjusted location obligations and support amounts for A-CAM I, Revised A-CAM I, and A-CAM II carriers. Specifically, WCB will use the cost estimates, support parameters, and census block eligibility used to originally calculate A-CAM I, Revised A-CAM I, and A-CAM II carriers' support, but update the location totals for each eligible census block to reflect the location totals in the Fabric and generate a new support total for that carrier. Given WCB only has the authority to adjust a carrier's support downward, WCB will cap the amount of support that a carrier can receive through this adjustment process at its existing levels.³²

²⁵ *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, 3102, para. 34 (2016) (*2016 Rate-of-Return Reform Order*).

²⁶ *Id.* See also *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order et al., 33 FCC Rcd 11893, 11903, para. 34 (2018) (*December 2018 Rate-of-Return Order*) (noting that the Commission adopted for A-CAM II the same terms of the A-CAM I offer to the extent the *December 2018 Rate-of-Return Order* was silent regarding the terms and conditions of A-CAM II).

²⁷ *High-Cost Fabric Order*, 40 FCC Rcd at 308-10, paras. 66-70.

²⁸ *Id.* at 308, para. 66.

²⁹ *Id.* at 308-09, para. 67.

³⁰ *Id.* at 309, para. 67.

³¹ *Id.* at 309, para. 69.

³² *Id.* at 309-10, para. 70.

III. RECORDKEEPING AND REPORTING REQUIREMENTS

The *High-Cost Fabric Order* contains new reporting requirements and also clarified some procedures for existing reporting and recordkeeping requirements.

A. Rural Digital Opportunity Fund

- If there are additional locations, beyond the original number of estimated locations, that the carrier believes are unreasonable to serve, the carrier must file a request with WCB and demonstrate the location is unreasonable to serve to have the location removed from its list of required locations.³³
 - The RDOF carrier must submit a request no later than six months after the date that WCB announces revised location totals.³⁴
 - WCB will set up a data collection system in which the RDOF carrier must submit their requests. The request must identify: 1) the locations the RDOF carrier claims are unreasonable to serve (e.g., Fabric ID), and 2) the specific reasons why each location is unreasonable to serve. The RDOF carrier must also submit evidence supporting its claim.³⁵
 - If WCB sets up a data collection system prior to WCB adopting revised location counts, the RDOF carrier must also certify that it has or will have served at a minimum the number of locations estimated by the CAM by the end of the deployment period.³⁶
 - WCB may request additional information to assess a carrier's claim that a location is unreasonable to serve, and a failure to submit this additional information would result in WCB finding that the carrier has not demonstrated that it would be unreasonable to serve the location.³⁷
- In the *RDOF Order*, the Commission required RDOF carriers that have fewer actual locations in the eligible census blocks in their service areas than estimated to notify WCB of this fact no later than March 1st following the fifth year of deployment—i.e., March 1, 2027.³⁸ The *High-Cost Fabric Order* explained that the carrier should submit the notification in the Commission's Electronic Comment Filing System (ECFS) in WC Dockets No. 10-90 & 19-126 and AU Docket No. 20-34 by March 1, 2027. The carrier may incorporate the Fabric by reference by certifying there are fewer locations identified in the latest version of the Fabric in the carrier's relevant service area than the carrier's estimated location total.³⁹
- In the *RDOF Order*, the Commission required that RDOF carriers provide the required

³³ *Id.* at 295-98, paras. 33-38.

³⁴ *Id.* at 297, para. 37.

³⁵ *Id.*

³⁶ *Id.* at 297, para. 38.

³⁷ *Id.* at 297, para. 36.

³⁸ *RDOF Order*, 35 FCC Rcd at 711, para. 51.

³⁹ *High-Cost Fabric Order*, 40 FCC Rcd at 298-99, para. 41. ECFS is available at <https://www.fcc.gov/ecfs/filings/standard>.

RDOF service upon reasonable request to any locations built after WCB announces revised location totals and prior to the end of the eighth year of support, excluding any locations that do not request service or that have exclusive arrangements with other providers.⁴⁰

- In the *High-Cost Fabric Order*, WCB explained that as part of RDOF carriers' existing recordkeeping requirements and to facilitate the Commission's verification and auditing processes,⁴¹ RDOF carriers should track unfulfilled requests for service and be prepared to demonstrate why any unfulfilled requests were unreasonable.⁴²
- WCB and USAC may request additional information to assess such claims. A failure to submit any additional information would result in WCB finding that the carrier has not demonstrated that a request is unreasonable.⁴³

B. The Bringing Puerto Rico Together and Connect USVI Funds

- PR Fund and Connect USVI carriers must participate in the location adjustment process which will occur within a reasonable amount of time after the version of the Fabric used for the BDC collection as of December 2025 is made available to licensees. WCB expects the relevant Fabric version will be made available in December 2025.⁴⁴
- To participate, each PR Fund and Connect USVI carrier must submit a document in ECFS in WC Docket Nos. 18-143 and 10-90 certifying it has reviewed the version of the Fabric used for BDC collection as of December 2025 and that there are more or fewer locations in the latest version of the Fabric in the carrier's relevant service area than the carrier's estimated location total.⁴⁵
- WCB will provide more details regarding this process, including the deadline for submissions, in a future release.

C. Alternative Connect America Cost Model I & II

- A-CAM carriers have the option of participating in the location adjustment process to seek a downward adjustment in their location totals. The location adjustment process will occur within a reasonable amount of time after the relevant version of the Fabric is made available to licensees.⁴⁶
- WCB will provide a one-time window for A-CAM carriers to request a downward adjustment in the relevant docket and incorporate Fabric data by reference when requesting this adjustment by certifying that they have reviewed the Fabric and

⁴⁰ *RDOF Order*, 35 FCC Rcd at 711, para. 52; 47 CFR § 54.802(c)(1)(iii).

⁴¹ 47 CFR §§ 54.320(a)-(b), 54.806(b).

⁴² *High-Cost Fabric Order*, 40 FCC Rcd at 303, para. 52.

⁴³ *Id.*

⁴⁴ *Id.* at 305-06, paras. 57-59.

⁴⁵ *Id.* at 305, para. 57.

⁴⁶ *Id.* at 308-09, paras. 66-67.

there are fewer locations identified in the relevant version of the Fabric in the carrier's service area than the carrier's estimated locations total.⁴⁷

- WCB will provide more details regarding this process, including the deadline for submissions, in a future release.

IV. IMPLEMENTATION DATE

The rules in the *High Cost Fabric Order* became effective April 4, 2025, except for the provisions subject to the Paperwork Reduction Act.⁴⁸

The following rules in the Report and Order require approval by the Office of Management and Budget (OMB) under the Paperwork Reduction Act: the procedures WCB adopted for RDOF carriers submitting requests to have locations they claim are unreasonable to serve removed from their required location lists⁴⁹ and the procedures WCB adopted for Revised A-CAM I and A-CAM II carriers to seek a downward adjustment in their required location totals.⁵⁰ These rules shall become effective after the Commission publishes a notice in the Federal Register announcing OMB approval and the relevant effective date.

V. INTERNET LINKS

A copy of the *High-Cost Fabric Order* is available at: <https://www.fcc.gov/document/wcb-adopts-use-fabric-update-and-verify-high-cost-obligations>.

A copy of the Federal Register Summary of the *High-Cost Fabric Order* is available at: <https://www.federalregister.gov/documents/2025/03/05/2025-03344/broadband-serviceable-location-fabric>.

⁴⁷ *Id.* at 308-09, paras. 67-68.

⁴⁸ Federal Communications Commission, Broadband Serviceable Location Fabric, 90 Fed. Reg. 11221 (Mar. 3, 2025).

⁴⁹ *High-Cost Fabric Order*, 40 FCC Rcd at 297, paras. 37-38.

⁵⁰ *Id.* at 308-09, paras. 67-68.