

Media Contact:

Mark Wigfield, (202) 418-0253
mark.wigfield@fcc.gov

For Immediate Release

FCC OFFERS INCENTIVES FOR OVER 500 RURAL CARRIERS TO PROVIDE FASTER BROADBAND TO OVER 1 MILLION RURAL HOMES AND BUSINESSES

FCC Taking Further Steps to Modernize and Increase Accountability in Its Universal Service Support Program for Rural Broadband

WASHINGTON, May 2, 2019—The Federal Communications Commission took steps today that could result in over 1 million rural homes getting faster broadband service. Specifically, the FCC’s Wireline Competition Bureau extended offers of broadband subsidies to 516 rural “rate-of-return” companies in 46 states through a predictable cost model, rather than the current legacy system, which dates to the era of voice-only service. The FCC [voted](#) to make this offer in December.

In return, these carriers would be required to deploy broadband on a defined schedule over the next decade at speeds of at least 25 Mbps download/3 Mbps upload to homes and businesses fully funded by the model. If all carriers opt in to the offer, they will be required to deploy 25/3 Mbps broadband to at least 1,126,082 homes and businesses.

And the obligation to deploy high-speed broadband will increase even for those carriers that do not accept the offer of model-based support. Under prior rules, legacy carriers were only required to deploy 10/1 Mbps broadband to 115,441 locations; they were not required to deploy 25/3 Mbps broadband to any locations. As a result of the Commission’s December vote, the Bureau has increased those obligations so that legacy carriers will be required to deploy 25/3 Mbps broadband to at least 600,535 locations.

Bridging the digital divide that separates many Americans from digital opportunity is the FCC’s top priority. Because of the high cost of deploying and operating broadband networks in rural areas, the FCC provides support through its universal service programs so that high-speed Internet will be available and affordable in rural communities.

The FCC modernized its support for rate-of-return companies through use of the Alternative Connect America Cost Model, or A-CAM, to determine support. The model calculates support required to provide service census block-by-census block and delivers that support over a 10-year term, with a defined buildout schedule. Building on the success of the first A-CAM offer, the action taken today provides carriers that initially elected to remain on the legacy system an opportunity to switch over to the model.

Rate-of-return carriers receive approximately \$2.4 billion each year of the FCC's \$4.794 billion in universal service support for rural broadband, and of that, the 262 companies that have already elected A-CAM support get approximately \$607 million per year. Carriers currently receiving legacy support have 45 days to opt in to today's A-CAM offer.

###

Media Relations: (202) 418-0500 / ASL: (844) 432-2275 / TTY: (888) 835-5322 / Twitter: @FCC / www.fcc.gov

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).