



NEWS FROM THE FEDERAL COMMUNICATIONS COMMISSION

FCC Proposes Modernization of High-Cost Program

Proposal Aims to Advance Goals of Efficiency in USF and Increased Rural Builds

WASHINGTON, May 20, 2026—Today, the Federal Communications Commission adopted a proposal to examine how the FCC can make some of the Commission’s high-cost support mechanisms more efficient and effective going forward. This proceeding sets the stage to ensure that high-cost support is targeting areas where it is needed most to advance the FCC’s Build America agenda. The time is ripe for revisiting these topics as several of the relevant model-based, high-cost mechanisms are set to sunset absent Commission action in 2026 and 2028, and the legacy support mechanisms now lack ongoing deployment requirements.

Through this Notice of Proposed Rulemaking, the FCC will seek comment on updating a subset of the Commission’s high-cost mechanisms that apply to rate-of-return carriers. Specifically, the Commission is looking at its high-cost mechanisms that provide funding to legacy rate-of-return carriers that currently are not subject to any forward-looking buildout obligations and those model-based mechanisms slated to sunset in the near future. The Commission seeks comment on what should come next for ongoing high-cost support, what form such support should take, and the costs that should be eligible for support. The Commission also seeks comment on ways to modernize its cost-based, legacy high-cost support mechanisms to align them with the modern communications landscape, taking into account new sources of funding and technological developments. In addition, the Commission seeks comment on whether to extend the Alternative Connect America Cost Model I (A-CAM I) support mechanism that is set to sunset by the end of 2026.

Action by the Commission May 20, 2026 by Notice of Proposed Rulemaking (FCC 26-35).
Chairman Carr, Commissioners Gomez and Trusty approving and issuing separate statements.

WC Docket Nos. 26-96, 10-90

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