Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of
Connect America Fund
Universal Service Reform – Mobility Fund

WC Docket No. 10-90
WT Docket No. 10-208

THIRD REPORT AND ORDER

Adopted: December 13, 2018
Released: January 3, 2019

By the Commission: Commissioner O’Rielly issuing a statement; Commissioner Rosenworcel approving in part, dissenting in part, and issuing a statement.

I. INTRODUCTION

1. In this Order, we extend the timeframe for the collection of speed test data for the Mobility Fund Phase II (MF-II) challenge process by 90 days. This change allows challengers’ speed test data collected on or after February 27, 2018, and through the entire 240-day challenge window, to be submitted and considered with a challenge. Similarly, we extend by at least 90 days the timeframe for the collection of information to respond to a challenge. Extending these timeframes gives effect to our recent decision in the MF-II Challenge Process Extension Order to extend the MF-II challenge window by 90 days, for a total challenge window of 240 days.

II. BACKGROUND

2. In 2017, the Commission adopted rules to move forward on a reverse auction that will direct up to $4.53 billion of MF-II support over ten years to mobile wireless providers in geographic areas lacking unsubsidized 4G Long Term Evolution (LTE) services. The Commission also determined that it would establish standards for mobile providers to make a one-time submission of current 4G LTE coverage data, compile a map of areas that were presumptively eligible for MF-II support, and provide a timeframe before the auction during which interested parties could challenge areas that were not listed as presumptively eligible (i.e., “presumptively ineligible” areas). Mobile providers had to file their coverage data with certifications by a qualified engineer, under penalty of perjury. The Rural Broadband Auctions Task Force, in conjunction with the Wireless Telecommunications Bureau and the Wireline Competition Bureau, compiled the one-time collection of 4G LTE coverage data and subsidy data from the Universal Service Administrative Company (USAC) to create the resulting map of areas presumptively eligible for MF-II support.


3 MF-II Challenge Process Order, 32 FCC Rcd at 6302, para. 39.


5 Mobility Fund Phase II Initial Eligible Areas Map Available; Challenge Window Will Open March 29, 2018, Public Notice, 33 FCC Rcd 2041 (WCB/WTB 2018) (MF-II Initial Eligible Areas Map Public Notice).
3. The MF-II Challenge Process Order established the framework for a robust challenge process that will refine the map of areas presumptively eligible to receive MF-II support. This challenge process is designed to efficiently resolve disputes about the eligibility of presumptively ineligible areas using mobile network speed test data. During the challenge window, interested parties could contest the initial determination of areas deemed presumptively ineligible for MF-II support. An eligible challenger could access USAC’s web data portal and download the provider-specific confidential coverage data necessary to begin conducting speed tests to challenge assertions of coverage. After the close of the challenge window, a respondent (i.e., a “challenged party”) would have the opportunity to respond to challenges by submitting its own speed test data or certain technical information that is probable of the validity of the challenger’s speed tests.

4. The Commission initially established a challenge window of 150 days, which began on March 29, 2018, and was scheduled to close on August 27, 2018. After the Commission adopted the timeframe for the challenge window, the Rural Wireless Association (RWA) submitted ex parte data regarding estimated burdens of the challenge process, including specific estimates of the amount of time required to conduct speed tests in certain areas. Taking this ex parte burden data into account, the Commission extended the challenge window in its August 2018 MF-II Challenge Process Extension Order for an additional 90 days, to November 26, 2018.

5. Under the standards adopted in the MF-II Challenge Process Order, speed test data for a challenge would only be accepted if such data were collected within the six months preceding the scheduled close of the challenge window. The Commission adopted the six-month collection period for speed test data because ongoing deployment of new 4G LTE service raised concerns “that speed measurements taken before the submission of updated coverage maps may not reflect the current consumer experience.” That six-month period commenced on February 27, 2018, upon the publication of the map of presumptively eligible areas. Similarly, the standard for data to be submitted by a

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6 MF-II Challenge Process Order, 32 FCC Rcd at 6282-83, 6296-314, paras. 1, 27-64.
7 Id. at 6296, para. 27.
8 Id. at 6296, para. 29.
10 MF-II Challenge Process Order, 32 FCC Rcd at 6311, paras. 59-60. Challenged parties will have 30 days to review challenges and supporting data in the USAC portal before the opening of the response window. See id. at 6311, para. 59; MF-II Challenge Process Procedures Public Notice, 33 FCC Rcd at 2005, para. 43. The response window will open no sooner than 30 days after the USAC system finishes processing the data submitted by challengers. Id. Once opened, the response window will close 30 days later. MF-II Challenge Process Procedures Public Notice, 33 FCC Rcd at 2005, para. 44.
12 Letter from Caressa D. Bennet, General Counsel, RWA, and Erin P. Fitzgerald, Regulatory Counsel, RWA, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90, WT Docket No. 10-208 (filed Mar. 21, 2018) (RWA Mar. 21, 2018 Ex Parte Letter); Letter from Caressa D. Bennet, General Counsel, RWA, and Erin P. Fitzgerald, Regulatory Counsel, RWA, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90, WT Docket No. 10-208 (filed Apr. 20, 2018) (RWA Apr. 20, 2018 Ex Parte Letter) (focusing on quantifying the estimated time required to conduct speed tests, as discussed in an April 18, 2018 ex parte meeting with Commission staff).
14 MF-II Challenge Process Order, 32 FCC Rcd at 6309, para. 51.
respondent required that such data be collected within six months before the close of the response window.\textsuperscript{17}

6. When extending the challenge window in the \textit{MF-II Challenge Process Extension Order}, the Commission proposed to extend the periods during which both challengers and challenged parties could collect information from six months to at least nine months.\textsuperscript{18} The Commission offered these proposals in recognition that challengers could have already collected speed test data before the challenge window was extended, in which case data collected between February 27, 2018, and May 28, 2018, would not be acceptable absent an expansion of the initially adopted six-month data collection period.\textsuperscript{19} The Commission tentatively concluded that this modification to the data timeframe requirements would serve the public interest by preventing challengers from having to repeat speed tests and would more effectively implement MF-II policy.\textsuperscript{20} Three parties submitted comments in response to the \textit{FNPRM}.\textsuperscript{21} No commenters opposed the proposed modification to the data timeframe requirements.

III. DISCUSSION

7. We adopt the proposal to accept speed test data for MF-II challenges collected on or after February 27, 2018, through the new close of the challenge window, November 26, 2018. All commenters support the proposal.\textsuperscript{22} RWA stated that some of its member companies spent significant amounts of money performing testing before May 28 and that those expenses would be wasted if the timeframe for acceptable testing were not also extended.\textsuperscript{23} U.S. Cellular and CCA agreed with the Commission’s stated rationale that extending the timeframe would avoid unnecessary retesting while collecting accurate data.\textsuperscript{24} To relieve challengers of the needless repetition of speed tests conducted before May 28 and to more effectively implement the MF-II challenge process, we modify the initially adopted requirement that challenger speed test data be collected within six months before the scheduled close of the challenge window. This modification allows challengers to submit the results of speed tests taken during the entire nine-month challenge process data collection window. When setting the original challenge process data collection window, the Commission stated that it was concerned that challenge data collected before deployments made in conjunction with the submission of updated coverage maps from current providers might not reflect the current consumer experience.\textsuperscript{25} The Commission therefore required that challenge data be collected after the publication of the initial eligibility map and within six months of the scheduled

\textcopyright \textsuperscript{15} See \textit{id}.

\textsuperscript{16} See \textit{MF-II Initial Areas Map Public Notice}, 33 FCC Rcd at 2041.

\textsuperscript{17} \textit{MF-II Challenge Process Order}, 32 FCC Rcd at 6312, para. 60. The specific dates for the response window have not yet been announced. \textit{See supra} note 9.

\textsuperscript{18} \textit{MF-II Challenge Process Extension Order}, FCC 18-124, at 4-5, para. 10.

\textsuperscript{19} \textit{See id.} at 4-5, paras. 10-11. The Commission tentatively concluded that failing to modify the timing requirement would prohibit challengers from using the speed tests conducted between February 27 and May 28 (i.e., tests conducted more than six months before the new November 26 deadline). \textit{Id.} at 5, para. 11.

\textsuperscript{20} \textit{Id.} at 5, para. 11.


\textsuperscript{22} U.S. Cellular Comments at 2-3; CCA Comments at 1-3; RWA Comments at 1-4.

\textsuperscript{23} RWA Comments at 3.

\textsuperscript{24} U.S. Cellular Comments at 3; CCA Comments at 3.

\textsuperscript{25} \textit{MF-II Challenge Process Order}, 32 FCC Rcd at 6309, 6312, paras. 51, 60.
close of the challenge window (which at the time were exactly contiguous periods). But given our extension of the challenge window by three months, extending the data collection period by a similar period does not permit submission of data collected prior to the submission of the updated coverage maps.

8. Likewise, we adopt the proposal to afford respondents the same additional amount of time as challengers to collect information for the MF-II challenge process. Hence, during the response window, respondents may submit information that was collected any time on or after April 29, 2018, through the close of the response window. This change is consistent with the MF-II Challenge Process Order’s generally parallel standards for challengers and respondents. CCA supports an extension to provide respondents with a similar timing requirement as challengers. As CCA observes, providing respondents with a similar data collection time period appropriately balances the interests of respondents with the Commission’s interest in receiving data collected recently. As stated above for challengers, this extension of the data collection period for respondents would not permit submission of any data collected before the publication of the presumptively eligible areas map, and therefore the permitted data would not create data recency concerns. Accordingly, a respondent would have at least nine months to collect speed test data for its own network or certain technical information probative of the validity of the challenger’s speed tests. Respondents’ speed tests collected on or after April 29, 2018, will be considered valid.

IV. PROCEDURAL MATTERS

9. Paperwork Reduction Act Analysis. This Order implements the information collection requirements adopted in the MF-II Challenge Process Order and does not contain any additional information collection requirements subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. On February 7, 2018, the Commission received PRA approval from the Office of Management and Budget (OMB) for the information collection requirements related to the challenge process, as adopted in the MF-II Challenge Process Order. Because this Order does not adopt any additional information collection requirements beyond those adopted in the MF-II Challenge Process Order and approved by OMB, this Order does not implicate the procedural requirements of the PRA or the Small Business Paperwork Relief Act of 2002, Public Law 107-198.


26 MF-II Challenge Process Order, 32 FCC Rcd at 6309, para. 51.
27 See generally MF-II Challenge Process Order, 32 FCC Rcd at 6309, 6312, paras. 51, 60.
28 CCA Comments at 4-5.
29 Id. at 5.
30 MF-II Challenge Process Order, 32 FCC Rcd at 6309, 6312, paras. 51, 60.
31 With the challenge window closing on November 26, 2018, the earliest the response window could close would be on January 29, 2019: challenged parties have at least 30 days to review challenges and 30 days to submit responses to the USAC portal. April 29, 2018 is nine months before January 29, 2019.
32 The technical information probative of the validity of the challenger’s speed tests that respondents may submit is detailed at MF-II Challenge Process Order, 32 FCC Rcd at 6312, para. 60.
33 The predictability of establishing a fixed date after which respondents may collect valid data outweighs any possible advantage a respondent might gain by having a slightly longer period to collect data than challengers had, in the event that the response window does not open promptly 30 days after the close of the challenge window.
11. **Final Regulatory Flexibility Certification.** The Regulatory Flexibility Act of 1980, as amended (RFA), requires that a regulatory flexibility analysis be prepared for a notice-and-comment rulemaking proceeding, unless the agency certifies that “the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities.” The RFA generally defines the term “small entity” as having the same meaning as the terms “small business,” “small organization,” and “small governmental jurisdiction.” In addition, the term “small business” has the same meaning as the term “small business concern” under the Small Business Act. A small business concern is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the Small Business Administration (SBA).

12. As required by the RFA, the Commission prepared Initial Regulatory Flexibility Analyses (IRFAs) in connection with the USF/ICC Transformation FNPRM, the 2014 CAF FNPRM, and the MF-II FNPRM (collectively, MF-II FNPRMs). The Commission sought written public comment on the proposals in MF-II FNPRMs including comments on the IRFAs and Supplemental IRFA. The Commission included Final Regulatory Flexibility Analyses (FRFAs) in connection with the CAF Report & Order and Further Notice, the MF-II Report & Order, the MF-II Challenge Process Order, and the MF-II Second Order on Reconsideration (collectively, the MF-II Orders).

13. The new requirements adopted in this Order provide additional time for valid data collection for both challengers and respondents. In so doing, our proposal would align the challenge process data requirements with the procedural rule change, adopted in the MF-II Challenge Process Extension Order, extending the challenge window deadline by 90 days. Due to the minor effect of these changes, we anticipate that there will be no significant economic impact on any of the small entities identified in the MF-II FNPRMs and MF-II Orders. Therefore, we certify that the requirements of the Order will not have a significant economic impact on a substantial number of small entities.

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38 5 U.S.C. § 605(b).
14. The Commission will send a copy of the Order, including a copy of this Final Regulatory Flexibility Certification, in a report to Congress, pursuant to the Congressional Review Act.\(^\text{45}\) In addition, the Order and this final certification will be sent to the Chief Counsel for Advocacy of the SBA and will be published in the Federal Register.\(^\text{46}\)

15. For further information concerning this proceeding, email mf2challengeprocess@fcc.gov or contact Audra Hale-Maddox, Auctions and Spectrum Access Division, Wireless Telecommunications Bureau, at (202) 418-0660.

V. ORDERING CLAUSES

16. Accordingly, IT IS ORDERED that pursuant to the authority contained in sections 1, 4(i) and (j), 254, 303(r), and 332 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), (j), 254, 303(r), 332, and sections 1.1 and 1.425 of the Commission’s rules, 47 CFR §§ 1.1, 1.425, this Order IS ADOPTED.

17. IT IS FURTHER ORDERED that, pursuant to the authority contained in sections 1, 4(i) and (j), 254, 303(r), and 332 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), (j), 254, 303(r), 332, and sections 1.1 and 1.425 of the Commission’s rules, 47 CFR §§ 1.1, 1.425, the windows for challengers and respondents to collect information in connection with the MF-II challenge process ARE EXTENDED, to the extent described herein.

18. IT IS FURTHER ORDERED that, pursuant to section 1.427(b) of the Commission’s rules, 47 CFR § 1.427(b), this Order SHALL BE EFFECTIVE upon its publication in the Federal Register.\(^\text{47}\)

19. IT IS FURTHER ORDERED that the Commission’s Consumer and Governmental Affairs Bureau, Reference Information Center, SHALL SEND a copy of this Order, including the Final Regulatory Flexibility Certification, to the Chief Counsel for Advocacy of the SBA.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary


\(^\text{46}\) See 5 U.S.C. § 605(b).

\(^\text{47}\) The action taken in the Order—the extension of the challenge process data collection windows for challengers and respondents—“grants or recognizes an exemption or relieves a restriction” and does not require a 30-day period following Federal Register publication before it can become effective. See 5 U.S.C. § 553(d)(1).
STATEMENT OF
COMMISSIONER MICHAEL O’RIELLY

Re: Connect America Fund, WC Docket No. 10-90; Universal Service Reform – Mobility Fund, WT Docket No. 10-208

Bringing mobile broadband to those Americans living in unserved areas of our country is a goal that I have long-championed in my role as a Commissioner. Our ability to target scarce Universal Service funds to those areas without 4G service, however, depends on the accuracy of our service coverage map in portraying the situation on the ground. The woeful inadequacy of our initial eligibility map has plagued the Mobility Fund Phase II (MF-II) proceeding, and, despite the Commission’s adoption of a robust challenge process at my behest, the parameters governing the challenge process remain subject to significant controversy. As I warned in August 2018 when the Commission voted to extend the MF-II challenge process by three months, there remains a long and difficult road ahead in finalizing the map’s coverage. By imposing Commission-designed solutions rather than working with interested parties to understand their problems and how to make the entire structure actually work, we certainly haven’t helped the process.

Four months later, we are no closer to determining which unserved areas will be eligible for MF-II support. And, with the current investigation into a possible rule violation by one or more providers, the timeline has become even more indefinite. While I support this item’s effort to harmonize the timeframe for the collection of speed test data with the extended challenge window, our underlying mapping problems remain and, as a result, most of this item seems untimely or moot. I am grateful that the Commission is finally recognizing the flaws with the map and the challenge process and remain committed to getting this proceeding right rather than hastily rushing into an MF-II auction based on flawed data. More should be expected when the Commission is planning to distribute ratepayer funds, especially when the sum totals over $4.5 billion, as in this case.
STATEMENT OF
COMMISSIONER JESSICA ROSENWORCEL,
APPROVING IN PART, DISSenting IN Part

Re: Connect America Fund, WC Docket No. 10-90; Universal Service Reform – Mobility Fund, WT Docket No. 10-208

We have real broadband problems in this country. There are too many rural communities that lack the high-speed service they need to have a fair shot at 21st century success.

If we want to fix this problem—and we should—we have to embrace what works. Better data works. So we need to start with ensuring that the Federal Communications Commission has the information it needs to address our broadband problems.

Right now, this agency lacks the data it should have about precisely where broadband service is and is not in communities across the country. Our broadband maps are woefully inaccurate. They overstate coverage and signal strength in rural communities and understate where universal service support is needed to ensure that remote areas are not left behind. This problem is particularly acute with the wireless maps at issue here for the Mobility Fund II.

This is unacceptable. We will never be able to manage that which we do not measure—and right now our system for broadband measurement has real problems. This, in turn, has real consequences. If we lack accurate maps, we will not be able to target policy solutions effectively. The FCC distributes billions of dollars each year to help accelerate the build-out of broadband. It’s irresponsible for the agency to continue to do so without having a truly accurate picture of where those resources should go.

We can start with our wired map. It overstates deployment. If a carrier provides service to just one house in a census block, the map shows that entire block as served—regardless of whether it is or not. So it was good news in the Consolidated Appropriations Act enacted last year that $7.5 million was set aside for the Department of Commerce to work on the National Broadband Map. This funding could go a long way to improve what we have now. But I fear that instead of building on what we have these funds will be used for discrete projects that in no way improve our national picture. We need to use this support to increase the accuracy of the maps we have—and not waste resources by starting all over again.

Next, it is no secret that our wireless maps are a mess. That is why the agency created the Mobility Fund II challenge process that is at the heart of today’s decision. It is also why a few weeks ago, the Chairman announced that he was starting an investigation into one or more carriers responsible for the data in the agency’s existing wireless maps. It turns out that much of the data we have may have been faulty from the start.

While we get to the bottom of this mess, we need to embrace new ways to ensure this agency has the data it needs to build up-to-date broadband maps. We can start with recognizing that the FCC has already committed to having the Universal Service Administrative Company test and validate the network deployment of winning bidders after they have built out using Mobility Fund auction support. Why not give them a role in validating data before the auction, by sampling the data on our existing maps? In addition, the FCC has more than a dozen filed offices across the country, from New York to New Orleans and Dallas to Denver. Why not use these offices to spot check the data in our existing maps? On top of that more than 200,000 volunteers have downloaded the FCC Speed Test application to test their wireless broadband connection. Why not find a way to put this information to use, too?

I think we should put all these ideas to work—as soon as possible. Because if we want
broadband that works for everyone, everywhere, we need to embrace what works. Good data works. Right now, we need more of it.

While these are big ideas, what the agency does in this decision is small. We adjust deadlines to allow certain facts to be used at the agency to inform what is known as the Mobility Fund II map challenge process. This minor adjustment is sensible and has my support. But it is also a missed opportunity—to do more to ensure that every community in this country is connected, that everyone has access to broadband, and that the data we develop to deliver this result is as accurate as it can be. For this reason, I approve in part and dissent in part.