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APRIL 8, 2016

## SPECIAL BULLETIN

### New A-CAM Version Released

#### Summary

The Wireline Competition Bureau released the latest version (2.2) of the Alternative Connect America Model (A-CAM) yesterday that incorporates inputs and modification adopted by the FCC in last week's *USF Reform Order*. The Public Notice can be accessed [here](#). In addition, this Public Notice begins the process for challenging the coverage by unsubsidized competition as reflected in the A-CAM.

#### A-CAM Version 2.2

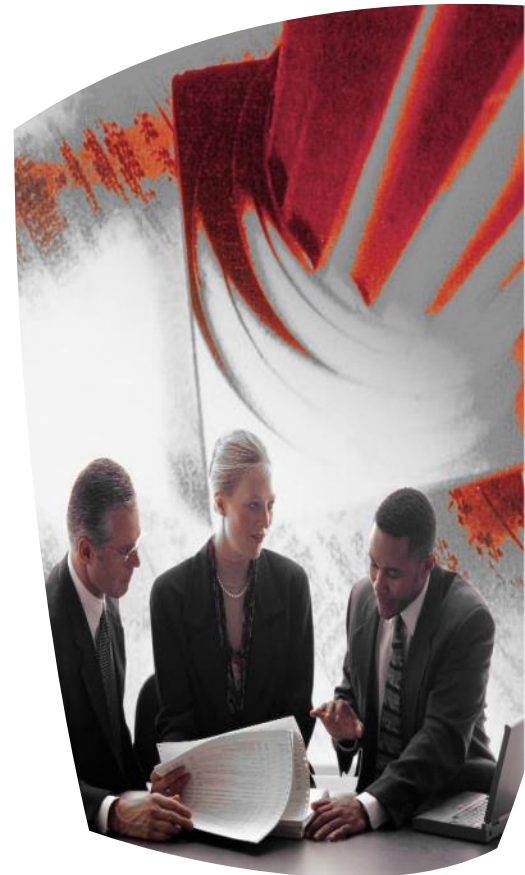
This latest release (there should be at least one more release—more on that below) is important as it begins the process for carriers to investigate and, if applicable, select the voluntary model-based universal service approach offered by the FCC in the *USF Reform Order*. While there will be a future Public Notice of a revised A-CAM version, companies considering the model path can begin looking at key data to determine whether the A-CAM will produce sufficient support given the related broadband obligations.

#### Illustrative Results

The Bureau also released a new set of [illustrative results](#) (report v6.0) that incorporates the changes made in A-CAM v2.2. This is where the Bureau presents a preliminary look at the offer of support that will ultimately occur, reportedly no sooner than June 2016.

*Report 6.1:* This approximates an offer of support for companies that would occur. The main issue to be aware of here is that, consistent with Commission decisions in the USF Reform Order, companies (on a statewide basis, therefore all commonly held study areas are combined) with 90% or greater 10/1 mbps broadband availability will not be offered A-CAM support. This report excludes all such areas. It is important to note that the FCC expressly prohibits any updating of Form 477 data by incumbents to lower the 10/1 broadband availability determination.

*Report 6.2:* This report shows preliminary estimates for the specific broadband obligations for each company that shows support being generated in Report 6.1. Obligations include 10/1 service to all “fully funded” locations, 25/3 to a certain percentage of fully funded locations, and 4/1 service to a percentage of locations



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Questions? Comments?

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above the \$200 per-location funding cap.

*Report 6.3:* The purpose of this report is to show, by company, whether a carrier's area(s) are qualified to receive A-CAM support based on whether or not it meets the 90% 10/1 broadband threshold. "Yes" means the company's area(s) does not show 90% availability (based on Form 477 data), "no" means the company's area(s) show at least 90% broadband availability, and N/A represents those areas that do not qualify for A-CAM support based on other FCC decisions (e.g., competitive overlap).

*Report 6.4:* This report shows the results of A-CAM v2.2 for all carriers, and is comparable to previous reports. It is important to note that Report 6.4 does not filter for the 90% or greater broadband availability threshold, and instead simply presents the results of the newest version of the A-CAM.

*According to the Public Notice and USF Reform Order, the Bureau will release, via Public Notice, a final version of the A-CAM after the challenge process (see below) is complete and final revisions to the model have been made. Reportedly, this will not take place before June 2016.*

### **Competitive Coverage Challenge Process**

The current version of the A-CAM excludes from the support calculation any census block served (10/1 mbps broadband service and related service obligations) by unsubsidized competition. This determination is based June 2015 Form 477 data. The challenge process comprises two different items: (1) competitors will be able to file comments to correct the June 2015 Form 477 data to, for example, show census blocks where 10/1 service has been made available since June 2015; and (2) parties can challenge the competitive coverage contained in A-CAM version 2.2.

The Bureau reminds parties of the FCC's warning that "a comment that argues in a conclusory fashion that the competitive coverage contained in the updated version of the model is overstated is unlikely to be persuasive." In other words, any challenge that claims competitive coverage is too high needs to be accompanied by sufficient evidence.

All challenges must be filed by April 28, 2016

### **Conclusion**

All companies considering the voluntary election to receive A-CAM based support should carefully review the Illustrative Results, v 6.0 (see link above). While this is not yet the official offer of support, it does present a good look at what the support could be, and provides an estimate of the broadband buildout obligations that will accompany the support (see Report 6.2). In addition, any companies considering the A-CAM path should closely review the competitive coverage data and determine if a challenge is necessary, and file that challenge by April 28.

Please let us know if you have any questions.



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