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AUGUST 3, 2016

SPECIAL BULLETIN

ACAM Offer of Support *Elections due 11/1/2016*

The FCC's Wireline Competition Bureau [released](#) the final version of the ACAM that contains the initial offer of model-based support for rate-of-return regulated carriers (version 2.3). As with past releases of the ACAM, the Bureau has issued a new set of [reports](#) (v 7.0); however, this version contains the final information that carriers will use to decide whether to accept the ACAM-generated support or remain on the (revised) legacy mechanism.

Most importantly, carriers now have until November 1, 2016 to make the election to receive ACAM-based support (more on that below).

There are three main issues to examine with this release:

- (1) Support availability under the ACAM path. This can be determined from report 7.3, where for each study area it is noted if ACAM support is available (yes, no, or NA).
- (2) If support is available (i.e., a "yes" is indicated in report 7.3), then report 7.1 shows the actual offer of support, the total locations, and total supported locations for each study area. Note that the amount shown is the annual amount of support that would be available for ten years.
- (3) Report 7.2 shows the buildout obligations for each study area, stated in terms of the number of locations under each speed tier (see below).
- (4) The list of census blocks eligible to receive support is now available [here](#). A map showing this data is supposed to be available soon.

Once the above three items have been analyzed, then each carrier must, within 90 days, make a decision as to whether or not to accept the statewide offer of ACAM support. Elections, in the form of a letter signed by an officer of the company, should be sent to ConnectAmerica@fcc.gov on or before November 1, 2016. Carriers not electing the ACAM path can either send a letter to the FCC stating so, or can simply do nothing.

Following are some issues to consider when making the ACAM path decision:

- ⇒ As stated in the Public Notice (linked above), the offer of support reflected in ACAM v2.3/report v7.0 may not be final. If the demand related to carriers



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Questions? Comments?

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accepting the ACAM offer of support exceeds the FCC’s established budget for ACAM support, then adjustments will need to be made (for example, lowering the per-location cap on support from \$200). If this occurs, it is possible that a revised offer of support will be issued that will provide electing carriers an option to decline the revised offer.

- ⇒ Accepting the ACAM offer of support at this stage may be irrevocable, depending on, as mentioned above, the total demand for ACAM funding.
- ⇒ Buildout obligations for carriers electing the ACAM path are as follows:

	Fully Funded Locations	
Household Density	10/1 Mbps	25/3 Mbps
> 10 / sq mi	All	75%
5 to 10 / sq mi	All	50%
< 5 / sq mi	All	25%

	Capped Locations	
Household Density	4/1 Mbps	Reasonable Request
> 10 / sq mi	50%	50%
< 10 / sq mi	25%	75%

Year	Milestone
Year 1 (2017)	**
Year 2 (2018)	**
Year 3 (2019)	**
Year 4 (2020)	40%
Year 5 (2021)	50%
Year 6 (2022)	60%
Year 7 (2023)	70%
Year 8 (2024)	80%
Year 9 (2025)	90%
Year 10 (2026)	100%

- ⇒ Carriers electing the ACAM must, at some future point in time, provide the geocoding data for all current locations with broadband available meeting the Commission’s minimum standards.
- ⇒ Carriers electing the ACAM path will be required to exit the NECA common line pool.
- ⇒ A key factor for companies trying to compare the ACAM offer of support to the level of support likely to be generated by the revised legacy mechanisms (HCLS and CAF BLS) is that some key data for the legacy mechanisms may not be available prior to November 1 (*e.g.*, buildout obligations)

We will be in touch regarding the next steps in this process. In the mean time, please let us know if you have any questions.

