



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU REMINDS CONNECT AMERICA PHASE II MODEL-BASED SUPPORT RECIPIENTS OF UPCOMING INTERIM DEADLINES

WC Docket No. 10-90

The Wireline Competition Bureau reminds those price cap carriers that accepted Connect America Phase II model-based support (CAF Phase II funding) of their upcoming deployment and reporting obligations and of the consequences for failing to meet those deadlines.

- **No later than December 31, 2017:** Carriers receiving CAF Phase II funding must complete deployment to at least 40 percent of supported locations in each state (the interim build-out milestone).¹
- **No later than March 1, 2018:** Carriers receiving CAF Phase II funding must report the geo-location information for each of the supported locations to which the carrier deployed in order to meet its interim build out milestone and must certify that, as of December 31, 2017, the carrier was offering voice and broadband services meeting the requisite public interest obligations to 40 percent of supported locations in each state.²

We strongly encourage carriers not to wait until the deadlines to meet their deployment and reporting obligations. We remind carriers that they may report the geo-location information for a supported location at any time after they have deployed to that location.

The Universal Service Administrative Company (USAC) will be verifying that, as of December 31, 2017, each company that is receiving CAF Phase II funding was offering the requisite voice and broadband services in each state.³ Such carriers should be prepared to produce documentation upon request during the verification process sufficient to demonstrate that they had deployed to the reported locations by December 31, 2017.⁴

¹ 47 CFR § 54.310(c). Deployment is “complete” if the carrier provides broadband to the location or could provide it within ten business days upon request. *See Wireline Competition Bureau Provides Guidance to Carriers Receiving Connect America Fund Support Regarding Their Broadband Location Reporting Obligations*, Public Notice, 31 FCC Rcd 12900, 12903 (2016). *See also Connect America Fund, et al.*, Report and Order, Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, 31 FCC Rcd 3087, 3133, para. 121 (2016) (“For purposes of meeting the requirement to ‘offer’ service, the competitor must be willing and able to provide qualifying voice and broadband service to a requesting customer within ten business days.”).

² 47 CFR §§ 54.316(a)(1), (a)(4), (b)(1); *see also* 47 CFR §§ 54.309(a)-(a)(1).

³ *Connect America Fund et al.*, Report and Order, 29 FCC Rcd 15644, 15689, para. 128 (2014) (*December 2014 Connect America Order*) (“We direct USAC to review Phase II recipients’ compliance with deployment obligations and the Commission’s public interest obligations at the state level – that is, whether the carrier is meeting interim and final deployment obligations for the total number of locations required for the state.”)

⁴ *See* 47 CFR § 54.320(b) (requiring all eligible telecommunications carriers to retain all records for at least ten years from the receipt of funding).

In the event that a carrier is unable to meet its interim build-out milestone, it must notify the Commission, USAC, and the relevant state, U.S. Territory, or Tribal government as appropriate, no later than ten business days after December 31, 2017.⁵ Any carrier that fails to satisfy its interim build out obligations—for instance, by not building to the required number of locations or by not providing service that meets the Commission’s requirements—will be subject to increased reporting obligations and support reductions that scale with the extent of the carrier’s non-compliance.⁶ Failure to comply with the terms and conditions of CAF II funding may also result in a carrier being subject to an FCC enforcement action.⁷ In determining whether to bring an enforcement action and what sanctions to impose, the Commission will take into account the nature, circumstances, extent, and gravity of any violation.⁸

To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (TTY).

For further information, please contact Stephen Wang, Telecommunications Access Policy Division, Wireline Competition Bureau at 202-418-7400; or at TTY (202) 418-0484.

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⁵ See 47 CFR § 54.320(d).

⁶ See 47 CFR § 54.320(d)(1); *December 2014 Connect America Order*, 29 FCC Rcd at 15695-97, paras. 146-47.

⁷ See *December 2014 Connect America Order*, 29 FCC Rcd at 15694, para. 141.

⁸ See *id.*