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required to offer broadband service at actual speeds of at least 25 Mbps downstream and 3 Mbps upstream and offer a minimum usage allowance of 150 GB per month, or that reflects the average usage of a majority of fixed broadband customers, using Measuring Broadband America data or a similar data source, whichever is higher, and announced annually by public notice issued by the Wireline Competition Bureau over the 10-year term.

(iii) Winning bidders meeting the above-baseline performance tier standards are required to offer broadband service at actual speeds of at least 100 Mbps downstream and 20 Mbps upstream and offer at least 2 terabytes of monthly usage.

(iv) Winning bidders meeting the Gigabit performance tier standards are required to offer broadband service at actual speeds of at least 1 Gigabit per second downstream and 500 Mbps upstream and offer at least 2 terabytes of monthly usage.

(v) For each of the tiers in paragraphs (a)(2)(i) through (iv) of this section, bidders are required to meet one of two latency performance levels:

(A) Low latency bidders will be required to meet 95 percent or more of all peak period measurements of network round trip latency at or below 100 milliseconds; and

(B) High latency bidders will be required to meet 95 percent or more of all peak period measurements of network round trip latency at or below 750 ms and, with respect to voice performance, demonstrate a score of four or higher using the Mean Opinion Score (MOS).

(b) Recipients of Connect America Phase II model-based support, recipients of Phase II Connect America support awarded through a competitive bidding process, and non-contiguous price cap carriers receiving Phase II frozen support in lieu of model-based support are required to bid on category one telecommunications and Internet access services in response to a posted FCC Form 470 seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries (as described in § 54.501) located within any area in a census block where the carrier is re-

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ceiving Phase II model-based support. Such bids must be at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings.

[80 FR 4477, Jan. 27, 2015, as amended at 80 FR 5987, Feb. 4, 2015; 81 FR 44448, July 7, 2016; 83 FR 23380, May 21, 2018]

§ 54.310 Connect America Fund for Price Cap Territories—Phase II.

(a) *Geographic areas eligible for support.* Connect America Phase II support may be made available for census blocks or other areas identified as eligible by public notice, including locations identified by the forward-looking cost model as extremely high-cost. The number of supported locations will be identified for each area eligible for support will be identified by public notice.

(b) *Term of support.* Connect America Phase II model-based support shall be provided to price cap carriers that elect to make a state-level commitment for six years. Connect America Phase II support awarded through a competitive bidding process shall be provided for ten years.

(c) *Deployment obligation.* Recipients of Connect America Phase II model-based support must complete deployment to 40 percent of supported locations by December 31, 2017, to 60 percent of supported locations by December 31, 2018, to 80 percent of supported locations by December 31, 2019, and to 100 percent of supported locations by December 31, 2020. Recipients of Connect America Phase II awarded through a competitive bidding process must complete deployment to 40 percent of supported locations by the end of the third year, to 60 percent of supported locations by the end of the fourth year, to 80 percent of supported locations by the end of the fifth year, and to 100 percent of supported locations by the end of the sixth year. Compliance shall be determined based on the total number of supported locations in a state.

(1) For purposes of meeting the obligation to deploy to the requisite number of supported locations in a state, recipients of Connect America Phase II model-based support may serve unserved locations in census blocks with costs above the extremely high-

cost threshold instead of locations in eligible census blocks, provided that they meet the public interest obligations set forth in §54.309(a) introductory text and (a)(1) for those locations and provided that the total number of locations covered is greater than or equal to the number of supported locations in the state.

(2) Recipients of Connect America Phase II support may elect to deploy to 95 percent of the number of supported locations in a given state with a corresponding reduction in support computed based on the average support per location in the state times 1.89.

(d) *Disbursement of Phase II funding.* An eligible telecommunications carrier will be advised by public notice when it is authorized to receive support. The public notice will detail how disbursements will be made.

(e) *Provider eligibility.* Any eligible telecommunications carrier is eligible to receive Connect America Phase II support in eligible areas.

(1) An entity may obtain eligible telecommunications carrier designation after public notice of winning bidders in a competitive bidding process for the offer of Phase II Connect America support. An applicant in the competitive bidding process shall certify that it is financially and technically qualified to provide the services supported by Connect America Phase II in order to receive such support.

(2) To the extent an applicant in the competitive bidding process seeks eligible telecommunications carrier designation prior to public notice of winning bidders for Phase II Connect America support, its designation as an eligible telecommunications carrier may be conditional subject to the receipt of Phase II Connect America support.

(f) *Transition to model-based support.* Eligible telecommunications carriers electing model-based support in states where that support is less than their Phase I frozen support will transition to model-based support as follows: In addition to model-based support, in the first year of Phase II, they will receive 75% of the difference between Phase I frozen support and model-based support; in the second year of Phase II, they will receive 50% of the difference

between Phase I frozen support and model-based support; and in the third year of Phase II, they will receive 25% of the difference between Phase I frozen support and model-based support.

(g) *Extended term of model-based support.* Eligible telecommunications carriers receiving model-based support may elect to receive a seventh year of such support. An eligible telecommunications carrier electing to receive this additional year of support makes a state-level commitment to maintain the required voice and broadband services in the areas for which it receives support during this extended term. The Wireline Competition Bureau will implement a mechanism to enable an eligible telecommunications carrier to elect whether to receive an additional seventh year of support.

(h) *Transition to Rural Digital Opportunity Fund support.* (1) In areas where the eligible telecommunications carrier elects to receive an optional seventh year of model-based support pursuant to paragraph (g) of this section, it shall receive such support for a full calendar year, regardless of the disposition of these areas in the Rural Digital Opportunity Fund auction.

(i) If the eligible telecommunications carrier becomes the winning bidder in the Rural Digital Opportunity Fund auction in these areas, it shall continue to receive model-based support through December 31, 2021. Thereafter, it shall receive monthly support in the amount of its Rural Digital Opportunity Fund winning bid.

(ii) If another provider is the winning bidder in the Rural Digital Opportunity Fund auction in these areas, the new provider shall receive monthly support in the amount of its Rural Digital Opportunity Fund winning bid starting the first day of the month following its authorization by the Wireline Competition Bureau. The eligible telecommunications carrier shall continue to receive model-based support for these areas through December 31, 2021.

(iii) If there is no authorized Rural Digital Opportunity Fund auction support recipient in these areas or if these areas are deemed ineligible for the Rural Digital Opportunity Fund auction, the eligible telecommunications

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carrier shall continue to receive model-based support for these areas through December 31, 2021. Thereafter, it shall receive no additional support.

(2) In areas where the eligible telecommunications carrier declines to receive an optional seventh year of model-based support pursuant to paragraph (g) of this section, it shall cease receiving model-based support for these areas on December 31, 2020.

[79 FR 11335, Feb. 28, 2014, as amended at 79 FR 39188, July 9, 2014; 80 FR 4477, Jan. 27, 2015; 81 FR 44449, July 7, 2016; 85 FR 13797, Mar. 10, 2020]

§ 54.311 Connect America Fund Alternative-Connect America Cost Model Support.

(a) *Voluntary election of model-based support.* A rate-of-return carrier (as that term is defined in § 54.5) receiving support pursuant to subparts K or M of this part shall have the opportunity to voluntarily elect, on a state-level basis, to receive Connect America Fund-Alternative Connect America Cost Model (CAF-ACAM) support as calculated by the Alternative-Connect America Cost Model (A-CAM) adopted by the Commission in lieu of support calculated pursuant to subparts K or M of this part. Any rate-of-return carrier not electing support pursuant to this section shall continue to receive support calculated pursuant to those mechanisms as specified in Commission rules for high-cost support.

(1) For the purposes of this section, “A-CAM I” refers to carriers initially authorized to receive CAF-ACAM support as of January 24, 2017, including any carriers that later elected revised offers, except for carriers described in paragraph (a)(2) of this section. For such carriers, the first program year of CAF-ACAM is 2017.

(2) For the purposes of this section, “Revised A-CAM I” refers to carriers initially authorized to receive CAF-ACAM support as of January 24, 2017, and were subsequently authorized to receive CAF-ACAM pursuant to a revised offer after January 1, 2019. For such carriers, the first program year of CAF-ACAM is 2017.

(3) For the purposes of this section, “A-CAM II” refers to carriers first authorized to receive A-CAM support

after January 1, 2019. For such carriers, the first program year of CAF-ACAM is 2019.

(b) *Geographic areas eligible for support.* CAF-ACAM model-based support will be made available for a specific number of locations in census blocks identified as eligible for each carrier by public notice. The eligible areas and number of locations for each state identified by the public notice shall not change during the term of support identified in paragraph (c) of this section.

(c) *Term of support.* CAF-ACAM model-based support shall be provided to A-CAM I carriers for a term that extends until December 31, 2026, and to Revised A-CAM I and A-CAM II carriers for a term that extends until December 31, 2028.

(d) *Interim deployment milestones.* Recipients of CAF-ACAM model-based support must meet the following interim milestones with respect to their deployment obligations set forth in § 54.308(a)(1)(i) of this subpart. Compliance shall be determined based on the total number of fully funded locations in a state. Carriers that complete deployment to at least 95 percent of the requisite number of locations will be deemed to be in compliance with their deployment obligations. The remaining locations that receive capped support are subject to the standard specified in § 54.308(a)(1)(ii).

(1) A-CAM I and Revised A-CAM I carriers must complete deployment of 10/1 Mbps service to a number of eligible locations equal to 40 percent of fully funded locations by the end of 2020, to 50 percent of fully funded locations by the end of 2021, to 60 percent of fully funded locations by the end of 2022, to 70 percent of fully funded locations by the end of 2023, to 80 percent of fully funded locations by the end of 2024, to 90 percent of fully funded locations by the end of 2025, and to 100 percent of fully funded locations by the end of 2026. By the end of 2026, A-CAM I carriers must complete deployment of broadband meeting a standard of at least 25 Mbps downstream/3 Mbps upstream to the requisite number of locations specified in § 54.308(a)(1)(i). For Revised A-CAM I carriers, the deployment milestones for 10/1 Mbps service