

## VPS Consulting Memo

# Enhanced A-CAM Program Adopted

## FCC EXTENDS A-CAM PROGRAM, REQUIRES 100/20 MBPS SPEEDS TO 100% OF LOCATIONS

### Summary

Yesterday the Federal Communications Commission (FCC) released its Report and Order, Notice of Proposed Rulemaking, and Notice of Inquiry (Order)<sup>1</sup> extending the Alternative Connect America Model (A-CAM) program support for fifteen (15) years in exchange for the provision of broadband service to 100% of the eligible locations at speeds of 100/20 Mbps. It is a contingent offer requiring at least 50% of eligible unserved locations in existing A-CAM areas to opt in to Enhanced A-CAM. If 50% participation is not reached, the Commission indicated in paragraph 101 that it will not proceed with the Enhanced A-CAM program.

### Background

The FCC prioritizes the principle of “universal service” and the availability of affordable telecommunications services for all. To further this mission, the Commission implemented high-cost programs, including A-CAM and similar programs offering model-based support to carriers. In 2021, the Infrastructure Investment and Jobs Act (IIJA) instructed the FCC to evaluate how best to achieve the universal services goals for broadband, particularly considering how to avoid duplicating federal support in light of the \$42.45 billion the IIJA also set aside for broadband deployments under the Broadband Equity, Access, and Deployment (BEAD) Program. As a result, the Commission now adopted an Enhanced A-CAM program with an annual budget of \$1.27 billion, up to \$1.33 billion if additional funds are necessary.

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<sup>1</sup> *Connect America Fund et al.*, Report and Order, Notice of Proposed Rulemaking, and Notice of Inquiry, WC Docket No. 10-90 et al. , RM-11868 (rel. July 24, 2023).

# Enhanced A-CAM Program

## Who Qualifies

Offers will be available to all current A-CAM I or A-CAM II recipients and rate-of-return carriers that are eligible to receive legacy support. This could be considered an A-CAM III offer, as legacy carriers have a chance to opt in to Enhanced A-CAM.

## How Long is the Program Extended

If the 50% unserved location trigger is met, the Enhanced A-CAM program will offer support over a 15-year term beginning January 1, 2024.

## Highlights of Program Requirements

A few main guidelines of the Enhanced A-CAM Program are as follows. This is an initial overview, provided as the first of a series of VPS memos and webinars that will be forthcoming.

- Elections to be made by October 1, 2023.
- Funding threshold increases from the original A-CAM's \$52.50, now updated to \$63.69 for non-Tribal locations. Formula for support will be finalized by the Wireline Competition Bureau, aiming for a funding cap for non-Tribal areas of less than \$300 per location per month, with an alternative funding percentage between 40% and 80%.
  - Existing locations should receive at least 50% of current A-CAM I or A-CAM II support, and possibly up to 75%.
- Deployment obligations matching BEAD. Must deploy 100/20 Mbps or faster broadband service, with latency of 100 milliseconds or less, over a 4-year period to 100% of the eligible locations.
  - Milestones of 50%, 75%, and 100% to be certified at the end of 2026, 2027, and 2028 respectively.
  - These milestones will supersede any existing deployment milestones required by A-CAM I and A-CAM II programs.
  - Technology neutral.
- Eligible locations will *exclude* any locations for which 100/20 Mbps service is already provided by an unsubsidized competitor, whether via wireline or even terrestrial fixed wireless technology utilizing entirely unlicensed spectrum. (Paragraph 44)
- Must offer voice service and participate in the Affordable Connectivity Program (ACP) and make available Lifeline service.
- Annual certification that provider will not and does not use or receive BEAD or other future federal grant funding to deploy broadband in Enhanced A-CAM areas.
- Implement cybersecurity and supply chain risk management plans by January 1, 2024, and submit updates for any substantial modifications thereafter. Failure to comply with this requirement will result in monthly support withholding of 25% until compliance is achieved.
- Filing, reporting, and performance testing requirements match other high-cost support requirements.

## Additional Information

VPS is in the process of recording a webinar that will be available for distribution on Thursday, July 27<sup>th</sup>.

The Order can be found [here](#).

For more information on this Program or if you would like VPS guidance, please contact these members of the Vantage Point Solutions consulting team:

**Jeff Smith** at (503) 612-4409, [Jeff.Smith@vantagepnt.com](mailto:Jeff.Smith@vantagepnt.com)

**Mikaela Burma, JD** at (605) 995-1742, [Mikaela.Burma@vantagepnt.com](mailto:Mikaela.Burma@vantagepnt.com)

**Jolyn Doering** at (605) 995-1773, [Jolyn.Doering@vantagepnt.com](mailto:Jolyn.Doering@vantagepnt.com)

**JoAnn Hohrman** at (605) 995-1764, [JoAnn.Hohrman@vantagepnt.com](mailto:JoAnn.Hohrman@vantagepnt.com)

