

VPS Consulting Memo

Performance Measures Updates

USAC ANNOUNCES NEW SAMPLES REQUIRED, FCC PROVIDES ADDITIONAL GUIDANCE FOR CARRIERS TRANSITIONING TO ENHANCED ACAM

New Samples Required

The Universal Service Administrative Company (USAC) recently announced *new sample locations MUST be obtained and used beginning first quarter 2024 through calendar year 2025* for carriers currently participating in any of the following funding programs:

- CAF BLS (must continue to test even after compliance confirmed for five-year obligations)
- ACAM II
- CAF II Auction
- ACS (Alaska Communications Systems)

As referenced in the Performance Measures Module (PMM) Compliance Framework, PMM samples remain in place for two years. After the two-year period, carriers must obtain new random samples by accessing the PMM on the <u>USAC website</u>. Carriers participating in multiple funding programs must meet the PMM requirements specific to each program. USAC outlines the steps to obtain new samples in the <u>PMM User Guide</u>.

Performance Measures Requirements

The Federal Communications Commission (FCC) released a Public Notice on December 4, 2023, providing additional guidance on performance testing for Enhanced ACAM electors and those remaining on CAF BLS. Enhanced ACAM electors' pre-testing begins January 1, 2026, and testing begins January 1, 2027.

Enhanced ACAM Electors Moving from ACAM I or ACAM II

Carriers authorized for Enhanced ACAM support are still required to meet their current funding requirements for 2023. Once current ACAM I or ACAM II carriers are deemed to be in compliance with their existing obligations, they will no longer be subject to the prior ACAM I or ACAM II deployment obligations. Instead, carriers will transition to Enhanced ACAM timelines. However, certifications for 2023 testing results are not due until July 1, 2024, and the processing of a carrier's 2023 testing results will take place into 2024.

Therefore, continuing to conduct performance testing in 2024 may be advantageous for carriers, since compliance for any quarter in 2024 (even prior to processing 2023 test data) means Enhanced ACAM support will not be withheld.

Enhanced ACAM Electors Moving from CAF BLS

CAF BLS carriers transitioning to Enhanced ACAM are still required to meet their CAF BLS compliance obligations for 2023. If these carriers are currently in compliance, no further testing is needed until 2026 when Enhanced ACAM pre-testing begins.

CAF BLS Final Year of Five-Year Deployment Term

CAF BLS carriers (regardless of whether they have elected Enhanced ACAM or not) deemed non-compliant for their final year five-year deployment term, which ends December 31, 2023, will be subject to support recovery under section 54.320(d). The non-compliant carrier can attempt to return to compliance status within a one-year cure period by doing another year of testing using a "statistically valid sample of locations". Carriers opting for the additional testing must request the sample from USAC by August 1, 2024, and begin the additional one-year test period in Q4-2024. Support recovery for failing to meet end of term performance obligations will be calculated after the one-year cure period.

Carriers that remain on CAF BLS support as of January 1, 2024, must continue performance testing, even after they have shown compliance for the five-year obligation.

Additional Information

Please contact one of the following team members if you would like to discuss further, would like assistance, or have any questions or concerns:

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