

# EA-CAM Requirements

OTA Accounting Conference  
November 9<sup>th</sup>-10<sup>th</sup>, 2023

Jennifer Blaine  
Staff Director— JSI





## Agenda

1. EA-CAM Overview
2. Cybersecurity & Supply Chain Plans
3. Regulatory Compliance
4. Location Challenges and Updates
5. Tariffing Election options/ considerations
6. Strategic Considerations – Financial Forecasting and Engineering



## Enhanced A-CAM Offer

- The Federal Communications Commission (FCC) released its long-awaited Report and Order for its next step extending federal high-cost universal service to eligible telecommunications carriers (FCC 23-60, July 24, 2023)
- This Report and Order, Notice of Proposed Rulemaking, and Notice of Inquiry includes an industry-changing offer that all carriers had to evaluate in a mere 60 days





## The Enhanced A-CAM Offer

Offer extends most A-CAM support timelines by 10 years

- The extension is 12 years for A-CAM I carriers that did not elect the second revised offer (A-CAM I Non-Revised)

The basic obligation is to offer voice and terrestrial 100/20 Mbps service to all EA-CAM required locations in the electing carrier's study area by the end of 2028

- A one-year extension for final deployment may be applied (this would be in addition to the current A-CAM 12-month allowance for the final deployment milestone)

Electing carriers are obligated to serve 100 percent of unserved locations with service levels consistent with BEAD requirements

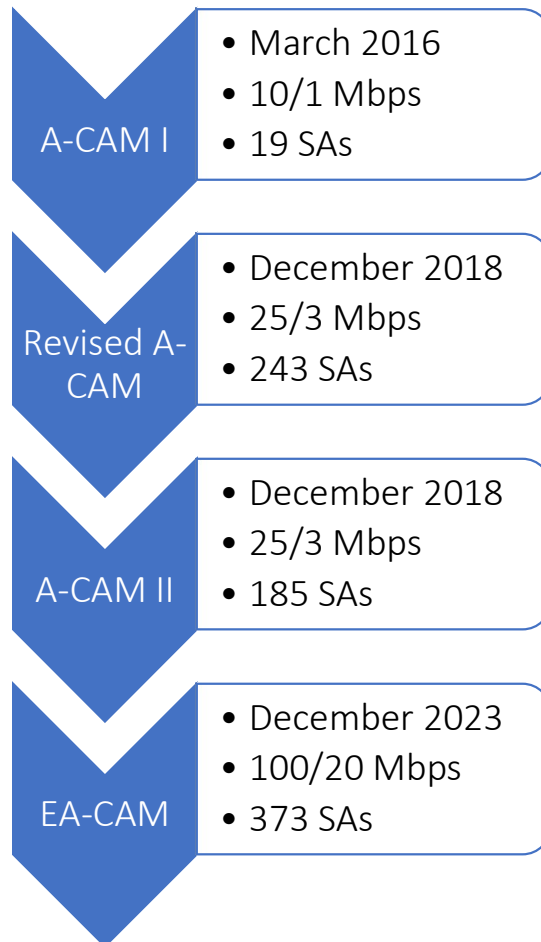
- Unserved locations are those where at least 100/20 service is not available or there is not enforceable commitment (this differs from BEAD that defines unserved as locations lacking 25/3)

Election for EA-CAM was no later than Friday September 29<sup>th</sup>, 2023

- EA-CAM election is designed to be aligned with BEAD program timeline
- The EA-CAM offer is conditioned on having at least 50% of the total unserved locations for A-CAM carriers elect



## Program Results





## Program Results

- The FCC released a Public Notice on October 4, 2023, announcing the carriers that have accepted Enhanced A-CAM.

### Summary

EA-CAM was offered to 809 companies.

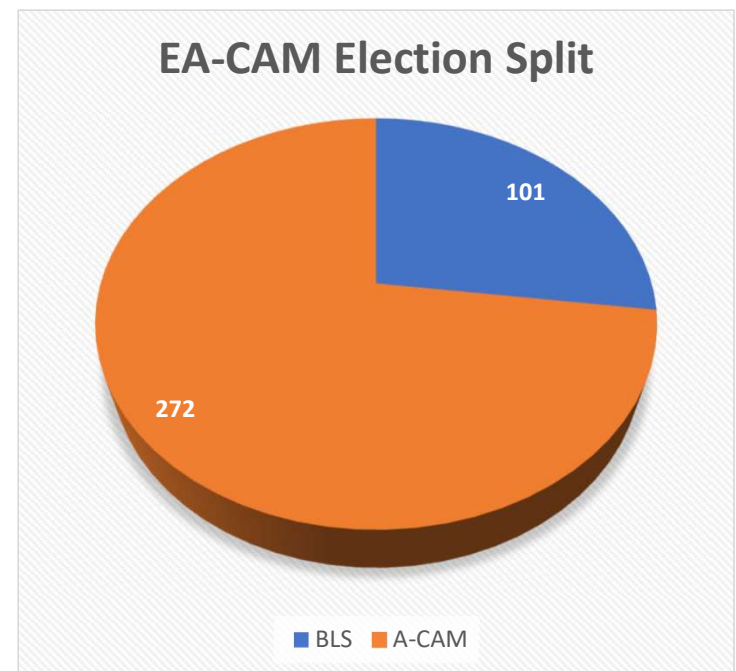
- BLS – 374
- A-CAM - 435

The number of acceptances has exceeded the 50% participation threshold.

- 27 percent of current legacy participation (~15 percent of required locations)
- 63 percent of current A-CAM participation (~70 percent of required locations)

EA-CAM support payments begin January 1, 2024.

- Pending authorization



# Cybersecurity & Supply Chain Plans



## Cybersecurity & Supply Chain Requirements

The requirement for EA-CAM electors is to:

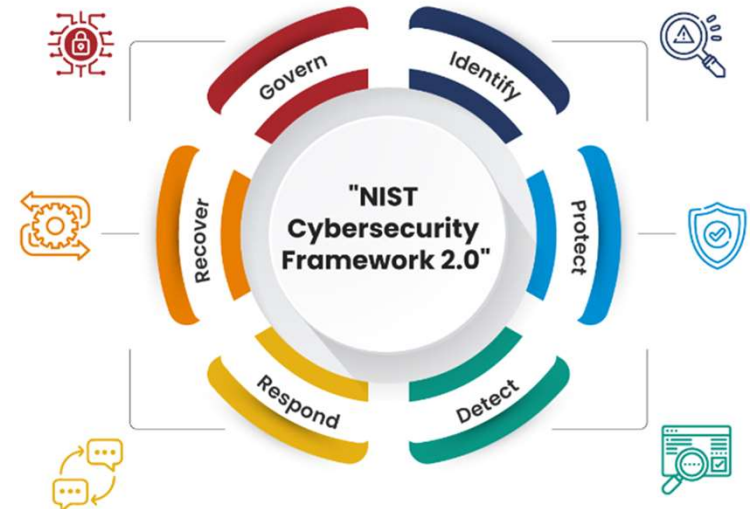
- Have operational cybersecurity and cyber supply chain risk management plans
- Implement those plans by January 1, 2024
- Submit the plans to Universal Service Administrative Company (USAC) before January 2, 2024 (or within 30 days of approval under the Paperwork Reduction Act, whichever is later)
- Certify by January 2, 2024 (or within 30 days of approval under the Paperwork Reduction Act, whichever is later) that they have implemented the plans and submitted them to USAC



## Cybersecurity & Supply Chain Requirements

Per FCC 23-60 Report and Order:

- Cybersecurity risk management plans
  - Must reflect the latest version of the NIST Framework for Improving Critical Infrastructure Cybersecurity
  - Must reflect an established set of cybersecurity best practices
    - Cybersecurity & Infrastructure Security Agency (CISA)
    - Cybersecurity Cross-sector Performance Goals and Objectives
    - Center for Internet Security Critical Security Controls- Top 18
- Supply chain risk management plans
  - Must incorporate the key practices discussed in NISTIR 8276, “Key Practices in Cyber Supply Chain Risk Management: Observations from Industry”
  - Must Incorporate Supply chain risk management guidance from NIST 800-161



## Cybersecurity Risk Management Plan

- Risk Management Strategy Section
- Risk Assessment Section
- Policies
- Appendices
- Excel Risk Assessment Template with Responsive Cells



## Cyber Supply Chain Risk Management Plan

- Risk Management Strategy Section
- Appendix – Supplier Risk Assessment Example
- Appendix – Master Requirements List for Critical Vendors
- Appendix – Vendor Review Form
- Excel Risk Assessment Template with Responsive Cells

# Regulatory Compliance



## Key Regulatory Compliance Issues

- ACP - must participate in the Affordable Connectivity Program (ACP) or successor program
- BEAD Challenge Process – must participate in good faith in the BEAD Program challenge process conducted by states and coordinate with states, Tribes, and other eligible entities to help avoid duplicative federal broadband funding.

## Key Regulatory Compliance Issues

TRIBAL - If the company serves Tribal lands -

- Engage with the Tribal government within 90 days after receiving the offer by **November 28, 2023**, to obtain Tribal consent regarding fulfilling the commitment to deploy 100/20 Mbps to 100% of locations and report on next year's 481.
- To remove location from BEAD eligibility, one must enter a "legally binding" agreement with the Tribe and have the Tribe adopt a Tribal Government Resolution.
- If a state awards BEAD Program funds to another service provider to serve EA-CAM locations, the company and Tribal government can notify the FCC that they mutually agree to forego the EA-CAM deployment obligation for those locations, and support and deployment obligations will be adjusted.

## Other Reporting Requirements

- Before January 2, 2024 – submit and certify operational cybersecurity and supply chain risk management plans to USAC
- HUBB - By March 1 of each year, submit information in the High-Cost Universal Broadband (HUBB) portal regarding the locations to which the carrier is offering broadband service to satisfy its public interest obligations.
  - Certify Interim Milestones
  - Must still report and certify it has met 2023 deployment milestones under the existing program (CAF- BLS, ACAM I, or ACAM II) by March 1, 2024

## Other Reporting Requirements

Form 481 - must certify:

1. Participation in BEAD Program challenge processes;
2. Obligation not to receive or use BEAD Program funding or other future federal grant funding for those locations for which they are receiving EA-CAM support;
3. Participation in the Affordable Connectivity Program or any substantially similar successor program;
4. Report Tribal Engagement ( specifically to EA-CAM); and
5. Cybersecurity and supply chain risk management plans pursuant to FCC rules. Must report if it filed any substantive modifications in the prior year.



## Other Reporting Requirements

- Broadband Performance Testing – quarterly testing starting with pre-testing in January 2026.
- Recordkeeping Requirements - EA-CAM recipients remain subject to all other reporting and record retention requirements currently applicable to all high-cost support recipients, including the requirement to retain all records for at least ten (10) years from receipt of funding. Also, providers remain subject to random compliance audits and other investigations.

# Location Challenges and Updates





## Deployment Milestones

Milestone Date	Deployment Requirement
Dec 31, 2023	2023 A-CAM milestone met*
Dec 31, 2025	None
Dec 31, 2026	50% of required (unserved) locations
Dec 31, 2027	75% of required (unserved) locations
FCC to determine if a one-year extension for final milestone is appropriate	
Dec 31, 2028	100% of required (unserved) locations

\* A-CAM or Legacy 2023 deployment milestones are required to be met, otherwise, AE-CAM support will be held until prior compliance is satisfied

## Locations: Changes & Revisions

- After initial offers, EA-CAM carriers will have the ability to challenge locations, with the FCC currently targeting the end of 2025 to set final locations requirements.

### Key Details / Timeline

#### Initial Location Count

- At time of initial release; based on Mar'23 BDC data (v2).

#### First Challenge / Revision

- FCC adjusted locations based on Sep'23 BDC data (v3).
- Carriers had opportunity to challenge locations.
- FCC also removed locations contractually obligated by federal/state commitment (i.e., BEAD, Reconnect, etc.).

#### Subsequent Challenges / Revisions

- TBD on process.

#### Final Location Count Set

- Targeted end of 2025 by FCC.

### Location Revision Impact on Support

Change in Locations	Change in Support
< 5% reduction	No change
5 – 15% reduction	Phase down
> 15% reduction	Recalculate model support
Increase in reductions	TBD

## Location Adjustments - Challenges

Location Challenges for EA-CAM – sooner than later!

- FCC will rely on the BDC process. FCC is thinking about how to address the gap from June 30 to August 30 because it is not available in the BDC process.
- Companies should challenge locations that were missing in v.3.1 Fabric.
  - Evidence in the fabric challenge should contain – Locations that existed prior to August 30 and Locations that existed after August 30. Companies should submit locations to the FCC to add to EA-CAM.
  - Removals – if the location should not be there, you have the duty to tell them.
- Availability Challenges / BEAD State Challenge
  - If competitor shows greater 100/20, should challenge in both. Get affidavits from customers of competitors or call to see if service is available.

## Locations: Buildout Requirements

- **EA-CAM companies are required to build out to 100% of all modeled locations at 100/20 Mbps (including voice) by 2028+ and must meet interim buildout milestones along the way. If the interim buildout milestones are not met, the FCC will withhold funding.**

Potential Buildout Penalties			
Tier	Gap	Reporting	Penalty
1	5-15%	Quarterly	None
2*	15-25%	Quarterly	15% of monthly support
3*	25-50%	Quarterly	25% of monthly support
4	>50%	Quarterly	50% of monthly support and must move to tier 3 within 6 months or lose 100% of support plus a recovery action against prior support

*\*Funds withheld in Tiers 2-4 will be returned once carrier decreases compliance gap and moves into Tier 1.*

### Final Deployment Penalties

- Failure to satisfy final deployment obligation within 12 months of the final deadline will result in penalty equal to the sum of both:
  - Average Amount of Support per Location x Missed Number of Locations x 1.89 Penalty Factor.
  - 10 percent of Total Support over the Term (for all study areas in state).

# Tariffing Election options/ considerations



## Tariff and Pooling Topics

- Mechanics of EA-CAM Payments and Transitions
- Elections and Options – 2023
- Elections and Options – 2024 and beyond
- Cost Study and related filings and requirements





## EA-CAM Payments and Mechanics: A-CAM

- For Current A-CAM recipients, payments should transition seamlessly into 2024
- “Glide Path” companies will continue to see the glide payments until the end of the Glide Period

**ACAM I**

Annual Enhanced A-CAM Payments **3,500,000**

Access Element or USF	Source	2024	2025	2026	2027	2028
1. A-CAM I		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
2. Transition / Glide Path		500,000	250,000	0	0	0
3. Total A-CAM I Support	(Line 1 + Line 2)	2,000,000	1,750,000	1,500,000	1,500,000	1,500,000
4. Enhanced A-CAM Support	(Input)	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
5. Transition / Glide Path		500,000	250,000	0	0	0
6. Total Enhanced A-CAM Support	(Line 4)	4,000,000	3,750,000	3,500,000	3,500,000	3,500,000

## EA-CAM Payments and Mechanics: CAF-BLS

- For Current CAF-BLS / Legacy Carriers, EA-CAM payments will replace current CAF-BLS (voice and data only) and High-Cost Loop Payments beginning with the January 2024 payment stream.
- High-Cost Loop Payments generated from 2023-1 and any quarterly updates will not be paid by USAC.



## Tariffing and Pooling Issues and Actions

New EA-CAM Electors will have several decisions to make about future NECA participation and other Regulatory Options:

- Common Line Tariff Participation: November 2023
- Traffic Sensitive Pool / Tariff Participation: February 2024
- Election to end Rate of Return Regulation for BDS (Special Access) Services: February 2024

## Common Line Tariff Participation: 11/2023

- All Electors of EA-CAM that were previously CAF-BLS/Legacy carriers will be required to exit the NECA Common Line Pool, effective January 1, 2024
  - Current A-CAM carriers have previously been required to do so at the time of their A-CAM elections; no action is required for these carriers at this time
  - NECA will open its website upon the release of the final EA-CAM
  - FCC Public Notice, expected to be soon
- Carriers that exit the NECA Common Line Pool will continue to be required to participate in a Common Line Tariff
- Option to move to NECA Common Line Tariff or to exit NECA Tariff and utilize an individual Company or Consultant Tariff
- This option can be revisited with NECA February Pool Election

## Tariff Elections – 2024 and Beyond

- All NECA Pool Participants will have the option to update Pool participation elections by March 1, 2024
  - A-CAM Carriers – including EA-CAM – can update their Common Line Tariff Participation
  - All Carriers – can update Traffic Sensitive Switched/Special Tariff and Pool Participation
  - EA-CAM Carriers can also take this opportunity to elect to remove Business Data Service (BDS) (Special Access) from the rate of return regulation, effective July 1, 2024
    - Non-NECA Traffic Sensitive Pool Members can wait until later in Spring to make this election, but still effective July 1



## BDS Election Specifics

- Electing BDS Regulation splits special access into two tracks:
  - Ethernet and speeds greater than DS 3 levels will be frozen and ultimately removed from tariffed rate regulation
  - TDM services (i.e.: DS1/DS3) will be adjusted for NECA pool exit (if applicable) and will adjust each year based on FCC change factor (may be positive or negative)
    - Tariffs will continue to be required for TDM services going forward, with the exception of areas deemed fully competitive by the FCC, which is currently to be determined.
- DSL Services – if currently tariffed – will need to be de-tariffed with FCC.
- The result of this election – only available to EA-CAM electors – is that there will no longer be a need for Cost Studies after true-ups are completed.

## Cost Study Requirements: EA-CAM Electors

- 2023 and 2024 Cost Studies will be required based on NECA Pool Participation
  - 2023 Common Line and Traffic Sensitive Pool True-Up Studies:
    - CAF-BLS: Common Line Required
    - A-CAM: No Common Line Required
    - Traffic Sensitive based on Tariff Elections/ Pool Participation
  - EA-CAM 2024 and forward Traffic Sensitive studies based on participation elections made with NECA / FCC

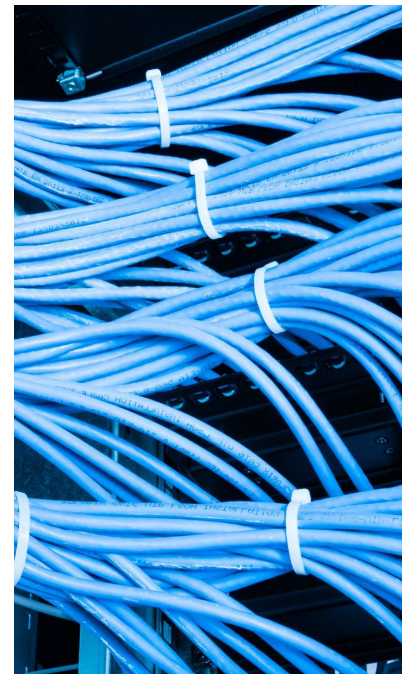
# Strategic Considerations - Financial Forecasting & Engineering





## Strategic Considerations – Engineering

- Understand build-out obligation and milestone requirements
- Items to consider for engineering:
  - Miles of fiber needed to be built
  - Number of locations to service
  - Timing of contractor availability
  - Timing of material availability





## Strategic Considerations – Financial Forecasting

- Financial Projections will be critical to assist in understanding your financial position over the next five years
- How a projection can help with planning:
  - Understand how to finance build costs, either through debt or internal funds
  - If debt financing is needed, projections will assist in loan process
  - Should consider RUS loans via ReConnect or Infrastructure Loans for longer terms and lower rates

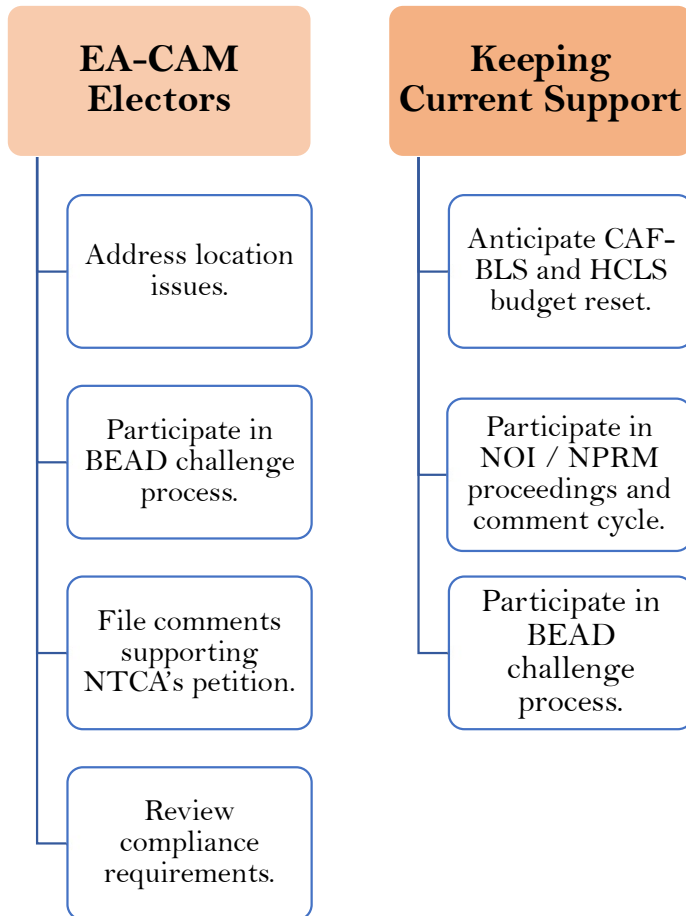




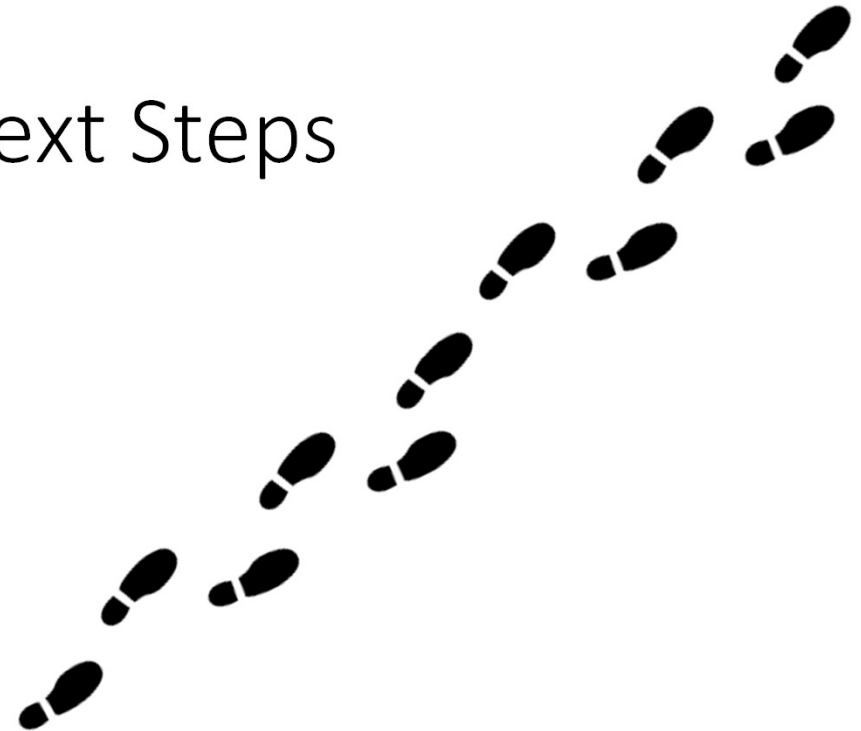
# USF Broadband Funding

ACAM I	Sunsets 12-31-2026
ACAM I Revised & ACAM II	Sunsets 12-31-2028
Alaska Plan	Sunsets 12-31-2026
EN-ACAM*	Sunsets 12-31-2038
Legacy (CAF-BLS, HCLS)	Needs proceeding to Sunset
Legacy → EN-ACAM*	Sunsets 12-31-2038

*\* Would commence 1-1-2024 if elected*



# Next Steps



# Once in a Generation Funding Opportunities





## BEAD – Broadband Equity, Access, and Deployment Program

- BEAD program allocation of \$42.45B
  - Minimum amounts allocated to states and territories
  - Majority of funds allocated to states based on the ratio of unserved locations in the state to total unserved locations in the nation
- Performance requirements
  - Subgrantees have four years to deliver high-speed broadband to eligible locations from the date of the award (only one-year extension possible)





# BEAD

## PROGRAM HIGHLIGHTS

**Funding pool**  
\$42.45B

A program to get all Americans online by funding partnerships between states or territories, communities, and stakeholders to build infrastructure where we need it to and increase adoption of high-speed Internet.

### Entities eligible to apply for this program include:

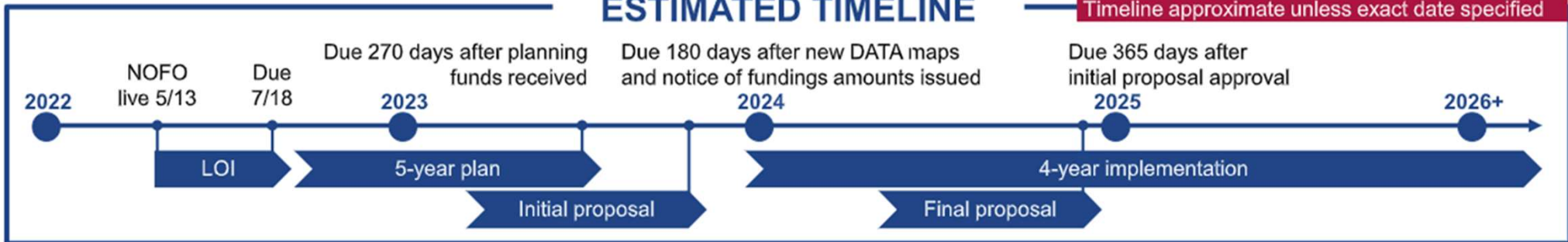
- All 50 States
- The District of Columbia and Puerto Rico
- Other Territories: U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands

### Example eligible uses of funds include:

- ☆ Planning for deployment of Internet
- ☆ Deploying or upgrading Internet
- ☆ Installing Internet in multi-tenant buildings
- ☆ Implementing adoption and digital equity programs
- ☆ Workforce and job training

## ESTIMATED TIMELINE

Timeline approximate unless exact date specified



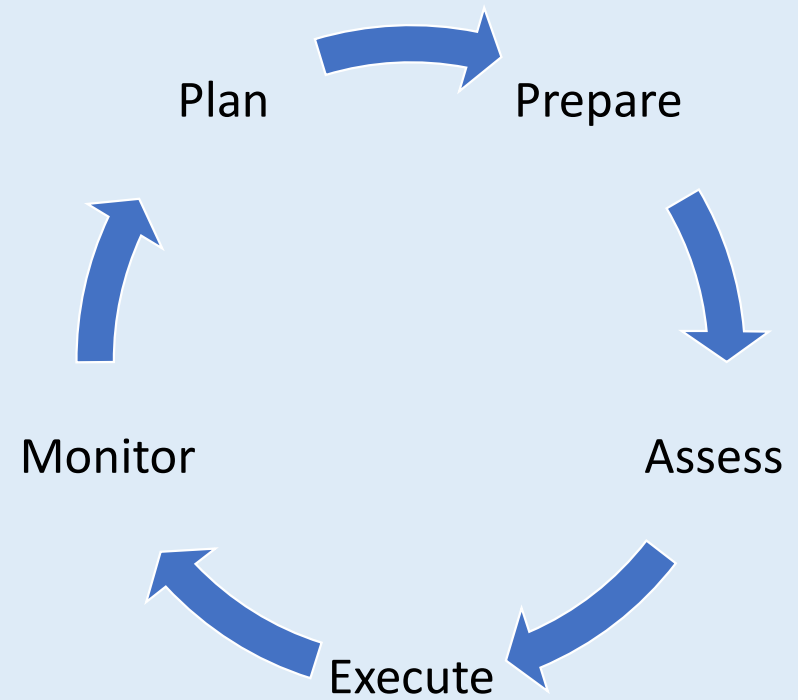
Timeline provided by Varasset Software

# ReConnect 5

- Round 5 of the ReConnect Program is targeted for Q4 2023
- Expected application deadline 12 weeks after release of the NOFO
- NOFO expected release around December 1st
- Focus will be on *unserved locations*, 25/3 Mbps or less







BONUS:

What Are Broadband Labels, and Why they  
Matter?



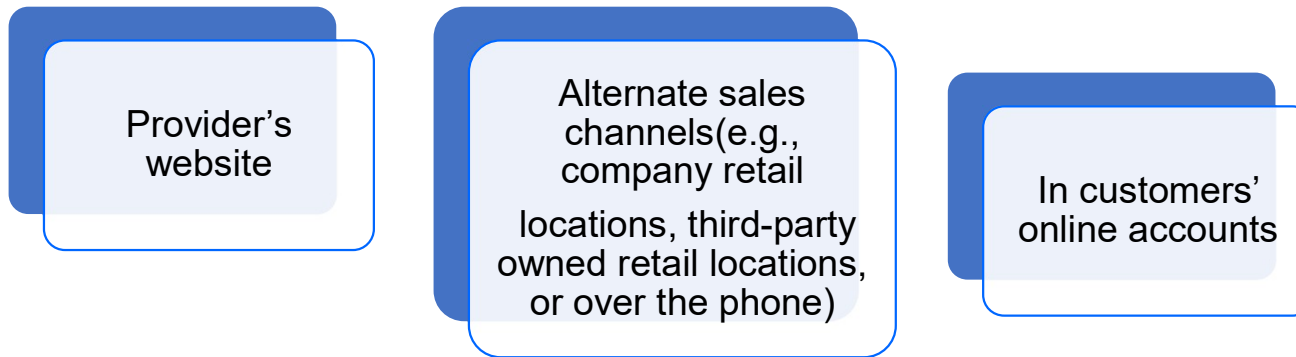


<b>Broadband Facts</b>	
Provider Name	
Service Plan Name and/or Speed Tier	
Fixed or Mobile Broadband Consumer Disclosure	
<b>Monthly Price</b> [S]	
This Monthly Price [is/is not] an introductory rate. [if introductory rate is applicable, identify length of introductory period and the rate that will apply after introductory period concludes]	
This Monthly Price [does not] require[s] a [x year/x month] contract. [only required if applicable, if so, provide link to terms of contract]	
<b>Additional Charges &amp; Terms</b>	
Provider Monthly Fees [Itemize each fee or enter "None."]	[S]
One-time Fees at the Time of Purchase [Itemize each fee or enter "None."]	[S]
Early Termination Fee	[S]
Government Taxes	[Varies by Location/Taxes Included]
<b>Discounts &amp; Bundles</b>	
Click Here for available billing discounts and pricing options for broadband service bundled with other services like video, phone, and wireless service, and use of your own equipment like modems and routers. [Any links to such discounts and pricing options on the provider's website must be provided in this section.]	
<b>Affordable Connectivity Program (ACP)</b>	
The ACP is a government program to help lower the monthly cost of internet service. To learn more about the ACP, including to find out whether you qualify, visit <a href="http://GetInternet.gov">GetInternet.gov</a> .	
Participates in the ACP	[Yes/No]
<b>Speeds Provided with Plan</b>	
Typical Download Speed	[] Mbps
Typical Upload Speed	[] Mbps
Typical Latency	[] ms
<b>Data Included with Monthly Price</b>	
Charges for Additional Data Usage	[] GB [S/GB]
<b>Network Management</b>	<a href="#">Read our Policy</a>
<b>Privacy</b>	<a href="#">Read our Policy</a>
<b>Customer Support</b>	
Contact Us: <a href="http://example.com/support/">example.com/support/</a> / (555) 555-5555	
Learn more about the terms used on this label by visiting the Federal Communications Commission's Consumer Resource Center. <a href="http://fcc.gov/consumer">fcc.gov/consumer</a>	
[Unique Plan Identifier Ex. F0005937974123ABC456EMC789]	

- Broadband labels disclose certain information about broadband internet access service (BIAS) plans that resemble the FDA’s Nutrition Facts Labels, designed to provide more transparency to consumers.
- Section 60504 of the Infrastructure Investment and Jobs Act directs the FCC to require providers to display labels.- 2-year retention policy
- The new FCC rules require providers to display pricing, certain fees, performance characteristics, data allowances, and speeds, while also including links to network management practices, privacy policies, and the Affordable Connectivity Program.
- Providers must have a label for each of their mass-marketed residential and business stand-alone broadband internet access service plans they currently offer to new customers.
- Providers can face a \$10,000 fine for each violation or each day of a continuing violation, not to exceed a total of \$75,000 for any single act or failure to act. 47 U.S.C. § 503(b)(2)(D).



## Display Locations



- Provider's *primary advertising web page*—Display the label at the time the consumer views the specific plans available to them.
  - Providers must display the actual label—not simply an icon or a link to the label—in close proximity to the associated plan advertisement.
- Providers that use alternate sales channels must make the labels available to consumers at each point of sale.
- Providers that offer online account portals to their customers must make each customer's label easily accessible to the customer in such portals.



## Implementation

- Providers **must** adopt labels by **April 10, 2024**.
- Providers with less than 100,000 broadband subscribers must adopt labels by **October 10, 2024**.
  - Based on provider's recent Form 477/Broadband Data Collection filing and, if relevant, aggregated over all the provider's affiliates.
- All providers must adopt:
  - Machine-Readable Format - **October 10, 2024**
  - Customer Online Accounts - **October 10, 2024**



Daniel Lindley, Senior Cybersecurity Specialist  
[Daniel.Lindley@jsitel.com](mailto:Daniel.Lindley@jsitel.com)

Lans Chase, Director of Regulatory  
[Lans.Chase@jsitel.com](mailto:Lans.Chase@jsitel.com)

Brian Sullivan, Vice President-  
Tariff Election/Considerations  
[Brian.Sullivan@jsitel.com](mailto:Brian.Sullivan@jsitel.com)

Bhavini Sokhey, Vice President-  
Financial Services  
[Bhavini.Sokhey@jsitel.com](mailto:Bhavini.Sokhey@jsitel.com)

Jennifer Holtz, Vice President  
BB Labels  
[Jennifer.Holtz@jsitel.com](mailto:Jennifer.Holtz@jsitel.com)

Jennifer Blaine, Staff Director  
[Jennifer.Blaine @jsitel.com](mailto:Jennifer.Blaine@jsitel.com)

# Thank You.

Do You Still Have Questions?  
Connect with Us.

