

FCC Modifies CAF Broadband Performance Testing Requirements

November 1, 2019

The FCC adopted an [Order on Reconsideration](#) at its October 25, 2019 [meeting](#) modifying the broadband performance testing requirements for service providers receiving Connect America Fund (“CAF”) high-cost support. Under the Order, the FCC will delay the start of testing for many CAF recipients to better align with network deployment deadlines. The FCC also will create a “pre-testing” period to allow CAF support recipients time to assess how their networks and testing equipment perform without penalty before official testing begins. In addition, the FCC will provide more flexibility for certain testing procedures to reduce the burden on smaller service providers. The Order impacts every CAF program and deserves a close look, not only by service providers that currently receive CAF support but also by those that plan to seek such support through future programs like the [Rural Digital Opportunity Fund](#). The Order is just the latest in [a long line of reforms](#) to the CAF since its creation nearly a decade ago and shows that the FCC still is willing to tinker with its high-cost programs to meet its broadband deployment goals.

The CAF provides support to broadband service providers to deploy networks in rural and other high-cost service areas. In addition to meeting their deployment obligations, CAF recipients must show that they provide broadband services meeting certain performance requirements that vary by CAF program. Last year, the FCC [established](#) uniform testing procedures for CAF recipients to demonstrate that they meet the relevant performance requirements. The testing requires CAF recipients to measure the speed and latency of their broadband services to see if they meet the applicable program benchmarks. Service providers unable to meet their performance requirements lose funding on a sliding scale based on how far they miss the benchmarks. The FCC initially established a July 1, 2020 deadline for CAF recipients to report their broadband performance testing results. However, many service providers raised concerns regarding both the timing and procedures for testing. In particular, these stakeholders noted that the July 1, 2020 reporting deadline would come before many CAF recipients are required to deploy most of their networks. These service providers also took issue with the current cost and availability of testing equipment and requested more time to become familiar with the CAF broadband performance testing process.

The Order attempts to address CAF recipients’ concerns in two ways. First, the FCC will delay the start of testing reporting for many CAF recipients to better align with the deployment deadlines for the different CAF programs. For example, the FCC is in the process of authorizing funding for winning bidders at the [CAF Phase II auction](#) that closed last year. These newly-authorized service providers would have at least until 2022 to deploy 40% of their broadband networks. As a result, the FCC will delay the start of testing reporting for CAF Phase II auction winners until January 1, 2023, to ensure a sufficient sample size. Second, the FCC will create mandatory pre-testing periods for CAF recipients to see how their networks and testing equipment perform without risk of losing support for missing the applicable speed and latency program benchmarks. The pre-testing period also will provide time

for the cost of testing equipment to decrease and the availability of such equipment to increase. Note that the FCC will not delay the July 1, 2020 broadband performance testing start date for recipients of CAF Phase II model-based support. CAF Phase II model-based support recipients generally are large price-cap carriers that must deploy 80% of their networks by the end of 2020 and that have prior broadband testing experience. A summary of the new pre-testing and testing start dates for the major CAF programs is below:

CAF Program	Pre-Testing Start Date	Testing Start Date
CAF Phase II (model-based)	January 1, 2020	July 1, 2020
Rural Broadband Experiments	January 1, 2021	January 1, 2022
Alternative Cost-Model I	January 1, 2021	January 1, 2022
Alternative Cost-Model II	January 1, 2022	January 1, 2023
CAF Phase II (auction)	January 1, 2022	January 1, 2023

The Order also provides more flexibility in CAF broadband performance testing by, among other things, expanding the number and types of locations that can be used as testing endpoints, clarifying that the same location can be used for both speed and latency testing, and making the speed and latency testing timeframes less rigid. These changes should help lower the compliance burdens on smaller providers.