

USF Tracker - March 2021

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Commentary

In March, the FCC and USAC worked hard to stand up the first of three pandemic-related special programs, the Emergency Broadband Benefit Program (EBBP). Rules for the \$3.2 billion EBBP were adopted in February and the Wireline Competition Bureau (Bureau) issued milestones in March for ETC election notices, non-ETC applications and applications to use alternative verification systems. Acting Chairwoman Rosenworcel said in mid-March that over 100 applications or election notices were filed (we believe the number is much higher now); clearly the program is attracting a lot of interest from service providers and, in particular, from service providers that have not heretofore participated in the Lifeline program. Moreover, our experience has been that the Bureau is moving quickly on non-ETC applications, and many received approval after only a week. All signs are pointing for a running start to the EBBP in April (exact date still TBD).

Recent News

General

- On March 25, the FCC issued a [Public Notice](#) (DA 21-355) seeking comment on the Supply Chain Reimbursement Program Study, a preliminary Catalog of Eligible Expenses and Estimated Costs, and a preliminary List of Categories of Suggested Replacement Equipment and Services to assist with establishing the Secure and Trusted Communications Networks Reimbursement Program (aka the “Rip and Replace” program). Comments are due **April 26, 2021**.
- On March 25, the FCC’s Wireline Competition Bureau (WCB) released an [Order](#) (DA 21-351) granting Tata Communications a waiver of section 54.706(a)-(c) of the FCC’s rules to allow Tata, as a predominantly international carrier, to maintain its eligibility for the limited international revenue exemption for contribution purposes. The Commission’s waiver is retroactive to revenues from 2020 and prospective for calendar year 2021, for the portion of its interstate revenues that exceed the current qualifying threshold (of 12%) for LIRE exemption. The Bureau granted the waiver in recognition that the current contribution factor significantly exceeds the 12% threshold, concluding that the disparity between the contribution factor and the LIRE threshold could result in a contributor being required to contribute to the universal service fund an amount that exceeds its interstate end-user telecommunications revenue.

Lifeline

- On March 19, the WCB issued a [Public Notice](#) (DA 21-336) seeking comment on the state of the Lifeline marketplace by **June 30, 2021**. Comments are sought to inform the report the WCB will submit to the FCC, including the prevalence of subscriptions to various service offerings in the Lifeline program, the affordability of both voice and broadband services, the pace since adoption of the 2016 Lifeline Order at which voice and data usage has changed, minimum service standards, and the net benefits of continuing to support voice service as a standalone option. The WCB also seeks comment on the intersection between the Emergency Broadband Benefit Program and the Lifeline marketplace.
- On March 4, the WCB issued a [Public Notice](#) (DA 21-265) announcing upcoming milestone dates for the [Emergency Broadband Benefit Program](#). The portal for non-ETC providers to apply for participation in the program and for approval of alternative verification programs opened on March 8, and for ETCs to file election notices on March 11. The Bureau committed to providing priority evaluations to all applications submitted on or before March 22. The start date for the EBB will be announced in a future public notice.
- On March 2, USAC implemented an automated database connection between the Lifeline National Verifier and the Minnesota Department of Human Services. The National Verifier now has 25 state and federal connections.

High Cost/Connect America Fund (CAF)

- On March 16, the WCB announced via [Public Notice](#) (DA 21-319) the **April 1, 2021** opening of the Eligible Locations Adjustment Process (ELAP) filing window for CAF Phase II auction support recipients. Participating Phase II auction support recipients must submit all required information and certifications during a four-month filing window beginning April 1 and ending **August 3, 2021**.
- Also on March 16, the WCB adopted a [Protective Order](#) (DA 21-318) applying to the review and use of confidential information submitted through the ELAP module of the USAC High Cost Broadband Portal (HCBP) as described in the *ELAP Order*.
- On March 8, the WCB issued a [Public Notice](#) (DA 21-279) seeking comment on multiple petitions for designation as an Eligible Telecommunications Carrier (ETC), for the purpose of becoming eligible to receive universal service support. The petitioners are winning bidders, or those assigned support through the division of winning bids, in the Rural Digital Opportunity Fund (RDOF) auction. Comments are due **April 7, 2021** and reply comments are due **April 22, 2021**.

Schools and Libraries (E-Rate)

- On March 25, the WCB sent a [letter](#) (DA 21-353) notifying USAC of approval of the E-Rate

Funding Year 2021 Program Integrity Assurance (PIA) FCC Form 471 review procedures.

- On March 19, WCB announced via [Public Notice](#) (DA 21-332) E-Rate and RHC Programs' inflation-based caps for Funding Year 2021. The new caps represent a 1.2% inflation-adjusted increase in each program cap from funding year 2020.
- On March 16, the WCB issued a [Public Notice](#) (DA 21-317) seeking comment on the [Emergency Connectivity Fund](#) for educational connections and devices to address the homework gap during the pandemic. The Emergency Connectivity Fund will provide up to \$7.1 billion in support for remote learning and off-campus library services during the pandemic. The FCC has 60 days to adopt rules implementing the new ECF. Comments are due **April 5, 2021** and reply comments are due **April 23, 2021**.

Rural Health Care

- On March 30, the FCC [adopted](#) (FCC 21-39) rules for round 2 of the COVID-19 Telehealth program.
- On March 19, WCB announced via [Public Notice](#) (DA 21-332) E-Rate and RHC Programs' inflation-based caps for Funding Year 2021. The new caps represent a 1.2% inflation-adjusted increase in each program cap from funding year 2020.

12th Annual USF Update Webinar

On March 22, 2021 Kelley Drye's Communications practice presented our annual webinar discussing the state of the federal Universal Service Fund. This webinar, back for its 12th year, provided an in-depth look at all four USF programs and the USF contribution mechanism, highlighting major developments in the last year and trends for the upcoming year. In addition, this year we discussed how the ongoing pandemic has influenced the importance of the USF and related policy decisions.

Click [here](#) to access the recording and [here](#) to access the slide deck.

For more information, please visit the [Closing the Digital Divide and Enabling Connected Life](#) practice group page and [click here](#) for our 2020 USF Yearbook.