

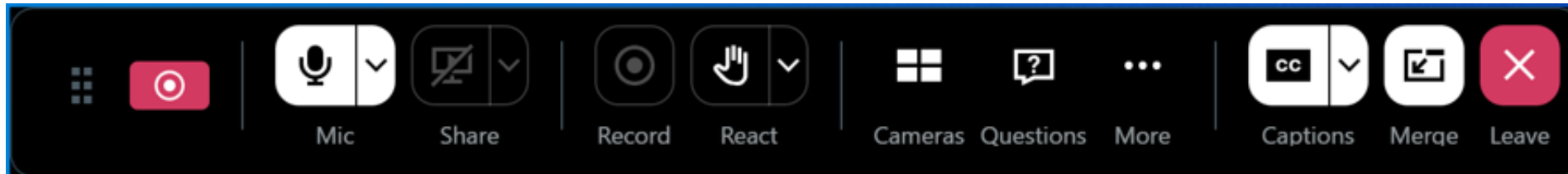
# **High Cost and the Connect America Fund**

**Tribal Teleconference**

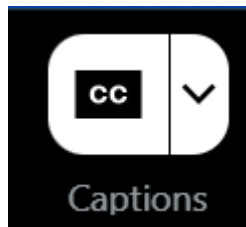
May 13, 2025

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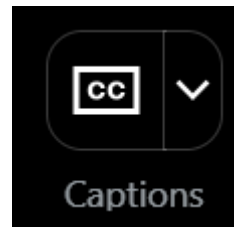
- Attendees control their own captioning.



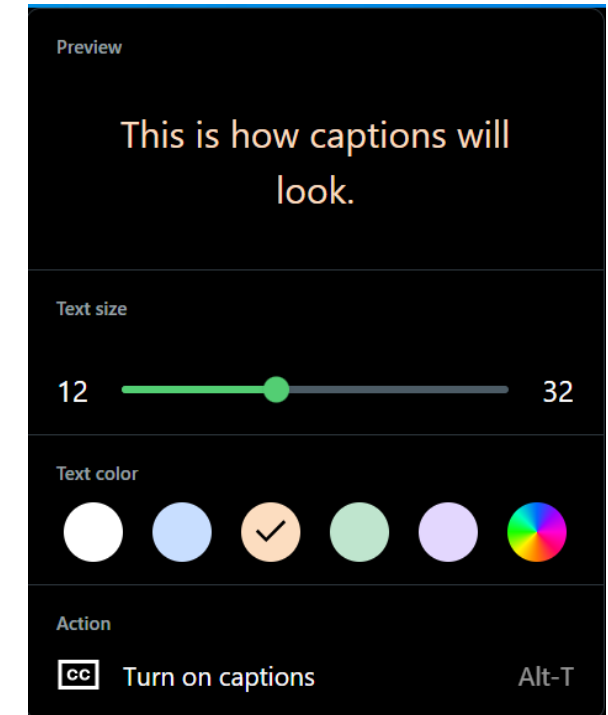
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Captions ON



Captions OFF



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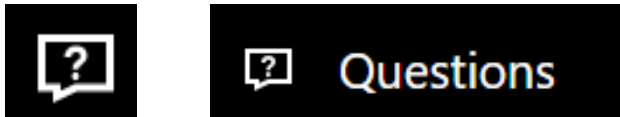


# Housekeeping – Materials & Questions

- A copy of the slide deck is in the **Materials** section of the webinar panel.



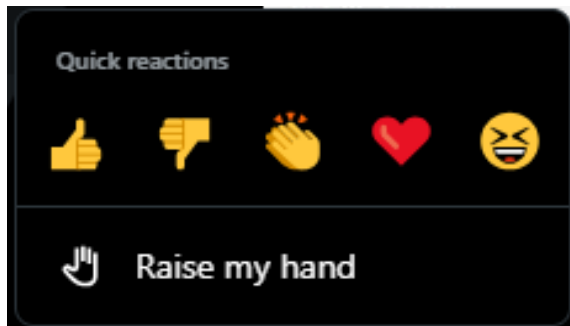
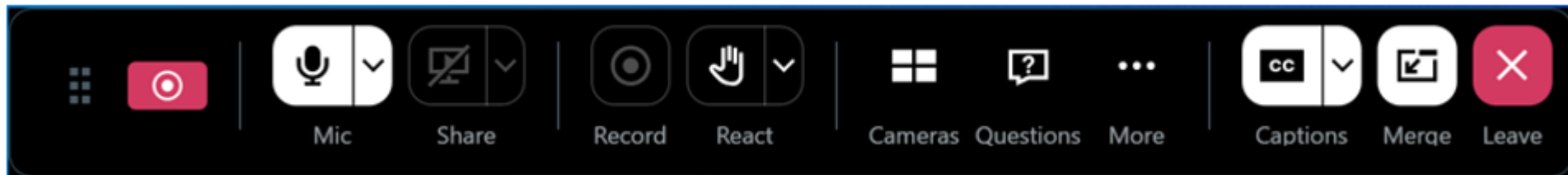
- Enter questions at any time using the **Questions** box.



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# Disclaimer

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**Please be aware that this webinar is being recorded.**



**Gem Shandiin Labarta**

Tribal Liaison | Shared Services

Provide clear, accurate, real-time support to Tribal stakeholders.

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# Upcoming Dates

- Lifeline and Tribal
  - How to Apply for Lifeline – June 10, 2025, at 4 p.m. ET – [Register](#)
- E-Rate
  - Beginning E-Rate Services – May 15, 2025, at 2 p.m. ET – [Register](#)
- Rural Health Care
  - FY2025 Telecom Program Office Hours #5 – May 14, 2025, at 2 p.m. ET – [Register](#)
- Lifeline
  - Getting Started as a New Company with Lifeline – May 13, 2025, at 3 p.m. ET – [Register](#)
- Service Providers
  - New 499 Filer ID Basics – June 3, 2025, at 2 p.m. ET – [Register](#)



# Agenda

- What is High Cost?
  - Legacy and Modernized (Connect America Fund) Programs
- Participating in High Cost
  - Obtaining Eligible Telecommunications Carrier (ETC) Certification
  - Filing Form 481
  - Tribal Access to Carrier Form 481 Data
- Connect America Fund Compliance
  - HUBB Portal: Tracking Broadband Deployment
  - Verification Reviews: Confirming Broadband Deployment
  - Network Performance Testing: Measuring Broadband Speed and Latency
- Resources



**Everyone. Connected.**

# Who We Are: The Universal Service Administrative Company

- The **Universal Service Administrative Company** (USAC) is an independent, not-for-profit organization designated by the Federal Communications Commission (FCC).
- USAC is responsible for administering the **USF** and its four programs.
- The USF exists to ensure that all people in the United States have access to quality and affordable connectivity services.



## Lifeline Program

Discounted phone and internet service to eligible low-income consumers.



## E-Rate Program

Funding for broadband services to eligible schools and libraries.



## Rural Health Care Program

Funding for telecom and broadband services for eligible rural health care providers.

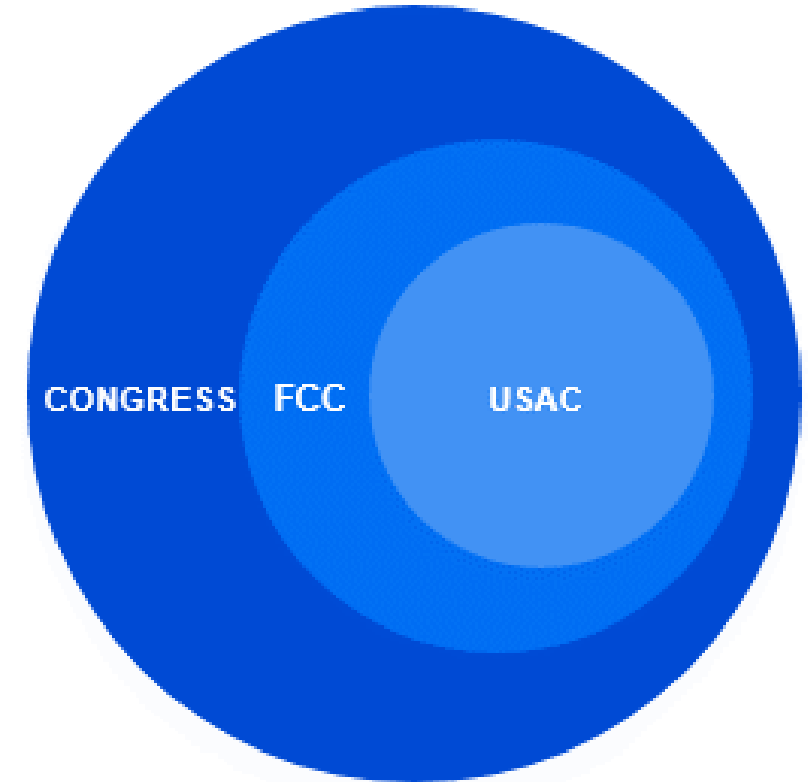


## High Cost Program

Reduced rates for telecom and broadband services in eligible high-cost areas.

# Overview: Who Makes the Rules?

- In the Telecommunications Act of 1996, Congress directed the FCC to establish the universal service programs.
- The FCC sets rules and policies for the USF programs and gives direction to USAC.
- USAC is responsible for the day-to-day administration of the USF in accordance with FCC requirements.



# **What is the High Cost Program?**

# What is the High Cost Program?

- High Cost is the largest of the four programs that make up the Federal Communications Commission (FCC) Universal Service Fund (USF).
- High Cost ensures universal availability of essential telecommunications services in rural America.
- Program consists of more than a dozen separate funds that distribute billions of dollars annually to carriers to provide voice and broadband service — both fixed and mobile — in rural areas that would otherwise be unserved or underserved.
- Legacy funds support voice service to ensure universal access to basic telephone lines.
- Modernized funds, which make up the Connect America Fund, support broadband in communities where the market alone cannot support the substantial cost of deploying network infrastructure and providing connectivity.
- Carriers that receive High Cost funding must offer service at rates reasonably comparable to those available in urban areas.



# What is the High Cost Program?

## Legacy Voice Funds

- High Cost program historically subsidized voice service through legacy funds that calculate support based on carrier costs.
- Legacy High Cost funds are not open to new carriers, but continue to pay out support to traditional rural telephone companies that are already participating.
- Carriers receiving legacy support are subject to USAC financial audits.



# What is the High Cost Program?

## Modernized Broadband Funds (Connect America Fund)

- The FCC has reformed the High Cost program in recent years through the Connect America Fund (CAF) to bring advanced network infrastructure and reliable, high-speed Internet access to rural communities.
- CAF consists of roughly a dozen separate modernized funds that rely on incentive-based cost models and competitive bidding to award set monthly payments to carriers to deploy and maintain robust communications networks – which provide voice service and broadband at required speeds – in areas eligible for support.
- Carriers must complete deployment over a defined timeline, with interim and final deployment milestone deadlines.
  - Carriers in modernized funds that subsidize fixed broadband must connect a specific number of locations.
  - See the [High Cost Funds](#) pages for details on the service obligations, deployment timelines, network speed requirements and reporting rules that carriers participating in each fund must meet.
- Participating carriers include not only traditional rural phone companies, but also rural electric cooperatives, cable operators, wireless operators, wireless internet service providers and satellite providers.
- USAC closely monitors compliance with CAF broadband build-out obligations to ensure that carriers are using support to deploy high-speed internet access that meets minimum speed and latency standards to required location counts by relevant deployment milestone deadlines in rural areas eligible for funding.

# Participating in High Cost

## Obtaining Annual ETC Certification

- To participate in the High Cost program, a carrier must be certified as an eligible telecommunications carrier (ETC) annually under [47 CFR Section 54.314](#).
- State utility commissions and carriers that self-certify must submit this certification to USAC and the FCC by October 1 every year through USAC's E-File/One Portal system.
- State utility commissions must certify that carriers under their jurisdiction:
  - Are eligible to receive High Cost support in their states
  - Used all support received in the proceeding calendar year only to provide, maintain, and upgrade the facilities for which the support was intended and will do the same in the coming calendar year
- Carriers that self-certify (i.e., ETCs not subject to state jurisdiction) must certify that they used all High Cost support received in the proceeding calendar year only to provide, maintain, and upgrade the facilities for which the support was intended and will do the same in the coming calendar year.
- The [Annual ETC Certification](#) page on the USAC website has more information about obtaining ETC certification.

# Participating in High Cost

## Filing FCC Form 481

- ETCs participating in the High Cost and/or Lifeline programs must file FCC Form 481 on an annual basis.
- The form collects financial and operations information used to validate carrier support.
- Information gathered includes:
  - Holding company, operating companies, affiliates and branding designations
  - Carrier ability to function in emergency situations
  - Tribal lands engagement
  - Comparability of voice and broadband rates in rural and urban areas
- The Form 481 also includes three supply chain certifications:
  - Carriers must certify that no universal service support is being used to purchase, rent, lease, obtain or maintain any equipment or services produced or provided by any company designated by the FCC as posing a national security threat to the integrity of communications networks or the communications supply chain.
- Completing the Form 481 fulfills the annual 54.313 reporting requirement for recipients of High Cost funding.
- State utility commissions rely on FCC Form 481 data to perform the annual certification of ETCs under their jurisdiction to be able to receive High Cost support.

# Participating in High Cost

## Providing Tribal Access to Carrier Data

- USAC provides federally-recognized Tribes with access to the FCC Form 481 data for carriers that serve their lands using High Cost support.
- Tribal government officials can download and view Form 481 data through the 54.314 Certification Filing System in E-File, which is the same system that state utility commissions use to access the data and certify that carriers under their jurisdiction are eligible to participate in the High Cost program.
- The 54.314 system allows Tribal officials to download a zip file containing a copy of the most recent certified FCC Form 481 filing and related attachments for carriers that serve their communities by individual Study Area Code (SAC), the unique six-digit number assigned to each carrier to identify it based on its service area.
- In order to obtain access privileges to the 54.314 system, Tribal governments should contact the High Cost division at [Form481@usac.org](mailto:Form481@usac.org) to request an authorization form. Once granted access, Tribal officials will be able to log into the 54.314 system and view Form 481 data filed by carriers serving their lands.
- A [High Cost 54.314 System Tribal User Guide](#) is available on the USAC website.

# Connect America Fund Compliance

- Carriers participating in modernized Connect America Fund programs are subject to an extensive oversight process to safeguard program accountability, transparency and integrity.
- This process closely monitors carrier compliance with broadband deployment obligations to ensure that carriers are using CAF support to build out high-speed Internet access that meets minimum speed and latency standards to required location counts by relevant deployment milestone deadlines in rural areas eligible for funding.
- The compliance process consists of several steps:
  - HUBB Portal: Tracking Broadband Deployment
  - Verification Reviews: Confirming Broadband Deployment
  - Network Performance Testing: Measuring Speed and Latency
- Carriers may also be subject to site visit audits following final deployment milestones.

# **HUBB Portal: Tracking Broadband Deployment**

# HUBB Portal: Tracking Broadband Deployment

- Carriers in modernized funds with defined fixed broadband build-out obligations must file deployment data annually with the High Cost Universal Broadband (HUBB) portal.
- Carriers have until March 1 every year to submit and certify data showing where they deployed broadband with CAF support during the previous calendar year or certify “no locations” to upload for the year.
- HUBB collects geographic coordinates (latitude/longitude) of the locations where carriers offer service, speeds available, deployment dates and unit counts.
  - Enhanced ACAM data collection works differently – carriers report deployment by Fabric ID.
- HUBB performs automated, real-time data validation checks and only accepts locations that pass:
  - The latitude/longitude of a reported location must fall within area eligible for funding.
    - Accurate geolocation data is key to filing successfully in the HUBB.
  - The location cannot be a duplicate of one already submitted.
  - The date of deployment must be within the timeline of the fund in which the carrier participates.
- HUBB tracks carrier progress toward meeting interim and final deployment milestones.



# HUBB Portal: Tracking Broadband Deployment

- Carriers with deployment milestones must also complete a separate milestone certification as part of the annual HUBB filing.
  - This includes separate milestone certifications for separate deployment obligations by speed tier.
  - These carriers may be subject to verification reviews to confirm deployment to a random sample of reported locations.
    - Carriers found to have missed deployment milestones face increased reporting obligations and potential withholding/recovery of support.
- All carriers must also complete a separate annual certification in the HUBB between Jan. 1 and March 1 to confirm that their filing activity for the previous calendar year is complete.
  - This certification confirms that a carrier has reported and certified all its deployment for the previous calendar year.
  - Carriers that did not deploy any locations in during the previous calendar year must still log into the HUBB and certify “no locations to upload” between Jan. 1 and March 1.

# HUBB Portal: Filing by Fabric ID

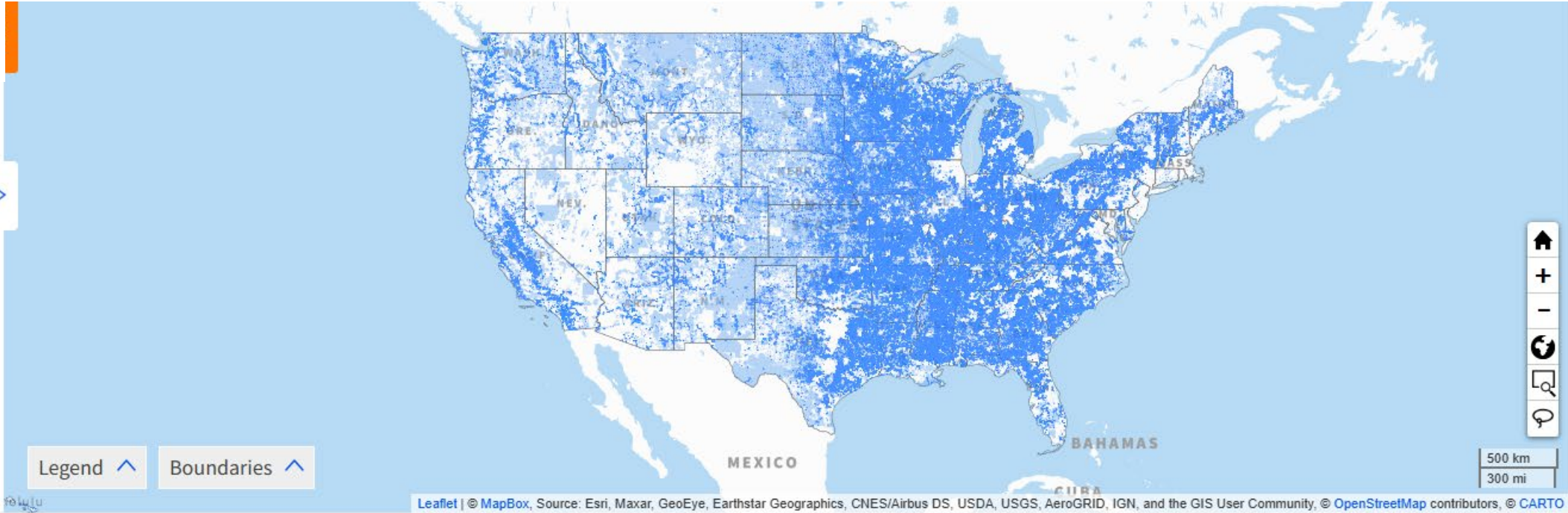
- Enhanced ACAM is the first CAF program to report deployment data in the HUBB using the Broadband Serviceable Location Fabric (Fabric).
  - Fabric is a single, standardized dataset of all locations in the U.S. where fixed broadband access is available or could be installed – Fabric assigns a unique Fabric ID to each location.
  - Along with the FCC Broadband Data Collection (BDC), Fabric dataset is foundation for the FCC National Broadband Map.
- Enhanced ACAM relies on the Fabric to determine broadband deployment obligations and each Enhanced ACAM carrier has a list of required locations – with Fabric Location IDs that identify the locations where the carrier must offer service.
- Enhanced ACAM carriers report deployment data in the HUBB using Fabric Location IDs, and HUBB validates that the reported Fabric Location IDs are included in the carrier's list of required locations.
- Next funds to report deployment by Fabric ID will be Rural Digital Opportunity Fund (RDOF) and Bringing Puerto Rico Together (Uniendo a Puerto Rico) and Connect USVI Fund (PR/USVI) Stage 2 Fixed Support.

# HUBB Portal: CAF Map and CAF State Map

- The HUBB dataset is the foundation for the [CAF Map](#) and the new [CAF State Map](#)
  - CAF Map provides a granular, location-level view of the impact of the Connect America Fund on broadband expansion in rural America
    - Displays the geographic areas that are eligible for CAF support, as well as the specific fixed locations where carriers report offering mass-market, high speed Internet service funded by the program.
  - CAF State Map provides a big-picture, state-level view of the impact of the Connect America Fund on broadband expansion in rural America.
    - Displays total deployment obligations by location count, total cumulative deployment reported so far by location count and total cumulative funding paid out to date – all on a state-by-state basis – by aggregating data for all carriers participating in the Connect America Fund in each state.

# Connect America Fund Broadband Map

>



Legend ^ Boundaries ^

State

All States v

Holding Company

Search Holding Company

Speed

All Speeds v

Filing Year

All Years v

Clear All Filters

500 km

300 mi

Leaflet | © MapBox, Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community, © OpenStreetMap contributors, © CARTO

Local Data

Data certified as of 09/30/24 | Displaying 1-25 of 7,632,419 records | [Download Data](#)

Fund ▲

Holding Company

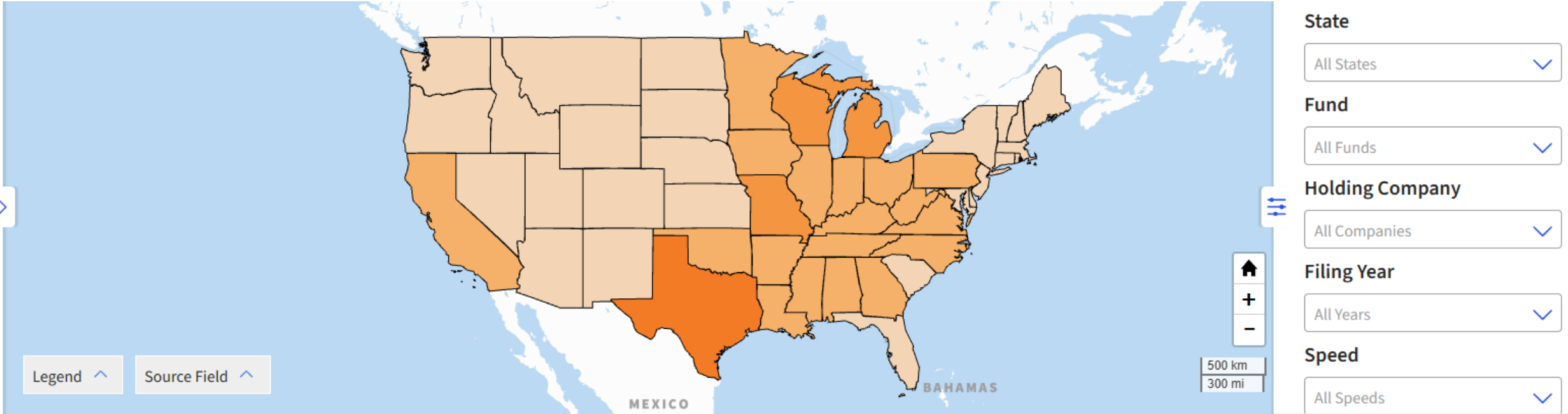
Deployment Address

Locations Deployed

Download/Upload Speed Tier

Filing Year

# Connect America Fund State Broadband Map



State Data State Data by Speed Tier

Displaying 1-25 of 11,929 records

Data certified as of 09/30/2024 | [Data Download](#)

State ? ▲	Fund	Study Area Code	Holding Company	Filing Year ?	Total Locations Obligation ?	Locations Deployed Cumulative ?	Support Disbursed Cumulative ?
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# **Verification Reviews: Confirming Broadband Deployment**

# Verification Reviews: Confirming Broadband Deployment

- All carriers participating in CAF programs with defined broadband build-out obligations are subject to verification reviews to confirm reported deployment.
- Verification reviews fall into three main categories:
  - Reviews tied to mandatory annual deployment milestones that begin following the annual March 1 HUBB filing deadline
  - Reviews conducted at the request of carriers that complete deployment ahead of required milestones (meet optional milestones) and are seeking to reduce their Letters of Credit (LOC) values
  - Reviews conducted as part of the FCC Rural Broadband Accountability Plan (RBAP)
- Carriers found to have missed deployment milestones face increased reporting obligations and potential withholding/recovery of support.



# Verification Reviews: Confirming Broadband Deployment

- The goal of the verification review process is to confirm that the carrier deployed broadband service meeting the FCC's performance standards to a qualifying number of locations by the relevant deployment milestone deadline.
- USAC selects a statistically valid, random sample of locations certified in the HUBB by carriers chosen for review and seeks to verify that:
  - The structure at the reported location is eligible for CAF support.
  - The reported service address accurately corresponds with the reported latitude/longitude coordinates.
  - The upload and download speeds available are at or above the speeds the carrier must deliver.
  - The carrier deployed service at the required speeds in time to meet the deployment milestone.
  - The actual number of units or dwellings at the location accurately ties back to the reported number of units or dwellings for the location record.

# Verification Reviews: Confirming Broadband Deployment

- Carriers must submit documentation that serves as proof of deployment for each location record in the HUBB selected for verification review. Examples of acceptable documentation include:
  - Subscriber bills
  - Screen shots from public-facing service availability tool showing upload/download speeds available at a particular address
  - Letters of certification certified by an outside engineer licensed by the state (including Professional Engineer number) where service was deployed
  - Screen shots from an internal provisioning system showing the broadband speeds available at a particular service address (and associated geo-coordinates if available)
  - Engineering team emails showing that all locations tied to a particular Digital Subscriber Line Access Multiplexer (DSLAM) are released to sales for marketing

# **Network Performance Testing: Measuring Broadband Speed and Latency**

# Network Performance Testing

- The FCC performance measures testing framework ensures that CAF-supported broadband service meets basic network performance standards.
- Carriers must conduct one week of speed and latency testing at random sample of CAF-supported locations with active subscribers in each quarter of the year, and must submit and certify all test results for the full sample of locations within two weeks of the end of each quarter.
- At least 80 percent of speed measurements must be at 80 percent of required speeds and 95 percent of low-latency measurements must fall at or below 100 milliseconds round-trip time.
  - FCC considers failure to meet speed and latency standards as a failure to deploy and may withhold support.
- Before official testing begins, carriers must conduct a year of quarterly “pre-testing.”
  - Carriers must conduct one week of speed and latency pre-testing at a random sample of CAF-supported locations with active subscribers in each quarter of the year, and must submit and certify all test results for the full sample of locations within two weeks of the end of the quarter.
  - Carriers do not face withholding of support for failing to meet speed and latency standards during pre-testing as long as they submit and certify the required test data.

# Network Performance Testing: Performance Measures Module

To support this process, the USAC Performance Measures Module (PMM):

- Lets carriers identify which locations deployed with CAF support and reported in the HUBB have active subscribers.
- Generates a random sample of locations for testing and provides the obligated speed tiers to be tested (based on the speed tiers reported for those locations in the HUBB compared with the speeds carriers are required to deliver).
  - For funds with multiple speed tiers, the obligated speed tier to be tested for some locations may not be the same as speed tier reported for that location in HUBB.
  - Carriers must obtain a new sample after two years of pre-testing/testing.
- Collects the speed and latency test results from carriers and calculates compliance with performance measure standards based on certified test results.
- Allows carriers to download compliance reports that provide details at the Study Area Code (SAC) level about the percent of upload and download speed tests and latency tests that met FCC network performance standards.
  - USAC provides quarterly compliance reports to help carriers track their progress in meeting FCC metrics, address shortfalls and submit missing data.
  - See [PMM Compliance Calculations](#) for a detailed explanation of how the PMM calculates compliance.

# Network Performance Testing

Carriers must:

- Test up to 50 locations for each speed tier they must deploy to in each state where they receive support.
  - Sample sizes are determined by the number of active subscribers submitted to PMM.
- Conduct testing at all selected locations (unless subject to FCC waiver).
- Meet separate testing requirements for each fund in which they participate.
- Use the same subscriber locations for both speed and latency testing.
- Provide subscribers at selected locations with necessary CPE (modem, router) at no extra cost.
- Test from customer premises to a remote test server located at, or reached by passing through, FCC-designated Internet Exchange Point (IXP).
  - FCC rules provide allowance for crosstalk caused by consumer activity.
- Conduct all speed tests in same week and all latency tests in same week.
  - Speed and latency tests may take place in different weeks.
- Conduct testing between 6 p.m. and 12 a.m. local time.

# Resources



# High Cost Resources

For more information about High Cost, please visit the [USAC High Cost webpage](#).

- Resources include:
  - [High Cost Get Started webpage](#)
  - [High Cost announcements webpage](#)
  - [High Cost funds webpage](#)
  - [FCC Rural Broadband Accountability Plan \(RBAP\) webpage](#)
  - [High Cost Tools](#)
  - [CAF Map](#)
  - [CAF State Map](#)
  - [HUBB Dashboard](#)
  - [High Cost Disbursement Search Tool](#)

# High Cost Resources

For more information about High Cost, please visit the [USAC High Cost webpage](#).

- Resources for program participants include:
  - [Descriptions](#) of all High Cost funds, with details about the service obligations, deployment timelines, network speed requirements and reporting rules that carriers participating in each fund must meet.
  - Information about obtaining annual [ETC certification](#)
  - Information about filing [FCC Form 481](#)
  - Link to the [E-File/One Portal](#) filing system
  - [High Cost 54.314 System Tribal User Guide](#)
- High Cost Support Center
  - 1-844-357-0408 or [HCQuestions@USAC.org](mailto:HCQuestions@USAC.org)

# HUBB Resources

For more information about filing in the HUBB, please visit the [HUBB resources webpage](#).

- Resources include:
  - HUBB filing requirements and deployment milestones (by fund)
  - [HUBB FAQs](#)
  - [HUBB user guide](#)
  - [FCC guidance](#) on location reporting
  - [USAC guide](#) to geolocation practices
  - HUBB webinar [recording](#) and [presentation](#)

# Verification Resources

For more information about the verification review process, please visit the [verification review resources webpage](#).

- Resources include:
  - Verification review schedule (by fund)
  - Examples of the types of documentation that carriers can supply to prove deployment
  - Verification webinar [recording](#)
  - Verification webinar [presentation](#)

# Performance Measures Testing Resources

For more information about performance measures testing, please visit the [performance measures resources webpage](#).

- Resources include:
  - Performance Measures testing schedule (by fund)
  - [FCC information](#) about the performance measures testing program
  - [Charts](#) showing acceptable test paths and remote server locations
  - Quick tips [guide](#) to the PMM
  - Performance measures testing webinar [recording](#)
  - Performance measures testing webinar [presentation](#)
  - An [explanation](#) of PMM compliance calculations

**Questions?**

**Thank You!**





**Universal Service**  
Administrative Co.