

Microsoft Airband Initiative: Rural America Partner Summit

Policy Review:
Infrastructure Funding
February 12, 2018

Broadband Funding Sources

- Federal and State Universal Service Mechanisms
- Other Federal Programs
- Infrastructure Legislation

Federal Universal Service CAF Phase II

- Must offer *fixed service* to unserved business and residence locations.
- \$198 M per year for ten years of support.
- Awarded by reverse auction beginning July 24.
- Short Form application deadline March 30.
- Lots to do. If you haven't begun, you need to move quickly.

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CAF II – Spectrum

- FCC identified wide variety of spectrum that can meet Minimum and Baseline performance tiers.
- Can use any licensed or unlicensed spectrum capable of meeting the speed/latency tier that you select.
- Specifically identified TVWS as spectrum that can be specified for CAF II support.

CAF II – Four Performance Tiers

Tier	Speed	Monthly Usage Allowance
Minimum	≥ 10/1 Mbps	≥ 150 GB/month
Baseline	≥ 25/3 Mbps	Higher of (a) ≥ 150 GB/month, or (b) avg. of majority of fixed broadband customers
Above Baseline	≥ 100/20 Mbps	2 TB/month
Gigabit	≥ 1 Gbps/500 Mbps	2 TB/month

CAF II – Two Latency Tiers

Latency	Requirement
Low	Meet $\geq 95\%$ of peak period round trip latency ≤ 100 ms
High	Meet $\geq 95\%$ of peak period round trip latency ≤ 750 ms, and, for voice, Mean Opinion Score (MOS) of ≥ 4

CAF II - Requirements

- By the year six you must offer service to all eligible locations within each state where you have a winning bid.
- FCC has identified the number of eligible locations within each census block, but not precise locations.
- Accountability measures significant, e.g., certifications, letter of credit, submission of served locations.

CAF Phase II Resources

- CAF Phase II Home Page:

<https://www.fcc.gov/connect-america-fund-phase-ii-auction>

- Map of Eligible Areas:

<https://www.fcc.gov/maps/caf2-auction-final-areas/>

- List of Eligible Census Block Groups:

<https://www.fcc.gov/files/caf2auctionpublishcbgcsv>

- Auction Procedures Public Notice:

https://transition.fcc.gov/Daily_Releases/Daily_Business/2018/db0201/FCC-18-6A1.pdf

FCC Petition re: Off-Campus Access to E-Rate Funds

- General rule: FCC E-Rate funding limited to uses on and around school campuses.
- Petitioners asked FCC to clarify or declare that TVWS technology could be deployed at schools to reach nearby homes to bridge the homework gap.
- In January, FCC's BDAC working group recommended that off-campus use be permitted.
- Opportunity to use TVWS to improve E-Rate service and improve likelihood of being selected.

State Universal Service Mechanisms

- States are increasingly aware that federal USF is insufficient to provide high quality broadband throughout their rural areas.
- Several states have enacted explicit broadband funds – CO, NM, NE, CA, ME, WV, DE.
- Others considering how to expand existing state USF to fund fixed and mobile broadband.

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State Universal Service Mechanisms

- Some states require rulemaking.
- Others require legislation.
- Some states with funds are dedicated to incumbents.
- The most recent survey from the National Regulatory Research Institute is here (to be updated soon):
- <http://nrri.org/download/nrri-15-05-state-usf/>

Other Federal Programs – Rural Utilities Service

- RUS operates four programs:
 - Community Connect grants - \$12-15M.
 - Distance Learning/Telemedicine grants - \$18M.
 - Farm Bill loans and guarantees - \$100M
 - Infrastructure loans and guarantees - \$690M

Infrastructure Legislation

- Recent Jan 30 House Commerce Committee hearing.
- Brought together 25 separate bills promoting broadband.
- Two bills proposed substantial broadband funding, others dealt with many issues, e.g., lowering barriers to entry, improving data, access to conduits, and various resolutions.
- Hearing Web Page:
<https://energycommerce.house.gov/hearings/closing-digital-divide-broadband-infrastructure-solutions/>

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