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.
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

<table>
<thead>
<tr>
<th>Tier</th>
<th>Speed</th>
<th>Monthly Usage Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum</td>
<td>$\geq 10/1$ Mbps</td>
<td>$\geq 150$ GB/month</td>
</tr>
<tr>
<td>Baseline</td>
<td>$\geq 25/3$ Mbps</td>
<td>Higher of (a) $\geq 150$ GB/month, or (b) avg. of majority of fixed broadband customers</td>
</tr>
<tr>
<td>Above Baseline</td>
<td>$\geq 100/20$ Mbps</td>
<td>2 TB/month</td>
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<tr>
<td>Gigabit</td>
<td>$\geq 1$ Gbps/500 Mbps</td>
<td>2 TB/month</td>
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CAF II – Two Latency Tiers

<table>
<thead>
<tr>
<th>Latency</th>
<th>Requirement</th>
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<tbody>
<tr>
<td>Low</td>
<td>Meet ≥ 95% of peak period round trip latency ≤ 100 ms</td>
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<tr>
<td>High</td>
<td>Meet ≥ 95% of peak period round trip latency ≤ 750 ms, and, for voice, Mean Opinion Score (MOS) of ≥ 4</td>
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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:
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.
StateUniversalServiceMechanisms

• 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.
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):
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: