

12TH ANNUAL UNIVERSAL SERVICE FUND UPDATE

MARCH 22, 2021

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Agenda

I. Overview of the Federal Universal Service Fund

II. Major USF developments in 2020

- The COVID-19 Telehealth Program
- The Connected Care Pilot and Rural Healthcare Program
- Lifeline and the Emergency Broadband Benefit (EBB) Program
- E-Rate Outside the Classroom
- The Rural Digital Opportunity Fund (RDOF) and Broadband Mapping
- Rip and Replace

III. Contribution Reform



OVERVIEW OF THE FEDERAL UNIVERSAL SERVICE FUND

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Federal USF Program: *OVERVIEW*

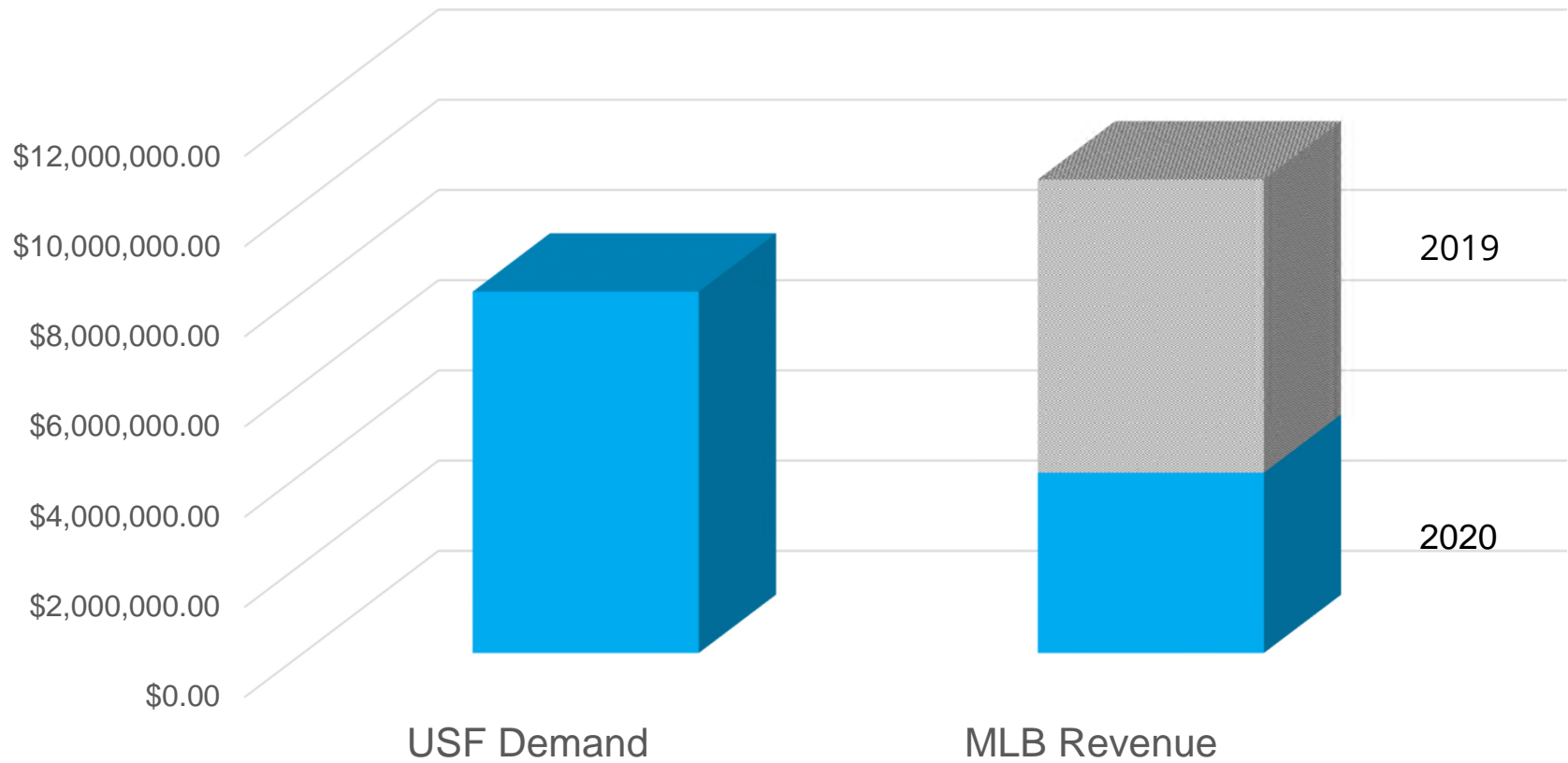
- **The Federal USF:** \$8,013,400 (CY2020)
- **Support Programs:**
 - Connected Care Pilot and Rural Healthcare Program
 - Lifeline Program
 - Schools and Libraries (E-Rate)
 - Rural Digital Opportunity Fund (RDOF)

Federal USF Program: *OVERVIEW*

- **Support Programs (cont.):**
 - Emergency Broadband Benefit (EBB) Program
 - COVID-19 Telehealth Program
 - Emergency Connectivity Fund
 - Rip and Replace

2020 in Perspective

Universal Service Fund vs. Major League Baseball





MAJOR USF DEVELOPMENTS IN 2020

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Major 2020-21 USF Program Developments:

THE COVID-19 TELEHEALTH PROGRAM

- Review of Round 1
 - \$200M appropriated to support telehealth through telecom services, information services, and devices
 - Overview of how funding was disbursed
- What to Expect for Round 2
 - Nearly \$250M in additional appropriated funds
 - USAC will evaluate applications
 - Order on circulation to establish Round 2

Major 2020-21 USF Program Developments:

CONNECTED CARE PILOT

- \$100M in USF Funds to Provide Telehealth Services
- Program Structure
- Current Award Status

Major 2020-21 USF Program Developments:

RURAL HEALTH CARE PROGRAM

- 2019 RHC Reform Order Implementation Status
- Use of Consultants
- COVID-19 Rule Waivers
 - Gift Rules
 - 2021 Funding Requests

Major 2020-21 USF Program Developments:

LIFELINE PROGRAM

- January 2020 Rule Changes
 - Commissions ban
 - Registered Agent Database (RAD)
 - Recertification plus proof if eligibility basis changes
- National Verifier “Fully Launched”
- COVID-19 Waivers
 - Involuntary de-enrollment
 - Unemployment triggers eligibility

Major 2020-21 USF Program Developments:

LIFELINE PROGRAM

- TracFone NAL and NaLA Texas Opt-Out Petition
- T-Mobile Settlement
- Minimum Service Standards
- State of the Lifeline Marketplace Report

Major 2020-21 USF Program Developments:

EMERGENCY BROADBAND BENEFIT PROGRAM

- \$3.2 billion for FCC program to connect low-income Americans to the Internet
- FCC rulemaking and program make-ready
- ETCs and non-ETCs eligible to participate
- Up to \$50 for monthly service (\$75 in Tribal lands)
 - December 1, 2020 service offers
- Up to \$100 for one-time connected device subsidy
- Safe harbor

Major 2020-21 USF Program Developments:

SCHOOLS AND LIBRARIES (E-RATE)

- Program Gift Rules Waiver
 - Extended through June 30, 2021
- Pending Petitions for E-Rate COVID-19 Waivers
 - Remote learning and services
 - Broadband Internet
 - Extended hotspot connectivity

Major 2020-21 USF Program Developments:

SCHOOLS AND LIBRARIES (E-RATE)

- **Emergency Connectivity Fund**
 - \$7.1 billion allocated to fund eligible schools and libraries during COVID-19
 - “Eligible equipment” includes “Wi-Fi hotspots, modems, routers, devices that combine a modem and router, and connected devices”
 - “Connected devices” include “laptop computers, tablet computers or similar end-user devices that are capable of connecting to advanced telecommunications and information services”
 - Public Notice comments due **April 5, 2021**

Major 2020-21 USF Program Developments:

RURAL DIGITAL OPPORTUNITY FUND (RDOF)

- RDOF Order February 2020 (FCC 20-5)
 - Commits up to \$20.4 billion over 10 years
- Phase I Auction 904 (October 29 – November 25, 2020)
 - \$9.2 billion awarded to serve over 5 million locations unserved with 25/3 Mbps broadband
- Winning Bidders Announced December 7, 2020
- 417 Winning Bidders Submitted Long-Forms by January 29, 2021 deadline; FCC Reviewing
- 180 Day Deadline to Get ETC Designations June 7, 2021

Major 2020-21 USF Program Developments:

RURAL DIGITAL OPPORTUNITY FUND (RDOF)

- February 25, 2021 Ensuring RDOF Integrity Coalition (ERIC) Informal Request for Commission Action
 - Wants FCC to allow third party review of confidential long form information under protective order for certain winning bidders
- WISPA Response:
 - FCC qualified to review financial and technical qualifications in long forms
 - Challengers did not file timely petitions for reconsideration or petitions for review with courts

Major 2020-21 USF Program Developments:

BROADBAND MAPPING

- Digital Opportunity Data Collection Order (July 2020)
- Broadband DATA Act Funding (Late 2021)
- Third Report and Order January 2021
- Broadband Data Task Force Announced at February 17, 2021 Open Meeting
- Next Steps
 - Procurements
 - Public Notice 6 months prior to data filing deadline

Major 2020-21 USF Program Developments:

RIP AND REPLACE

- Steady, Bi-Partisan Progression to Address Security of Telecommunications Network Equipment
- Nov. 2019 – Order Prohibiting Use of USF Funding for Equipment from Covered Companies
- Huawei, ZTE Designated as Covered Companies (eff. June 30, 2020)
- Dec. 2020 – Order Establishing Rules for ETCs to Replace Covered Equipment
 - Feb. 2021 FNPRM – Comments, Replies in April



CONTRIBUTION REFORM

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Major 2020 USF Program Developments:

CONTRIBUTIONS -- IS THIS FINALLY THE YEAR??

- Contribution rate continues to rise. **33.4%** for 2Q21.
 - Fourth straight all-time high, fourth straight above 25%
- Growing calls to reform contributions
 - AT&T – let Congress fund it
 - Various industry groups
 - Acting Chairwoman Rosenworcel – “I’ll work with Congress”
- States generally moving forward

QUESTIONS



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