

# Introduction to High Cost Verifications

**Alternative Connect America Cost Model (A-CAM) I  
and Revised A-CAM I**



Universal Service  
Administrative Co.

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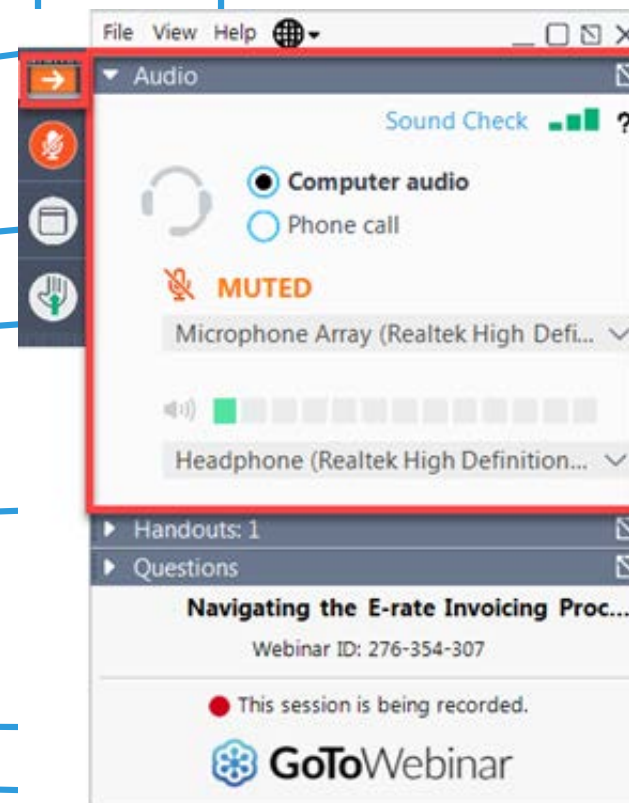
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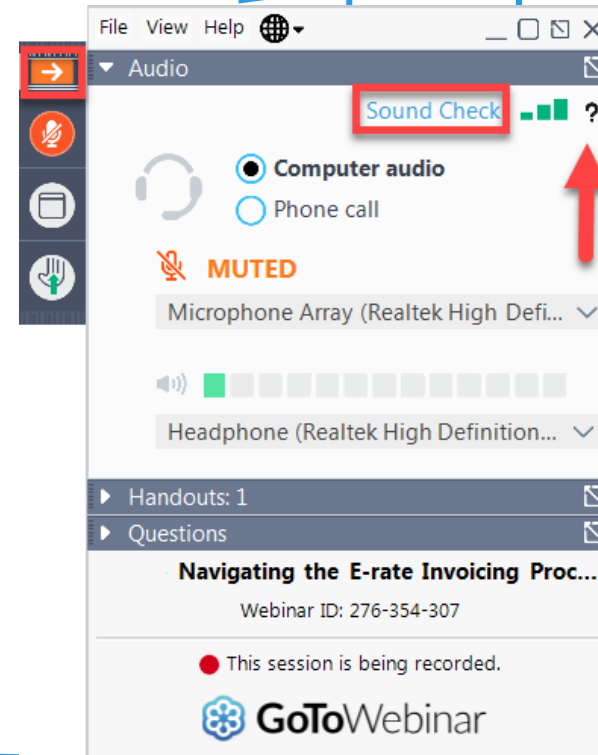
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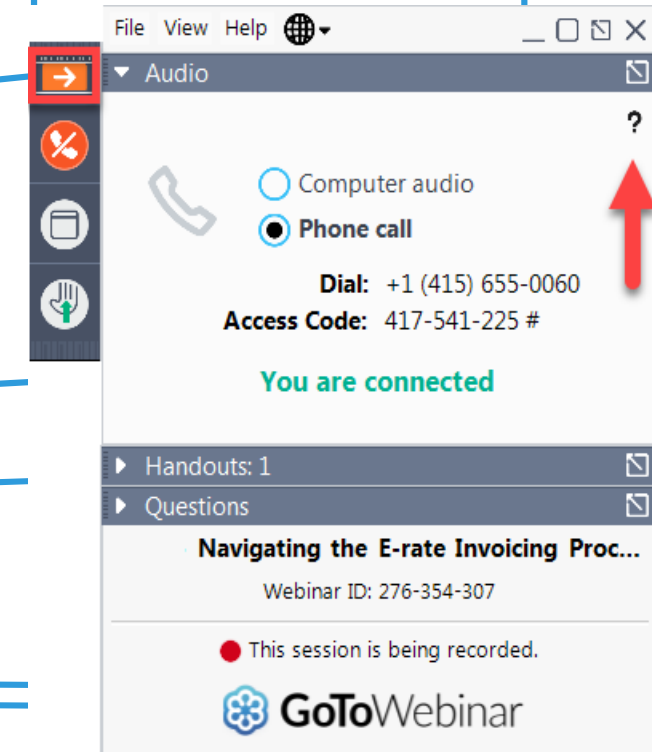


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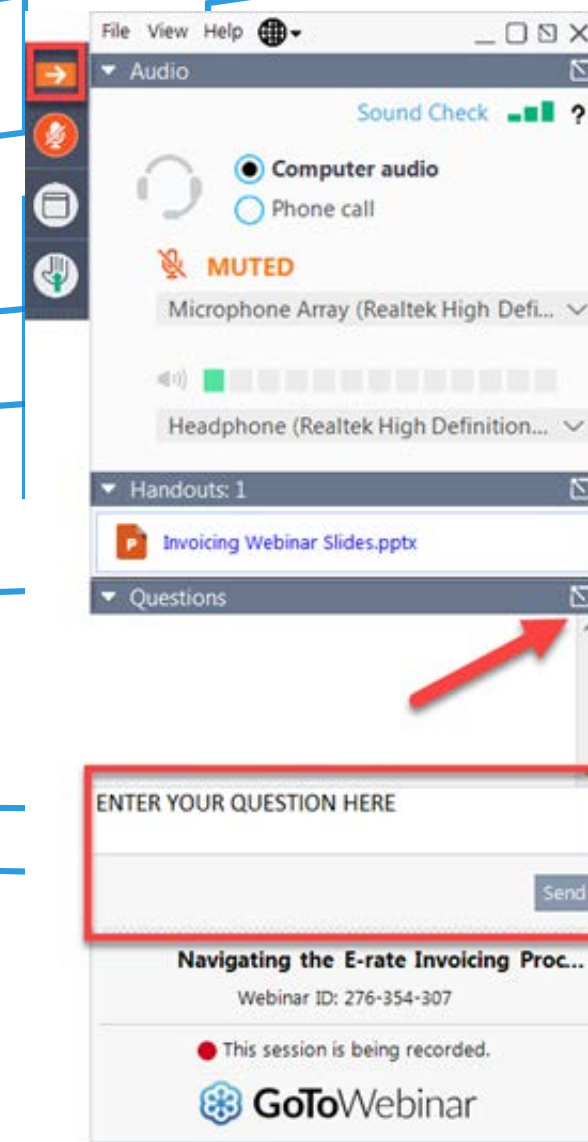
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  - Click the box with the arrow above the questions box to expand it and see all written answers.
  - Write in full sentences.
  - Ask one question at a time.
  - Ask questions related to webinar content.



# Today's Presenters

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# Agenda

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## A-CAM I Program Overview

- Established by the [2016 Rate-of-Return Reform](#) Order released on March 3, 2016.
- Ten-year program (2017-2026)
- Carrier's deployment obligations ([Authorization Report 5.1](#)) are based on the following service requirements:
  - Maintain existing voice and broadband service and offer broadband speeds of at least 10/1 Mbps to a number of eligible locations equal to the number of fully-funded locations (locations for which the carrier receives support for the full cost of build-out).
  - Offer broadband speeds of at least 25/3 Mbps to a number of eligible locations equal to a certain percentage of fully funded locations depending on the population density of the carrier's service area.
  - Offer broadband speeds of at least 4/1 Mbps to a number of eligible locations equal to a certain percentage of capped locations (locations for which the carrier receives support for only the partial cost of build-out) depending on the population density of the carrier's service area.
  - Provide broadband upon reasonable request to the remainder of locations.
- You may find more information on A-CAM I by clicking [here](#).

## A-CAM I Deployment Milestones and Reporting Dates by Program Year<sup>1</sup>

Year	Program Year	Deploy By	Report By	10/1 Mbps Milestone	25/3 Mbps Milestone	4/1 Mbps Milestone
2017	Year 1	12/31/2017	3/1/2018	N/A	N/A	N/A
2018	Year 2	12/31/2018	3/1/2019	N/A	N/A	N/A
2019	Year 3	12/31/2019	3/1/2020	N/A	N/A	N/A
2020	Year 4	12/31/2020	3/1/2021	40%	N/A	N/A
2021	Year 5	12/31/2021	3/1/2022	50%	N/A	N/A
2022	Year 6	12/31/2022	3/1/2023	60%	N/A	N/A
2023	Year 7	12/31/2023	3/1/2024	70%	N/A	N/A
2024	Year 8	12/31/2024	3/1/2025	80%	N/A	N/A
2025	Year 9	12/31/2025	3/1/2026	90%	N/A	N/A
2026	Year 10	12/31/2026	3/1/2027	100% <sup>2</sup>	100%	100%

<sup>1</sup> 47 C.F.R. § 54.311(d); 47 C.F.R § 54.316 (b)(2)

<sup>2</sup> For this milestone, carriers will certify that they deployed at least 10/1 Mbps to the number of locations or more, as specified in [Authorization Report 5.1](#) or in a superseding Authorization Report.

## Revised A-CAM I Program Overview

- Established by the [2018 Rate-of-Return Reform Order](#) released on December 13, 2018.
- Revised A-CAM program extended the original A-CAM program by 2 years.
- Carrier's original A-CAM deployment obligations were revised (see [Authorization Report 5.1](#)) and based on the following service requirements:
  - Meet the existing obligations to deploy broadband at speeds of at least 10/1 Mbps to a number of eligible locations equal to the number of locations that were fully funded (locations for which the carrier receives support for the full cost of build-out) under the original A-CAM I program.
  - Offer broadband speeds of at least 25/3 Mbps to a number of eligible locations equal to a certain percentage of locations that were fully funded under the Revised A-CAM I program depending on the population density of the carrier's service area. If carriers selected to accept Revised A-CAM offer they must follow location requirements changes.
  - Offer broadband speeds of at least 4/1 Mbps to a number of eligible locations equal to a certain percentage of capped locations (locations for which the carrier receives support for only the partial cost of build-out) depending on the population density of the carrier's service area.
  - Provide broadband upon reasonable request to the remainder of locations.
- You may find more information on Revised A-CAM I by clicking [here](#).

## Revised A-CAM I Deployment Milestones and Reporting Dates by Program Year<sup>1</sup>

Year	Program Year	Deploy By	Report By	10/1 Mbps Milestone	25/3 Mbps Milestone	4/1 Mbps Milestone
2019	Year 1	12/31/2019	3/1/2020	N/A	N/A	N/A
2020	Year 2	12/31/2020	3/1/2021	40%	N/A	N/A
2021	Year 3	12/31/2021	3/1/2022	50%	N/A	N/A
2022	Year 4	12/31/2022	3/1/2023	60%	40%	N/A
2023	Year 5	12/31/2023	3/1/2024	70%	50%	N/A
2024	Year 6	12/31/2024	3/1/2025	80%	60%	N/A
2025	Year 7	12/31/2025	3/1/2026	90%	70%	N/A
2026	Year 8	12/31/2026	3/1/2027	100%	80%	N/A
2027	Year 9	12/31/2027	3/1/2028	N/A	90%	N/A
2028	Year 10	12/31/2028	3/1/2029	100% <sup>2</sup>	100%	100%

<sup>1</sup> 47 C.F.R. § 54.311(d); 47 C.F.R § 54.316 (b)(2)

<sup>2</sup> For this milestone, carriers will certify that they deployed at least 10/1 Mbps to a specified number of locations as specified in [Authorization Report 5.1](#) or in a superseding Authorization Report.

# Verification Process Overview

**Purpose & Objectives**

**Sharing Data Using Box**

**Preparing for Verifications**

**Testing Sampled Locations**

**Calculating Verification Results**

**Reporting Verification Results**

Please visit <https://www.usac.org/high-cost/resources/fund-verification-reviews/> for more information



# Verification Process Overview: Purpose & Objectives

## Purpose

- Uphold integrity of the A-CAM I and Revised A-CAM I programs by ensuring adherence to program rules and requirements.

## Objectives

- Ensure that the carriers have met the 40% milestone obligation with respect to the number of locations deployed
- For each sampled location record, confirm that:
  - The structure at the location is eligible for funding
  - The reported service address accurately corresponds with the reported coordinates
  - Available upload and download speeds meets speed tier 3 (10/1 Mbps) or higher
  - Qualifying service was deployed in time to meet the relevant milestone date
  - The actual number of units matches the reported number of units

## Verification Process Overview: Sharing Data Using Box

- Documents will be exchanged via Box, USAC's secure file sharing platform.
- USAC does not make public any documentation received from the carrier.
- When sharing supporting documentation, please do the following:
  - Redact Personally Identifiable Information (PII) for any customers (customer names, phone numbers, SSN, etc.)
  - Supply only what is requested and which specifically addresses the requirements of the review
  - If necessary, you may password protect files

## Verification Process Overview: Preparing for Verifications

1. By now, you should have received an email from the Verification Team requesting that you complete and submit a process questionnaire and examples of supporting documentation via Box upload link.
  - This questionnaire helps the Team understand carrier's processes for identifying and reporting deployed locations.
  - Verification Team will also analyze the example documentation provided and work with the carrier to make sure documentation is sufficient for verification purposes.
2. Carrier contact receives an email from the Verification Team, notifying them that the Announcement Letter and a spreadsheet containing the location records selected for the statistically valid verification sample are available for download in a new Box folder.
3. Carrier contact uploads documentation supporting speed, deployment date, and number of units for each location record in the sample to the same Box folder mentioned in #2.

## Verification Process Overview: Testing Sampled Locations

- The Verification Team analyzes supporting documentation submitted by the carrier to verify that **speed** and **deployment date** for each location record in the sample is in compliance with program requirements. Additionally, the Verification Team will analyze carrier submitted documentation that supports **unit count** for location records with multiple units reported (Note: Each *unit* in a *location record* is considered a *location*).
  - If the Verification Team is unable to verify a location record, the Team will reach out to the carrier for an explanation or additional documentation.
- In addition, the Verification Team verifies that...
  - The reported address and coordinates for the location record correspond
  - The structure at the coordinates is eligible for support

No documentation from the carrier is requested for these items. If the team is unable to verify these items, the team will reach out to the carrier for more information.

# Verification Process Overview: Reviewing Structure Eligibility and Individual Units

## Ineligible Structures

These structures will **not** pass review and **should not** be reported in the HUBB:

- Empty parcels of land, vacant structures that are condemned or are to be demolished or open to the elements
- Boats, recreational vehicles (RVs), tents, caves, and similar types of structure that no one is using as a residence
- Wireless infrastructure sites, such as cell towers
- The location of the network's pedestal, box, or node
- Group quarters (dormitories, nursing homes, military installations, correctional facilities)
- Community anchor institutions (schools, libraries, hospitals, other medical providers, public safety entities, and community support organizations that facilitate greater use of broadband by vulnerable populations, including low-income, the unemployed, and the aged)

## Eligible Structures

These **should** be reported in the HUBB:

- Residential locations
- Business locations (that carrier expects would demand consumer-grade broadband service)
- Locations to which service could be provided within 10 business days

Other key reporting guidelines:

- The latitude/longitude of location should be situated somewhere on the parcel of the location.
- Buildings with multiple units, such as an apartment building, must be reported in a single location record.
  - If the units are in separate buildings, they must be reported in separate location records and thus contain unique latitude and longitude coordinates.

See [DA-16-1363](#) for more information on broadband location reporting



## Verification Process Overview: Calculating Verification Results

- If a location record does not meet minimum speed requirements, was not deployed on time, and/or the structure was found to be ineligible, then the location record is deemed ineligible for support and not credited toward the carrier's milestone obligation.
- If a location record's unit count was found to be incorrectly reported, the carrier will not receive credit for the excess reported locations.
- The Verification Team deems the ineligible and incorrectly reported units, mentioned above, as failures.
- These failing locations found in the verification sample are extrapolated to the total population of locations that are eligible for testing (Note: no location records are removed from the HUBB portal by the Verification Team), then the carrier's estimated passing locations are credited toward their milestone obligation. It is then determined whether or not the carrier was in compliance with their milestone obligation.

## Verification Process Overview: Reporting Verification Results

1. Carrier contact will receive email from Verification Team, notifying them that their Verification Closure Letter(s), containing the results of the verification, is available for download in the Box folder.
  - If necessary, the carrier can request to have a conference with the Verification Team to discuss verification results.
2. Ten business days from the date of the Verification Closure Letter, the carrier is required to submit a response to the letter to the Verification Team in the Box folder. This response may be a simple message to state that the carrier agrees with the results of the verification or the carrier may dispute the results of the verification. Note: Responding to the Verification Closure Letter is NOT a formal appeal.
3. Once the Verification Team receives the carrier's response, the Team may provide a reply to the carrier's response. The carrier's response and the Verification Team's response will be appended to the Verification Closure Letter and shared with the carrier and the FCC. (Note: No additional responses will be afforded to the carrier after USAC provides final response).
4. If the carrier was found to be in a compliance gap tier, the FCC will issue a Default Letter to the carrier and instruct USAC to implement remedial measures, which range from quarterly reporting to reductions in support (See [CFR 54.320](#)). Carrier has 30 days to submit an appeal following the issuance of the Default Letter from the FCC.

# Supporting Documentation

**Key Points to Keep in Mind**

**Common Documentation Types and Examples**

Please visit <https://www.usac.org/high-cost/resources/fund-verification-reviews/> for more information

## Supporting Documentation: Key Points to Keep in Mind

- USAC reminds all carriers to retain all records and analysis needed to demonstrate that universal service support is being used in accordance with High Cost Program rules (see [47 CFR Section 54.320\(b\)](#)).
- To allow for unique differences between carriers, USAC does not require any specific type of documentation (aka evidence) be submitted across all verifications.
  - For example, each carrier is not required to submit *provisioning system screenshots* specifically as part of their documentation.
- Supply only what is requested in the Announcement Letter and which specifically addresses the objectives of the review (i.e. verification of broadband **speed**, deployment **date**, and **unit count** (for location records with multiple units)).
- Carriers may need to submit more than just one piece of evidence to support all objectives for a particular record in the HUBB portal.
- **Redact Personally Identifiable Information** (PII) for any customers.

## Supporting Documentation: Key Points (Continued)



- Each piece of evidence must also contain information linking the displayed speed, date, or unit count to the specific associated location record(s).
  - Linking information could include things like customer address, coordinates, CLLI code or device name, etc.
- Each location record selected in the verification sample is assigned an item # in the Carrier Sample spreadsheet sent along with the Announcement Letter.
- In general, if an evidence file only applies to one location record, please include the item # in the file name when uploading verification files to Box.
  - Ex. “Item 17 – Subscriber Bill.pdf”



# Supporting Documentation Examples:

## Subscriber Bill

- Linking information Provided:
  - Full customer address
- Verification Objectives Supported:
  - **Date** where service was available
  - Broadband **speed** at the location
  - Specific **unit** denotation (if a separate bill for each unit is provided, then together they can support the total unit count for a multi-unit location record)
- Customer PII is redacted

		Billing Date 12/22/18 <b>New Charges Due Date 1/09/19</b> Previous Balance 84.83 Payments Received Thru 12/08/18 -84.83 Balance Forward .00 New Charges 84.83 <b>TOTAL AMOUNT DUE \$84.83</b>	
<b>ACCOUNT SUMMARY</b>			
<b>ACCOUNT NUMBER:</b> [REDACTED]		<b>PIN NUMBER:</b> [REDACTED]	
		<b>PAYMENT STUB</b> <b>Total Amount Due \$84.83</b> New Charges Due Date 1/09/19 Account Number [REDACTED] Amount Enclosed \$ _____	
[REDACTED] <b>CUSTOMER STREET ADDRESS</b> <b>CUSTOMER UNIT NUMBER/UNIT NAME</b> <b>CUSTOMER CITY, STATE, ZIP CODE</b>		MAIL TO: ABC PHONE COMPANY PHONE COMPANY STREET ADDRESS PHONE COMPANY CITY, STATE, ZIP CODE	
<b>MONTHLY SERVICE CHARGES FROM 12/22/18 to 1/21/19</b> Digital Phone Unlimited 30.99 Broadband Service 10/1 29.99 <b>TOTAL MONTHLY SERVICE CHARGES 60.98</b>		<b>DETAIL OF TAXES AND OTHER CHARGES</b> <b>DETAIL OF FEDERAL TAXES AND CHARGES*</b> Federal Excise Tax .26 Access Recovery Charge 1.98 Primary Federal Subscriber Line Charge 6.50 Federal USF Recovery Charge 1.71 Telecom Long Distance — Federal USF Surcharge 2.61 <b>TOTAL FEDERAL TAXES AND CHARGES 13.06</b> <b>STATE TAXES AND OTHER CHARGES 6.80</b> <b>TOTAL TAXES AND OTHER CHARGES 19.86</b> <small>*INCLUDES BASIC CHARGES</small>	
<b>OTHER SERVICE CHARGES AND CREDITS</b> Carrier Cost Recovery Surcharge 3.99 <b>TOTAL OTHER SERVICE CHARGES AND CREDITS 3.99</b>			
<b>TAXES AND OTHER CHARGES</b> Federal Taxes and Charges* 13.06 State Taxes and Other Charges* 6.80 <b>TOTAL TAXES AND OTHER CHARGES 19.86</b>			
<b>TOTAL 84.83</b> <small>*INCLUDES BASIC CHARGES</small>			

## Supporting Documentation Examples:

### Provisioning System Screenshot

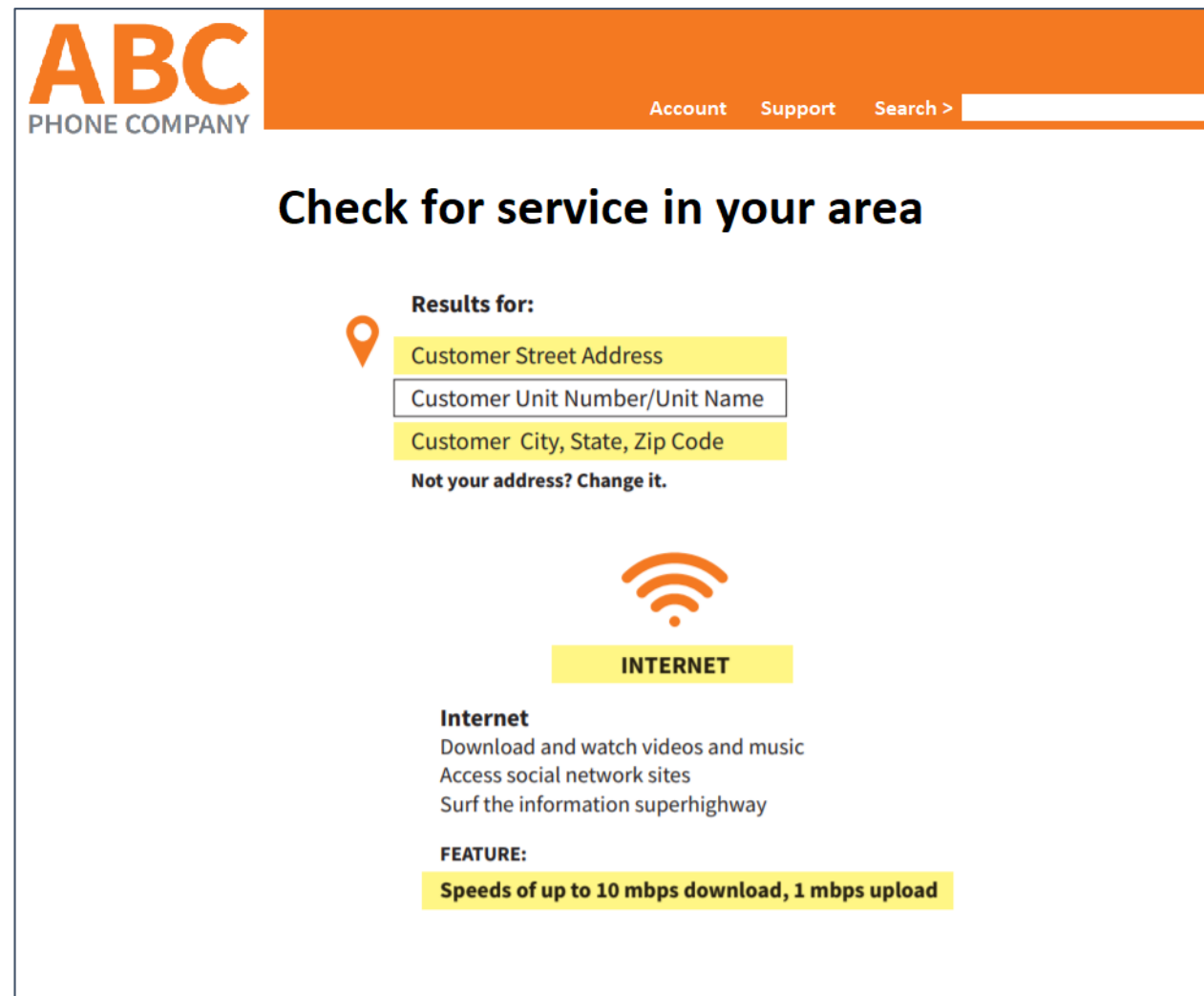
- Linking information Provided:
  - Full customer address
  - Coordinates
  - DSLAM CLLI Code
- Verification Objectives Supported:
  - Broadband **speed** at the location
  - Specific **unit** denotation (if a separate screenshot for each unit is provided, then together they can support the total unit count for a multi-unit location record)

The screenshot shows a software window titled "QUALIFY ADDRESS FOR BROADBAND SERVICE". It has a menu bar with "File", "Edit", "View", "Tools", "Session", "Options", and "Help". Below the menu is a toolbar with various icons. The main content area contains the following fields:

- ADR: CUSTOMER STREET ADDRESS
- CUSTOMER UNIT NUMBER/UNIT NAME
- CUSTOMER CITY, STATE, ZIP CODE
- LAT/LONG: 38.8977° N 77.0365° W
- CLASS OF SERVICE: TELEPHONE:
- UPSTREAM BANDWIDTH: 1M DOWNSTREAM BANDWITH: 10M
- TECHNOLOGY: COMBO MINIMUM TECHNOLOGY: DSL
- SERVING TERMINAL: X-123/4
- DSLAM: NYNYNYXE1 ACPT: X-123/4
- GENERIC CARD TYPE: COMBO
- RELIABLE DSL AID:
- ENTER NEXT TASK CODE:

## Supporting Documentation Examples: Public Facing Service Availability Tool Screenshot

- Linking information Provided:
  - Full customer address
- Verification Objectives Supported:
  - Broadband **speed** at the location
  - Specific **unit** denotation (if a separate screenshot for each unit is provided, then together they can support the total unit count for a multi-unit location record)



The screenshot shows a web interface for ABC Phone Company. The header is orange with the company logo and navigation links. The main content area is white and features a location-based service check tool. A location pin icon is next to a form with three input fields: 'Customer Street Address', 'Customer Unit Number/Unit Name', and 'Customer City, State, Zip Code'. Below the form is a link to 'Change it.' if the address is incorrect. A yellow box with a Wi-Fi icon and the word 'INTERNET' indicates service availability. Below this, the 'Internet' section lists capabilities like downloading videos, accessing social media, and surfing. A 'FEATURE' section highlights speeds of up to 10 Mbps download and 1 Mbps upload.

ABC  
PHONE COMPANY

Account Support Search >

### Check for service in your area

Results for:

Customer Street Address

Customer Unit Number/Unit Name

Customer City, State, Zip Code

Not your address? [Change it.](#)

**INTERNET**

**Internet**  
Download and watch videos and music  
Access social network sites  
Surf the information superhighway

**FEATURE:**  
Speeds of up to 10 mbps download, 1 mbps upload

## Supporting Documentation Examples: Engineer Certification

- Linking information Provided:
  - Device name
    - (would also need supplementary documentation showing which locations were associated with “123 exchange”)
  - Full license # and state where licensed
- Verification Objective Supported:
  - Broadband **speed** at the location
  - **Date** when service was available (should include month, day, and year)

**XYZ**  
ENGINEERING

ENGINEERING FIRM STREET ADDRESS  
ENGINEERING FIRM CITY, STATE, ZIP CODE

April 18, 2018

Re: Engineering Certification of Gigabit Technology and Coverage

Dear USAC Representative,

XYZ Engineering Company has reviewed the maps, designs and equipment specifications for the ABC Phone Company fiber network build-out in the 123 exchange of Anytown, USA.

I certify that they meet or exceed the CAF II performance requirements and have the capability of providing gigabit speeds for any CAF II eligible locations within these exchanges. All locations within Anytown, USA are covered by 123 exchange and the 100% fiber network capable of delivering up to 1 gig service. The fiber in this location was live and in effect by December 31, 2017.

If you have any questions or need additional information, please let us know.

Best regards,  
*Signature*  
Firstname Lastname  
Title  
XYZ Engineering Company  
123.456.7891  
name@email.com  
License #456789  
State Licensed: VA

# Supporting Documentation Examples:

## Construction Completion Sign-off Sheet / Acceptance Test

- Linking information Provided:
  - DSLAM CLLI Code
    - (would also need supplementary documentation showing which locations were associated with this DSLAM)
- Verification Objective Supported:
  - **Date** when service was available
    - (include completion date, signature, and sign-off date)

ACCEPTANCE TEST						
Facility: Any City, USA		WBS No.: 000-0000		COM acceptance to be done by: XYZ		
Location: Anytown, USA		Engineer:				
Spec issue date:						
Install start date:				Install completion date: 4/14/2016		
ITEM	INSPECTION CHECKLIST	Task to be done by:	DateShop	COM	Completed by (name[s]):	ACCEPTED by COM Initials Date
0	Review spec & drawing					
1	Inventory Material			<input checked="" type="checkbox"/>	First Name, Last Name	FNLN 4/15/2016
2	Provision & tum up system			<input checked="" type="checkbox"/>	First Name, Last Name	FNLN 4/15/2016
3	Complete redlines, leave copies with COs & copy in job folder					
4	Notify engineer when equipment is accepted & ready for traffic			<input checked="" type="checkbox"/>	First Name, Last Name	FNLN 4/15/2016
5	DSLAM name or CLLI code: NYNXXE1					
<b>CO Installer verification</b> CO Installation tasks are complete and ready for inspection by COM. Signature of CO Installer: <u>Signature</u> Date: 4/15/2016						
<b>COM Maintenance Acceptance</b> If partial acceptance, what exceptions remain?  Remarks:  Final acceptance by CO Foreman Signature of CO Foreman or designee:				<input type="checkbox"/> Partial Acceptance <input checked="" type="checkbox"/> Final Acceptance		
				Date: 4/15/2016		



## Supporting Documentation Examples: Released for Sales Email

- Linking information Provided:
  - DSLAM CLLI Code
    - (would also need supplementary documentation showing which locations were associated with this DSLAM)
- Verification Objective Supported:
  - **Date** when service was available



Wed 6/21/2017 9:48 am

Doe, John

Re: Released for Sale

To: Richard Roe, Sales

**DSLAM**

**NYNYNYXE1**

is built and ready for release.

**John Doe**

Specialist, Network Engineer

Company Communications

123-456-7890

**website.url**

## Supporting Documentation Examples: Evidence of Multiple Units

- Screenshots of a mapping software street view or satellite view that provide evidence of the number of units
  - Ex. Images showing two separate front entrances or two separate driveways (see images to the right)
- Screenshots from an apartment complex website, property tax website or real estate website (such as Realtor.com, Xome, Trulia, Redfin, etc.) showing the number of units
- Geotagged photos or video clips (taken using a mobile phone or camera with geotagging turned on) that provide evidence of the number of units
  - Ex. Images of separate electric meters or separate mailboxes
  - Please also include a screenshot of the file properties page for each picture or video that displays the associated latitude/longitude coordinates



### Street Level Photo

- Shows two units — two entrances and two mail boxes.



### High Altitude Photo

- Shows two units — two separate driveways and walkways that lead to two separate entrances.

# Verification Timeline and Next Steps

Event	Date/Time Frame
Company submits completed process questionnaire and example supporting documentation to Box	By Monday, March 22
Verification Team sends Announcement Letter and Carrier Sample to Company	By Wednesday, March 31
Company submits documentation supporting broadband <b>speed</b> , deployment <b>date</b> , and <b>unit count</b> for each location record in sample to Box	April to Mid-May
Verifications Team sends Verification Closure Letter to Company	August to September
Verification Team sends Verification Feedback Survey to Company	Shortly after delivery of Verification Closure Letter

**Verification timelines and due dates vary depending on the Company's sample size. Exact due dates for documentation submissions will be listed in the Announcement Letter.**

# Questions?

# THANK YOU



**Universal Service**  
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