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| **IN RE: IMPLEMENTATION OF THE UNIVERSAL SERVICE REQUIREMENTS IN THE TELECOMMUNICATIONS ACT OF 1996, SECTION 254 AND 47 C.F.R § 54.314** | **DOCKET 25980**<br><br>**CERTIFICATION OF CARRIERS RECEIVING FEDERAL UNIVERSAL SERVICE FUND HIGH-COST SUPPORT FOR 2027** |

# FURTHER REPORT AND ORDER

**BY THE COMMISSION:**

## I. Introduction and Background

By Order entered in this cause on September 19, 2025, Eligible Telecommunications Carriers ("ETCs") in Alabama, that are subject to the Alabama Public Service Commission's ("Commission") jurisdiction, were ordered to file their proposals for utilization of projected 2027 federal high-cost universal service support (the "2027 high-cost support") by no later than July 1, 2026. The Commission's Order afforded interested parties the latitude to submit comments in response to those filings no later than July 15, 2026, with any reply comments due on or before July 22, 2026.

The Federal Communication Commission ("FCC") price cap carriers indicate their plan and intent is to make broadband available to eligible living units in the census blocks identified by the FCC pursuant to requirements and benchmarks which are also established by the FCC. The price cap carriers in Alabama are:

1. Brightspeed of Southern Alabama, LLC f/k/a Gulf Telephone Company, LLC and Brightspeed of Alabama, LLC f/k/a CenturyTel of Alabama, LLC ("Brightspeed");

2. BellSouth Telecommunications LLC d/b/a AT&T Alabama ("AT&T");
3. Windstream Alabama, LLC ("Windstream");
4. Consolidated Communications of Florida Company ("Consolidated");
5. Frontier Communications of the South, LLC ("Frontier").

The Alabama price cap carrier certifications are attached in Appendix "B".

Beginning with the FCC's November 18, 2011, Connect America Fund ("CAF") Order, the FCC made significant changes to federal universal service support, primarily by redirecting the funds from the support of voice service in rural high-cost areas to the support of broadband capable networks in specific unserved or underserved areas.[1] This transition has taken place in stages, with different implementation schedules for price-cap and rate-of-return carriers. As part of the Transition Order,[2] the FCC also created uniform annual compliance and reporting rules for all FCC high-cost support recipients. For price cap carriers, the transition has culminated in the offer and acceptance of Connect America Phase II ("CAF II") funding.[3] Under CAF II, the FCC made specific statewide funding offers to each carrier for the deployment of broadband networks capable of at least 10 Mbps download/1 Mbps upload broadband speed in certain eligible areas in each state.[4] With the acceptance of the CAF II state-level commitment in 2015, the previous federal high-cost funding (CAF I frozen support) ceased for price cap carriers in Alabama. The public interest obligations, annual reporting requirements and compliance and recordkeeping

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[1] *Report and Order and Further Notice of Proposed Rulemaking, Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing an Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform – Mobility Fund*, WC Docket Nos. 10-90, 07-135, 05-337, 03-109; GN Docket No. 09-51; CC Docket Nos. 01-92, 96-45; WT Docket No. 10-208; and FCC 11-161, rel. Nov. 18, 2011 (the "Connect America Fund Order" or "CAF-ICC Order").

[2] *USF/ICC Transformation and Rule Clarification and Correction Order*, WC Docket Nos. 10-90, 12-63; CC Docket No. 01-92; DA-13-564, rel. Mar. 27, 2013 ("the Transition Order").

[3] *Order In the Matter of Connect America Fund*, WC Docket No. 10-90, rel. May 16, 2013 (the "CAF II Order").

[4] ETCs receiving CAF II dollars continue to have the obligation to provide voice service in areas where they receive the CAF II support.

requirements associated with CAF II support are detailed in the FCC CAF II Orders and codified in Part 54 of the FCC's rules.

On February 7, 2020, the FCC implemented the *Rural Digital Opportunity Fund* (RDOF), through its *Connect America Fund* Report and Order. [5] Each price cap carrier listed above (Except AT&T and Frontier) accepted the high-cost funding offers made to them for the year 2026. For 2026 each price cap carrier listed in Appendix "B" (Except AT&T and Frontier Communications of the South, LLC) have agreed to use high-cost funds received only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

RDOF will disburse up to $20.4 billion over 10 years to bring fixed broadband and voice service to millions of unserved homes and small businesses in rural America. RDOF will use a two-phase, competitive reverse auction (Auction 904) that prioritizes higher network speeds and lower latency to ensure the deployment of robust, sustainable high-speed networks that meet the needs of consumers.

The RDOF Phase I Auction ended on November 25, 2020, and awarded $9.2 billion in support to 180 winning bidders, including incumbent telephone companies, cable operators, electric cooperatives, satellite operators and fixed wireless providers. As of the date of this order, RDOF Phase I Auction funding awarded continues to be distributed to these winning bidders. Winning bidders have committed to deploy broadband to more than 5.2 million homes and small businesses in census blocks that previously lacked broadband service with minimum speeds of 25 megabits per second downstream and 3 megabits per second upstream. These locations are expected to receive access to broadband speeds of at least 100 megabits per second downstream

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[5] See Rural Digital Opportunity Fund, Connect America Fund, WC Docket Nos. 19-126, 10-90, Report and Order, FCC 20-5, ¶ 127 (2020).

and 20 megabits per second upstream (100/20 Mbps), and more than 85% are in areas where the winning bidder has committed to provide gigabit-speed service.

The public interest obligations, annual reporting requirements and compliance and recordkeeping requirements associated with RDOF support are detailed in the FCC RDOF Orders and codified in Part 54 of the FCC's rules. Specifically, for RDOF, the compliance requirements focus on year-end location milestones beginning in 2025, within which carriers must have enabled 10/1 Mbps broadband speeds to a specified number of locations (i.e., 40% of the locations by end-of-year 2026, 60% by 2026, 80% by 2027, and 100% by 2028[6]). The FCC adopted these detailed reporting mechanisms for filings with the FCC, Universal Service Administrative Company ("USAC") and state commissions to facilitate regulatory oversight and to ensure that the requirements for using the funds are met.

The RDOF Phase II Auction will award up to another $11.2 billion in support to bring broadband and voice to census blocks determined as partially served by the FCC's new granular broadband mapping approach, Digital Opportunity Data Collection, and the remaining unserved areas not reached through RDOF Phase I.

In the *April 2014 Connect America Order/FNPRM*,[7] the FCC proposed a voluntary election by rate-of-return ("ROR") ETCs to receive model-based support in lieu of the existing (legacy) high-cost support mechanisms. On August 3, 2016, the FCC announced the offer of high-cost support and deployment obligations for each ROR ETC in a state based on the final version of the

[6] In addition, the rules allow for milestone shortfalls in locations in 2028 to be remedied in 2029.

[7] *Connect America Fund et al.; Omnibus Order and Further Notice of Proposed Rulemaking*, WC Docket Nos. 10-90, 14-58, 07-135; WT Docket No. 10-208; CC Docket No. 01-92; and FCC 14-54, rel. Apr. 23, 2014.

Alternative Connect America Cost Model ("A-CAM"). The A-CAM is a voluntary path under which rate-of-return carriers may elect model-based support for a term of 10 years in exchange for meeting defined build-out obligations.[8] In its September 27, 2016 Order, the Commission required that ROR carriers electing to receive high-cost support pursuant to the A-CAM report their election to the Commission's Utility Services Division ("USD") of their final acceptance of such funding. Millry Telephone Company ("Millry"); Brindlee Mountain Telephone, LLC, Blountsville Telephone, LLC, Otelco Telephone, LLC, Hopper Telephone, LLC, (collectively "Otelco"); Butler Telephone Company, Peoples Telephone Company, Oakman Telephone Company (collectively "TDS"); National Telephone Company, Roanoke Telephone Company (collectively "TEC") informed the Commission's USD of acceptance to receive A-CAM funding. The remaining ROR carriers are subject to the existing (legacy) ROR support and mechanism reforms and receive Broadband Loop Support ("BLS").[9] The FCC ROR carriers in Alabama certifications are attached in Appendix "C."

On July 15, 2026, the non-incumbent Local Exchange Carrier, Hayneville Fiber Transport, Inc., certified to the Commission that the carrier will continue to receive high-cost support in an amount equal to its CAF Phase I support until the first month that the winner of any competitive bidding process receives support under CAF II.[10] The FCC non-incumbent Local Exchange Carriers receiving high-cost support in Alabama certifications are attached in Appendix "D".

On July 2, 2025, Troy Cablevision, Inc. ("Troy Cable") certified to the Commission that, as an Eligible Telecommunications Carrier in the exchanges of ETC certified non-rural incumbent

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[8] *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order et al., para. 4 (2016) (*March 2016 Connect America Order and/or FNPRM*).
[9] *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order et al., para. 80 (2016) (*March 2016 Connect America Order and/or FNPRM*).
[10] *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order et al., para. 187 (2014) (*June2016) Connect America Order and/or FNPRM*).

LECs, BellSouth Telecommunications, Inc. d/b/a AT&T Alabama, CenturyTel of Alabama, LLC, and rural incumbent LEC Butler Telephone Company, Troy Cable is eligible to receive phased-in disbursements from the federal Universal Service Fund in a manner and amount equal to the disbursements received by the aforementioned incumbent LECs. Troy Cable further represented that the company utilized all federal Universal Service Fund support received for 2025 in a manner consistent with the provisions of 47 U.S.C. §254(e) and 47 U.S.C. §54-314 of the Telecommunications Act of 1996. Troy Cable lastly certified that any federal Universal Service Fund support received in 2027 will be utilized in a manner consistent with all controlling requirements established by the FCC.

On various dates in 2026, all Alabama ETCs identified individually in Appendix "A" hereto submitted certifications regarding their planned utilization of 2027 high-cost support.

## II. Brightspeed's Planned Utilization of 2027 High-Cost Support

For 2027, Brightspeed is only certifying Study area code 259789. In 2023 Brightspeed began utilizing its RDOF support with the goal of meeting or exceeding the 80% milestone of enabling at least 2,386 locations within its eligible areas with gigabit broadband by December 31, 2027. Brightspeed intends to meet all its obligations in deployment of RDOF locations in 2027.

## III. AT&T's Planned Utilization of 2027 High-Cost Support

AT&T Alabama fully relinquished its ETC status as of January 4, 2022. AT&T Alabama is not certified going forward by the Alabama Public Service Commission for receipt of future high-cost funding.

## IV. Windstream Alabama, LLC Planned Utilization of 2027 High-Cost Support

On October 20, 2021, the FCC offered Windstream approximately $2.8 million in RDOF per year starting in 2022. By accepting the RDOF offer, Windstream agreed to provide qualifying broadband services to 10,193 locations identified by the FCC. The second buildout requirement for RDOF is December 31, 2026, where 80% of the required number of locations are to be deployed. Windstream intends to meet all its obligations in deployment of RDOF locations in 2027.

## VI. Consolidated Communications of Florida Company Planned Utilization of 2027 High-Cost Support

On July 6, 2026, Consolidated Communications of Florida ("Consolidated") filed an affidavit stating that it will continue to use the high-cost funding pursuant to the FCC rules and regulations. Consolidated certifies that it did and will utilize federal high-cost funding support in received in 2025 and to be funded in 2027 for investment and expenses that may include extension of fiber, deployment and maintenance of broadband capable equipment and enabling of broadband service by December 31, 2027.

## VII. The Frontier Companies Planned Utilization of 2027 High-Cost Support

Frontier Communications of the South, LLC fully relinquished its ETC status as of August 2, 2022, and is not certified going forward by the Alabama Public Service Commission for receipt of future high-cost funding.

## VIII. Staff findings

The FCC has implemented extensive reporting requirements for recipients of the, RDOF, CAF II, ROR A-CAM, ROR legacy, and non-incumbent local exchange carrier funds. These requirements include the annual submission of detailed information on the FCC Form 481, including an Outage Report; Unfilled Requests for Service; Complaints per 1000 Connections; Certifications; Current Price Offerings; Company Identification; Tribal Outreach; Areas with No Terrestrial Backhaul (if applicable); and Additional Voice Rate Data. Further, ETCs receiving high-cost funding are required to report quarterly/annually to USAC the specific location and deployment obligation obtained. Further, the Commission's USD, in years prior to 2018, has received the reporting requirements from the ETCs receiving high-cost funding. By order released July 7, 2017, under WC Docket No. 10-90 and WC Docket No. 14-58 ("2017 FCC Order"), the FCC streamlined the annual reporting requirements for ETC's that receive high-cost universal service support by eliminating the requirement that ETC's submit a duplicate copy of the FCC Form 481 filing to state commissions contingent upon USAC providing the capability for state commissions to access the documentation via an online, electronic portal. Based on this, the Commission issued an order in this docket to amend its October 25, 2017, Order to remove the requirement that ETC's submit a duplicate copy of their FCC Form 481 to the Commission's USD effective beginning with the July annual filing deadline and applicable annual FCC Form 481 filings thereafter. Staff believes the Commission will be able to adequately assess high-cost ETC's compliance with the requirements based on a review of its federal reports, as well as location and deployment obligations data submitted to the FCC and USAC. Staff can follow up to address any questions or concerns through data requests or meetings with the company. Subject to these reporting and disclosure requirements, the Commission approves the ETC's 2027 high-cost proposals.

## IX. Discussion and Conclusions

We hereby approve the proposals submitted in this cause by FCC designated price cap carriers, ROR carriers, and the non-Incumbent Local Exchange Carrier ETCs governing their expenditure of federal high-cost universal service support during the year 2027. We will certify to the FCC that those plans are compliant with the provisions of §254(e) of the Telecommunications Act of 1996 and 47 C.F.R. § 54.

We specifically note, however, that our approval herein is contingent upon the staff's continued monitoring of the implementation of the aforementioned plans. The Commission specifically reserves the right to conduct any proceedings that may be necessary to determine if the funding is being used for the intended purpose.

In accordance with 47 C.F.R. § 54, any recipient of CAF II, ROR, RDOF, or non-incumbent local exchange carrier recipient of high-cost funding shall file the information required by the Form 481 with the FCC. The Commission will continue to verify the certifications of the ETCs receiving high-cost funding pursuant to the applicable FCC rules.

**IT IS, THEREFORE, ORDERED BY THE COMMISSION,** That the CAF II, ROR, RDOF, and non-incumbent local exchange carrier recipients of high-cost funding, attached hereto as Appendix "A", 2026 filings for high-cost support for which they are eligible during the year 2027, are hereby approved as stipulated herein and certified as compliant with the provisions of §254(e) of the Telecommunications Act of 1996 and 47 C.F.R. § 54. The approval granted herein is, however, contingent on the recipients of high-cost funding compliance with all provisions of this Order.

**IT IS FURTHER ORDERED BY THE COMMISSION,** That the approval and certifications addressed herein shall be further contingent upon satisfactory results from the Commission's ongoing review as set forth in this Order. To that end, any recipient of high-cost funding shall file the information required by the Form 481 with the FCC.

**IT IS FURTHER ORDERED BY THE COMMISSION,** That any recipient of high-cost funding shall file their proposals for the utilization of the funding for which they are eligible in the year 2028 no later than July 1, 2027. Interested parties may submit comments in response to the foregoing filings no later than July 15, 2026. Reply comments will be considered by the Commission if received on or before July 22, 2027.

**IT IS FURTHER ORDERED BY THE COMMISSION,** That jurisdiction in this cause is hereby retained for the issuance of any further order or orders as may appear to be just and reasonable in the premises.

**IT IS FURTHER ORDERED**, That this Order shall be effective as of the date hereof.

September 15th, 2026

ALABAMA PUBLIC SERVICE COMMISSION

Cynthia Lee Almond

Cynthia Lee Almond, President

Jeremy H. Oden, Commissioner

Chris V. Beeker, III., Commissioner

ATTEST: A True Copy

Devon D. Beaty, Secretary