

## High Cost Disbursements

### Fund Type Glossary

This document provides a short description of all active and inactive High Cost Funds with their start and end dates.

| Fund Type Name                              | Abbrev    | Fund Type Description   | Start Date <sup>1</sup> | End Date |
|---|-----------|---|-------------------------|----------|
| Alternative Connect America Model           | ACAM      | Provides support to Rate-of-Return carriers that voluntarily elected to transition to a new cost model for calculating High Cost funding. ACAM models forward-looking economic costs of deploying and operating a fiber-to-the-premise (FTTP) network.  | Jan, 2017               | Active   |
| Alternative Connect America Model II        | ACAM_II   | Provides funding to rate-of-return carriers that voluntarily elected to transition to a new cost model for calculating High Cost support in exchange for meeting defined broadband build-out obligations.   | Aug, 2019               | Active   |
| Alaska Plan Support                         | AK PLAN   | Provides support to Rate-of-Return carriers in Alaska, and their wireless affiliates, to maintain, extend and upgrade broadband service across the state. Gives carriers the option to receive a fixed amount of funding over 10 years to support both fixed and mobile voice and broadband service in High Cost areas. | Jan, 2017               | Active   |
| Connect America Cost Model                  | CACM      | Provides support to Price Cap carriers based on forward-looking model of the cost of constructing modern networks to deliver voice and broadband service in states with unserved areas.   | Jun, 2015               | Active   |
| Connect America Fund Phase II Auction       | CAFII AUC | Provides support to carriers to deliver service in extremely high-cost areas, including those where the incumbent price cap carrier didn't accept CAF Phase II model-based funding.   | April, 2019             | Active   |
| Connect America Fund Broadband Loop Support | BLS       | Provides support for broadband-only lines, as well as voice lines and voice/broadband lines. Helps carriers recover the difference between loop costs associated with providing broadband-only service and consumer broadband-only loop revenues. Previously known as "ICLS."   | Jan, 2017               | Active   |

<sup>1</sup> The start date is the date/month in which the first disbursement was made to carriers, not the date the order was released to the public.

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|---|---------------|--|-------------------------------|------------------------|
| Connect America Fund Inter-carrier Compensation | ICC           | Reforms the Inter-carrier Compensation (ICC) system and allows incumbent local exchange carriers (ILECs) to charge residential customers an Access Recovery Charge (ARC) on a limited basis. Also allows ILECs to recover charges from certain multiline business customers. If eligible, ILECs may receive additional recovery funds, provided they meet certain broadband service obligations. Available to Price Cap and Rate-of-Return (RoR) carriers. | Jul, 2012                     | Active                 |
| Frozen High Cost Support                        | FHCS          | Provides High Cost Program support frozen at December 2011 levels to help carriers transition from legacy programs focused on voice service to modernized funds that support and expand broadband availability.  | Jan, 2012                     | Active                 |
| High Cost Loop Support                          | HCL           | Provides support for “last mile” connections to rural carriers in areas where the cost to provide service exceeds 115 percent of the national average cost per line.   | Jan, 1998                     | Active                 |
| High Cost Model                                 | HCM           | Provided support to rural carriers using a computer model adopted by the FCC that estimates the forward-looking cost of providing telephone service for non-rural companies.   | Jan, 1999                     | Dec, 2011 <sup>2</sup> |
| Interstate Access Support                       | IAS           | Provided support to offset interstate access charges for Price Cap carriers. Only Price Cap carriers, or competitive carriers serving a Price Cap territory, were eligible to receive IAS.   | Jul, 2000                     | Dec, 2011              |
| Interstate Common Line Support                  | ICLS          | Provided support to offset interstate access charges for RoR carriers. ICLS provided support to RoR carriers to cover the difference between subscriber line charge (SLC) caps and their common line revenue requirements. Only RoR carriers, or competitive carriers serving a RoR territory, were eligible to receive ICLS. The funding year ran from July 1-June 30, annually.  | Jul, 2002                     | Dec, 2016 <sup>2</sup> |
| Incremental Support                             | IS            | Provided support to Price Cap carriers to spur broadband deployment in anticipation of Universal Service modernization.  | Jul, 2012                     | Feb, 2014              |

<sup>2</sup> Standing Rock Communication, serving tribal lands in SD, continues to receive this support.

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|----------------------------------|---------------|---|-------------------------------|------------------------|
| Local Switching Support          | LSS           | Provided interstate assistance to reduce the high fixed switching costs for carriers serving fewer than 50,000 lines. This support was known as Dial Equipment Minute (DEM) until 1998.   | Jan, 1998                     | Jun, 2012 <sup>2</sup> |
| Long Term Support                | LTS           | Provided support to members of the NECA common line pool to allow them to charge a below-cost carrier common line (CCL) rate that is uniform across all carriers in the pool. This program merged into ICLS in July 2004.   | Jan, 1998                     | Jul, 2004              |
| Mobility Fund Phase I            | Mobility I    | Provides one-time support in three payments to accelerate deployment of networks for mobile voice and broadband service in unserved areas. Program allocates \$300 million for non-tribal areas and \$50 million for tribal areas.  | May, 2013                     | Active                 |
| Uniendo a Puerto Rico Fund       | PR Mobile     | This fund facilitates the improvement and expansion of existing mobile networks in the Territories, and provide for the deployment of new broadband networks, so that those living in Puerto Rico will have access to and benefit from the same high-speed broadband services that residents of the mainland United States enjoy.             | Jun, 2020                     | Active                 |
| Connect USVI Fund mobile support | USVI Mobile   | This fund facilitates the improvement and expansion of existing mobile networks in the Territories, and provide for the deployment of new broadband networks, so that those living in the U.S. Virgin Islands will have access to and benefit from the same high-speed broadband services that residents of the mainland United States enjoy. | Jun, 2020                     | Active                 |
| Rural Broadband Experiment       | RBE           | Provides funding for experiments in Price Cap areas to bring robust, scalable broadband networks to residential and small business locations in rural communities.  | Jul, 2015                     | Active                 |
| Safety Net Additive              | SNA           | Provides support above the HCL cap to mitigate the effects of the cap for rural carriers that make a substantial investment in their telecommunications plant. To qualify, a carrier must notify USAC that it has experienced at least a 14 percent increase in its telecommunication plant in service (TPIS) per-line investment.            | Jan, 2003                     | Active                 |



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|-----------------------|---------------|---|-------------------------------|-----------------|
| Safety Valve Support  | SVS           | Provides support above the HCL cap for rural carriers that acquire high cost exchanges and make substantial post-transaction investments to enhance network infrastructure. SVS is 50 percent of the difference between the index year HCL support amount and the HCL support amount in subsequent years. To qualify, a carrier must notify USAC once relevant regulatory approvals are obtained and the transaction is closed. | Jun, 2005                     | Active          |