Decoding CAF BLS from Forecasting to True-Up

Presented by:
Colleen Freeland-McAuliffe
Manager – Federal Support Programs
cfreeland@neca.org

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

Agenda

- CAF BLS overview
- FCC Form 508 projection
- Per line cap of total support
- FCC budget control mechanism

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

Agenda

- Fully calculated CBOL rate
- FCC Form 509 true-up
- NECA pooling – timing of cash flows
- Open proceedings

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

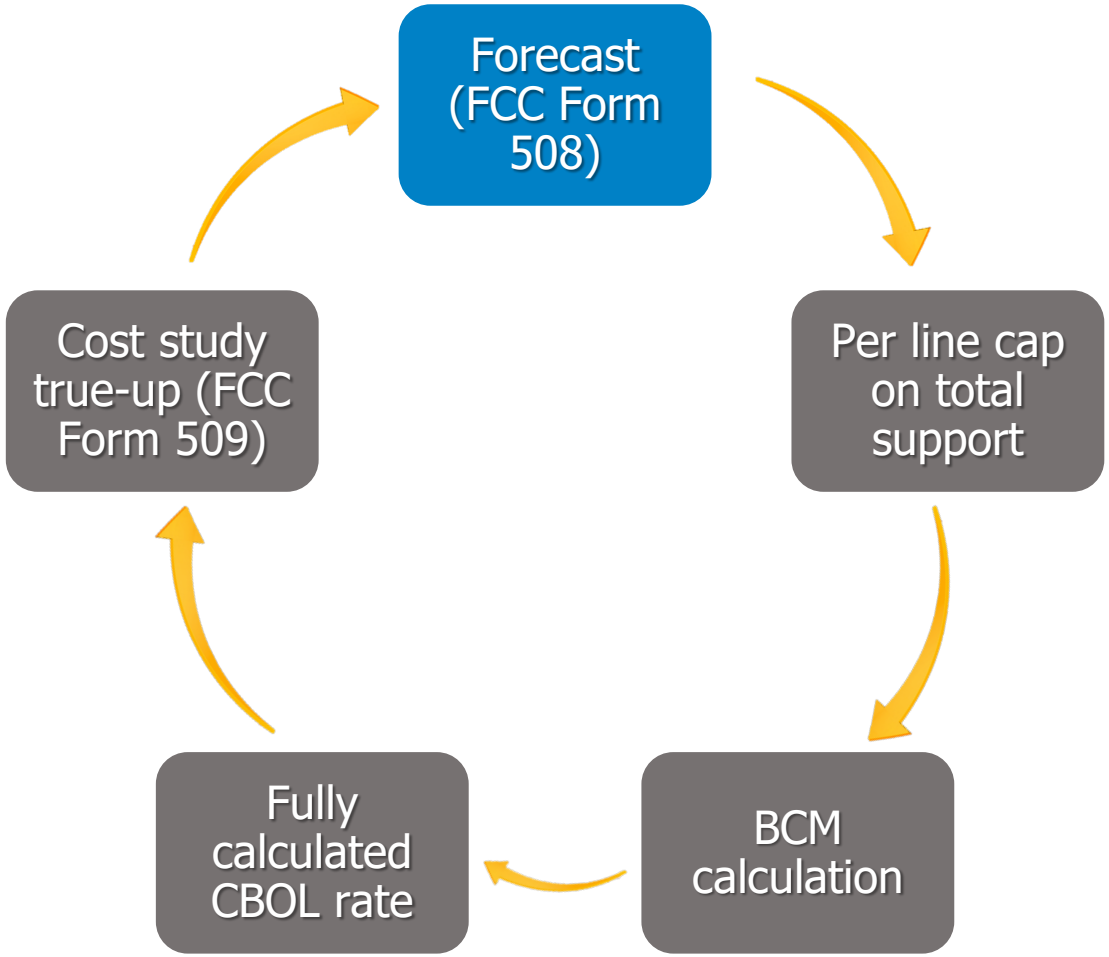
CAF BLS overview

- Created by the 2016 Rate-of-Return Reform Order* to encourage broadband deployment
  - Allows recipients to recover a portion of the cost to provide broadband loops in addition to recovery on voice loops
- Projected support is calculated on a test period basis
- Final support (true-up) is calculated on a calendar year basis
- Subject to deployment obligations (through 2023) and support limits
- 47 CFR §§54.901 – 54.903

*FCC 16-33, released March 30, 2016

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

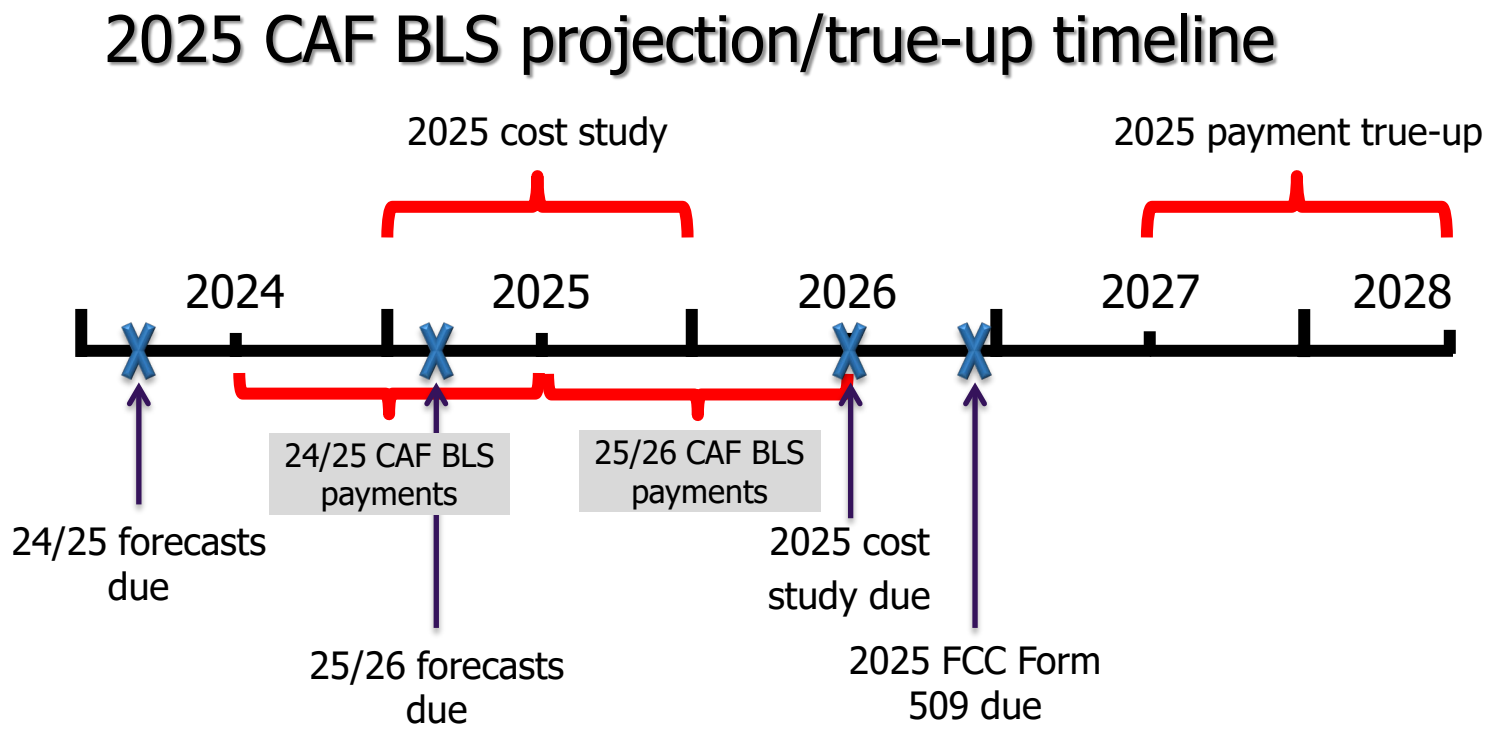
Decoding CAF BLS from forecasting to true-up



Source: NECA

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

FCC Form 508 projection
Timeline



Source: NECA

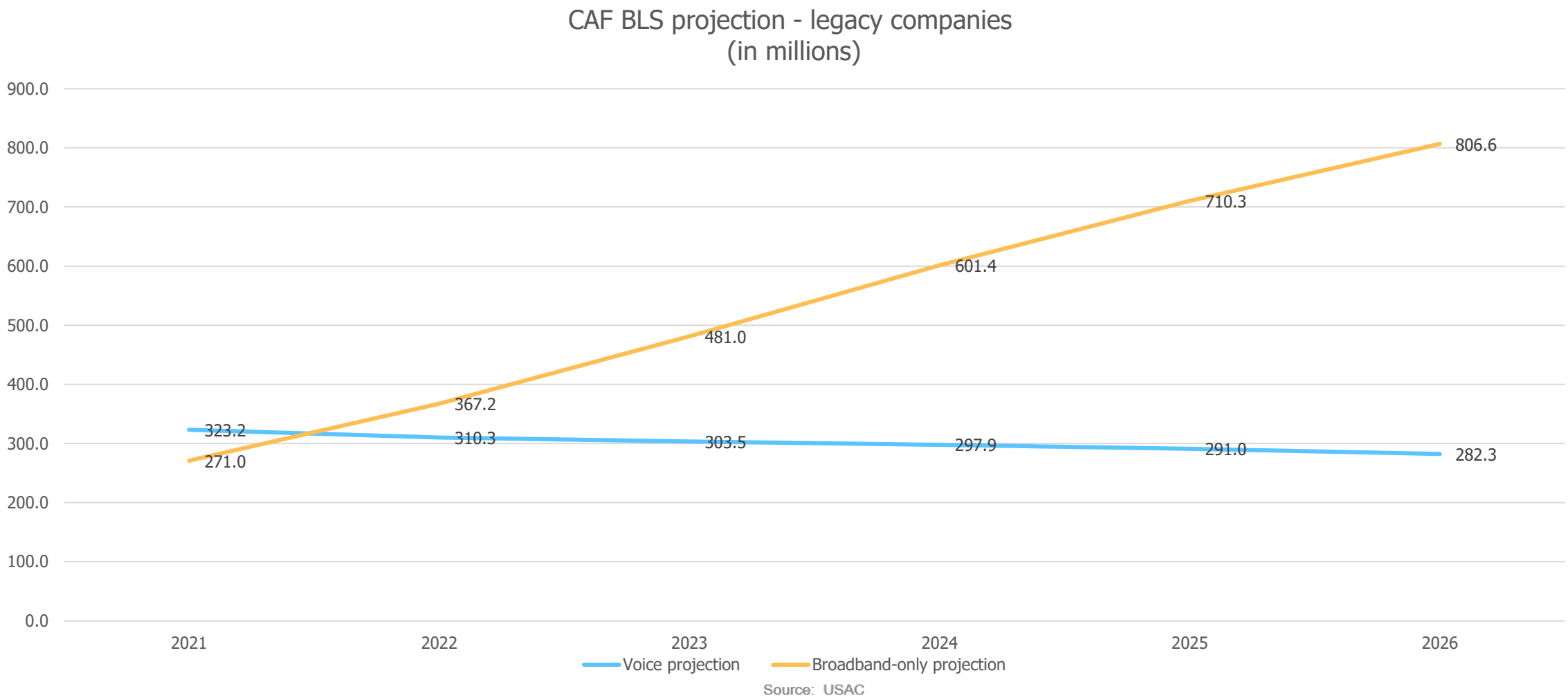
Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

FCC Form 508 projection
Forecasting

- Forecasting is defined as:
  - A process with the objective to predict future events or conditions
- Forecasting is conducted on an individual company basis
- There is more to forecasting than trending historical results
- Data gathering and analysis precede and also follow the production of a forecast
- Important that forecasts are accurate for setting appropriate rates

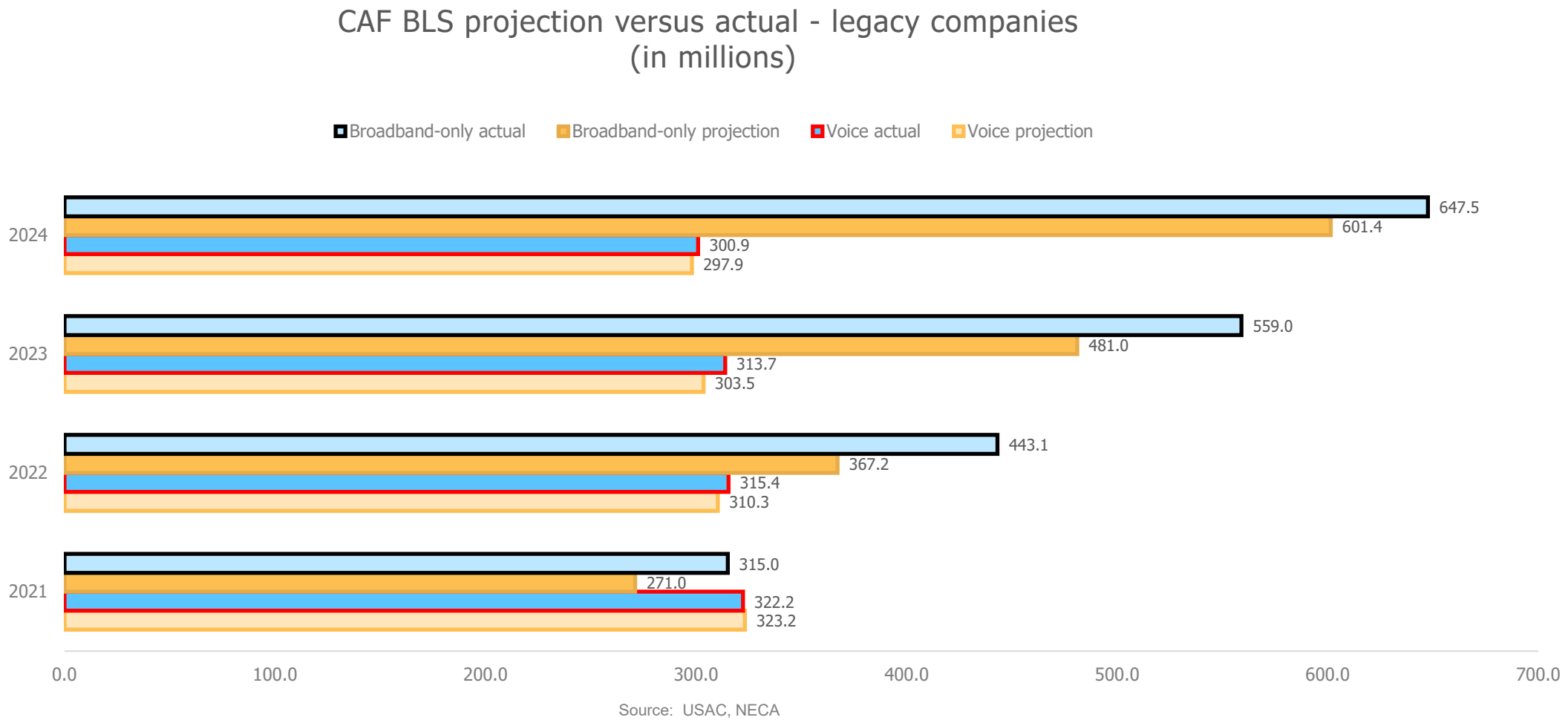
Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

FCC Form 508 projection
Forecasting



Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

FCC Form 508 projection
Forecasting



Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

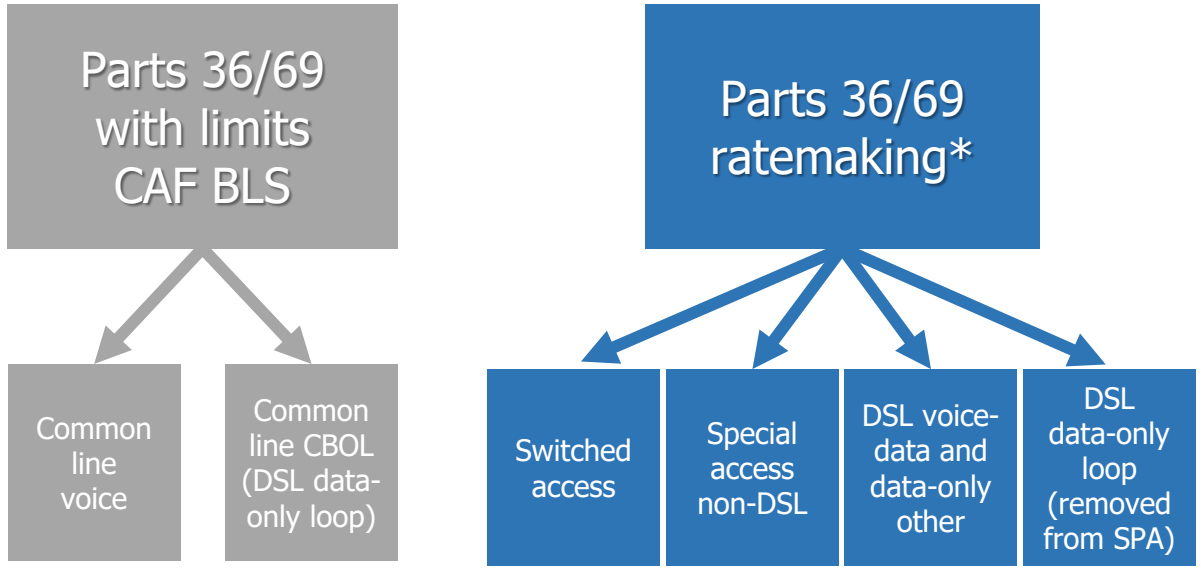
FCC Form 508 projection
Data sources

- Based upon data collected through NECA processes
  - Three-year cost company forecast provided for annual tariff filing
  - Annual forecast line count data collection
- Mid-March, CAF BLS system will open for companies to review/certify data
- Data/certifications will be filed with USAC by March 31

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

FCC Form 508 projection
Revenue requirement development

- Forecast and cost study calculations



* CAF BLS RoR study areas must exclude expenses per FCC 18-29, 33 FCC Rcd 2990 (4). Model study areas are exempt

Source: NECA

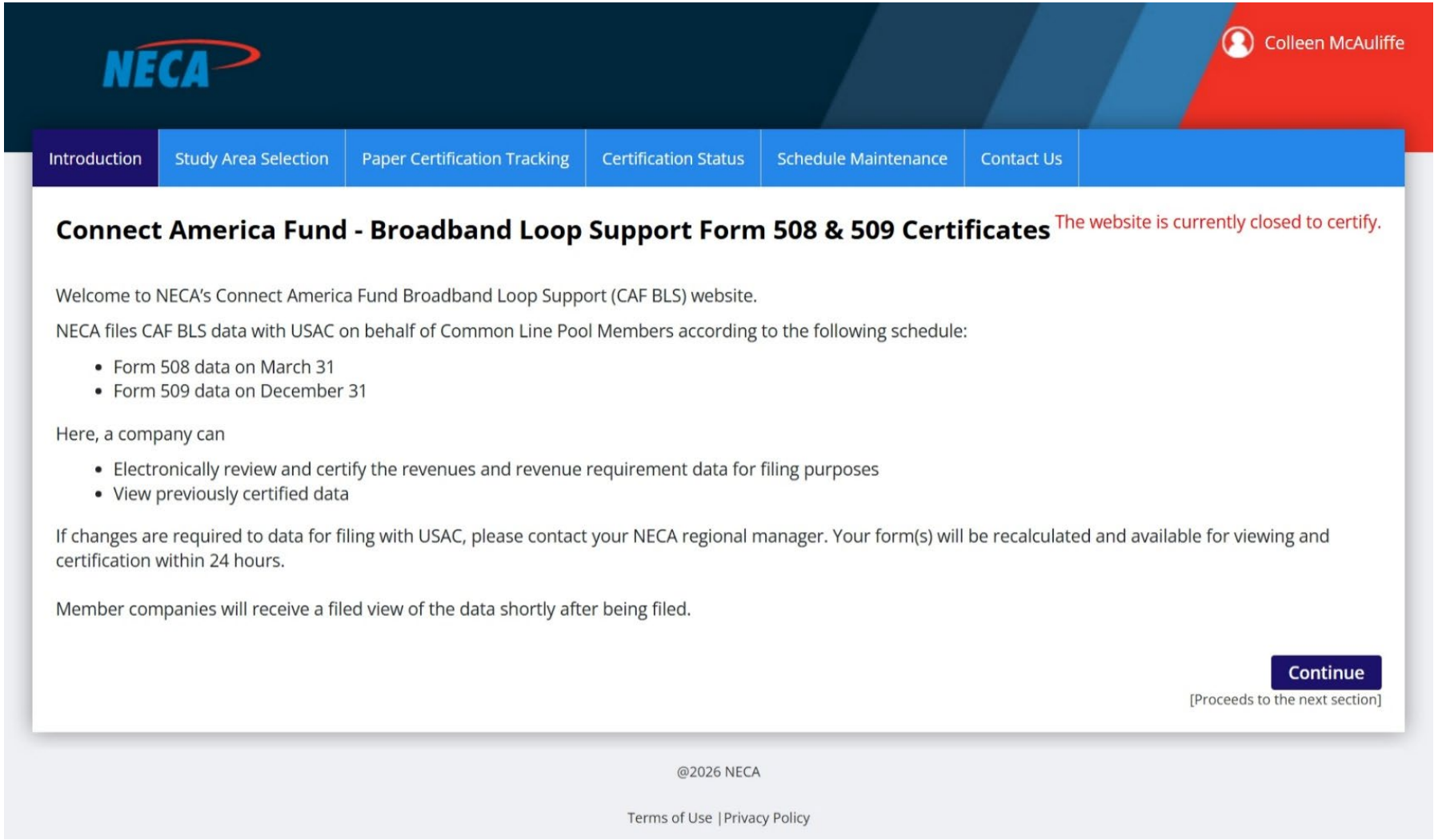
Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

FCC Form 508 projection
CAF BLS data certifications website



Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

FCC Form 508 projection



Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

FCC Form 508 projection
EC review – CL revenue requirement

Study Area ID: 123456		
Study Area Name: ABC TELEPHONE COMPANY		
Settlement Type: Cost		
Form 508 Test Period 7/1/24 - 6/30/25 View		
2024/2025 Common Line Revenue Requirement		
1	2024/2025 Common Line Revenue Requirement incl MAG Shift	$327,493
2	2024/2025 Limitations and/or Exclusions##	($61,678)
3	2024/2025 Common Line Revenue Requirement (Line 1 + Line 2)	$265,815
4	2024/2025 Universal Service Contributions	$9,281
5	Subtotal (Line 3 - Line 4)	$256,534
6	Pool Administration Expense Factor	0.038561
7	2024/2025 Common Line Revenue Requirement (Line 5 + (Line 5 * Line 6))	$266,426



Based on forecast provided for annual tariff filing

Impact of corporate operations expense limitation not separately identified. If applicable, this amount is included in Line 1. Impact not separately identified for average schedule companies.

Source: NECA

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

FCC Form 508 projection
EC review – CL revenues

2024/2025 End User Subscriber Line Charge (SLC) Revenue		
8	2024/2025 Forecast Residential/Single-Line Business Lines	201
9	Residential/Single-Line Rate	$6.50
10	2024/2025 Residential/Single-Line Revenue ((Line 8 * Line 9) * 12)	$15,678
11	2024/2025 Forecasted Multi-Line Business Lines	42
12	Multi-Line Rate	$9.20
13	2024/2025 Multi-Line Revenue ((Line 11 * Line 12) * 12)	$4,637
14	2024/2025 Estimated SLC Uncollectibles	$0
15	2024/2025 SLC Revenue (Line 10 + Line 13 - Line 14)	$20,315
29	2024/2025 CAF BLS VOICE** (Line 7 - Line 15 - Line 25 - Line 28)	**$246,111**

Based on annual line count forecast data collection

Source: NECA

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

FCC Form 508 projection
EC review – CBOL revenue requirement and revenues

2024/2025 CAF BLS BROADBAND-ONLY		
30	2024/2025 Consumer Broadband-Only Loop RRQ	$487,969
31	2024/2025 Limitations and/or Exclusions##	($88,921)
32	2024/2025 Consumer Broadband-Only Loop RRQ (Line 30 + Line 31)	$399,048
33	Pool Administration Expense Factor (applicable to CBOL Tariff Participants Only)	0.038561
34	2024/2025 Consumer Broadband-Only Loop RRQ ((Line 32 + (Line 32 * Line 33)	$414,436
35	2024/2025 Average Monthly Broadband-Only Loops	172
36	2024/2025 Average Broadband-Only Revenues (Line 35 * 12 * $42)	$86,688
37	Lesser of 2024/2025 Forecasted Broadband-Only (Line 34) RRQ or Broadband-Only Revenues (Line 36)	$86,688
38	2024/2025 CAF BLS Broadband-Only** (Line 34 - Line 37)	**$327,748**

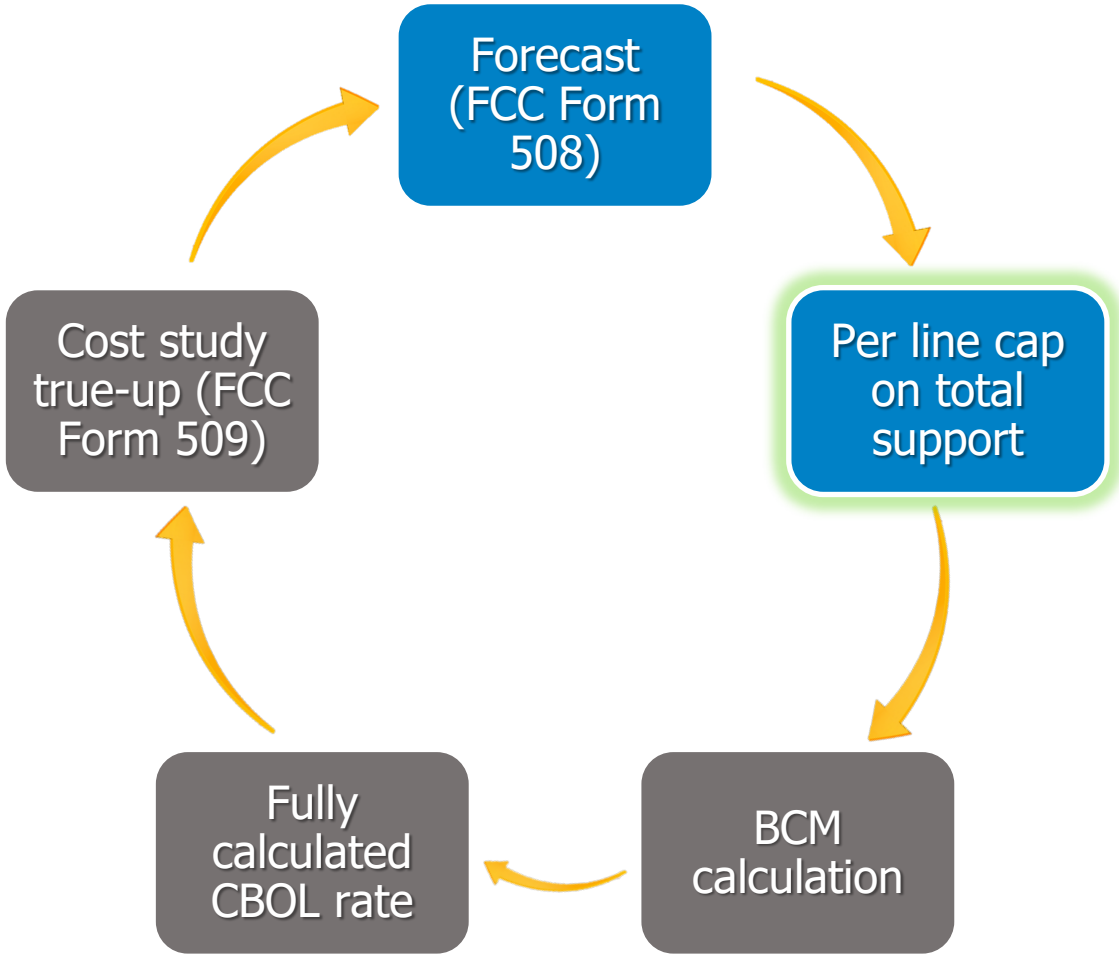
Based on forecast provided for annual tariff filing

Impact of corporate operations expense limitation not separately identified. If applicable, this amount is included in Line 1. Impact not separately identified for average schedule companies.

Source: NECA

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

Decoding CAF BLS from forecasting to true-up



Source: NECA

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

FCC per line cap on total support

- 47 CFR 54.302 states line counts reported pursuant to §54.903(a)(1) should be used in the per line cap calculation
  - FCC Form 507 line counts submitted March 31 for prior year end Dec. 31 lines
  - CAF BLS companies only
- Importance of submitting accurate line counts for Form 507
  - Including CBOL line counts

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

FCC per line cap on total support

- FCC Dec. 13, 2018 order (FCC 18-176, 33 FCC Rcd 11893) lowered cap on per line support
- Monthly per line limit on universal service support
  - Reduced from $250 to $225 effective July 1, 2019
  - Reduced from $225 to $200 effective July 1, 2021
- Waiver option
  - The FCC also emphasized there may be legitimate reasons why certain companies have extremely high support amounts per line and noted "any carrier affected by the per-line monthly cap may file a petition for waiver or adjustment of the cap that would include additional financial data, information, and justification for support in excess of the cap." *

* USF/ICC Transformation Order, 26 FCC Rcd at 17766, para. 278

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

FCC per line cap on total support
Calculation example

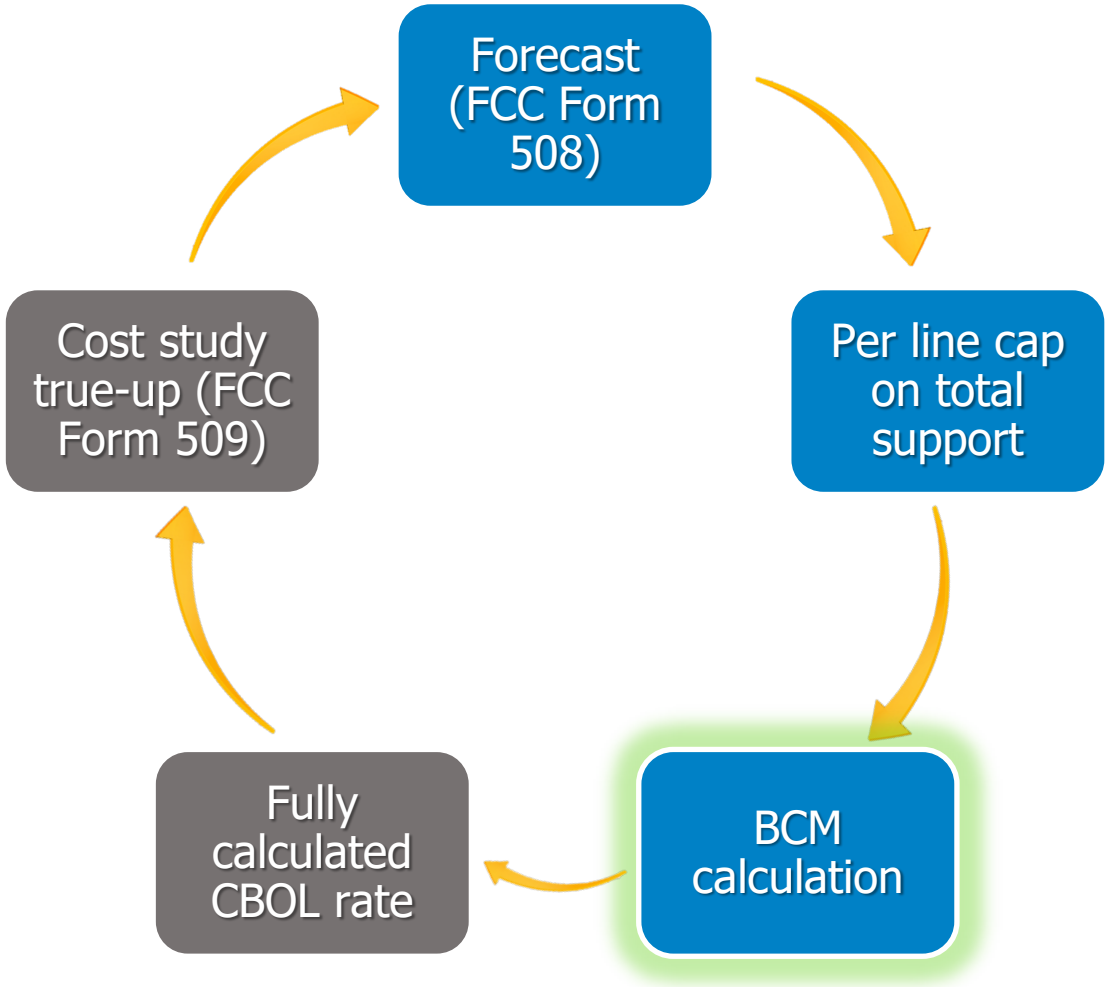
SAC	Fund	Uncapped Support	Total Uncapped Support	507 Lines	Total Line	Fund Percentages	Weighted lines	Support Per Loop	Capped Support	ILEC PLR C	Capped Suppo	Cap Adjustments
	HCL	$ 750,000	$ 1,112,750	5000	5000	0.674005841	3370.029207	$ 222.55	225	1	$ 750,000	$ -
	HCL AEX	$ 750	$ 1,112,750	5000	5000	0.000674006	3.370029207	$ 222.55	225	1	$ 750	$ -
	CAF BLS	$ 360,000	$ 1,112,750	5000	5000	0.323522804	1617.614019	$ 222.55	225	1	$ 360,000	$ -
	SNA	$ 1,000	$ 1,112,750	5000	5000	0.000898674	4.493372276	$ 222.55	225	1	$ 1,000	$ -
	SVS	$ 1,000	$ 1,112,750	5000	5000	0.000898674	4.493372276	$ 222.55	225	1	$ 1,000	$ -
							5000					$ -

SAC	Fund	Uncapped Support	Total Uncapped Support	507 Lines	Total Line	Fund Percentages	Weighted lines	Support Per Loop	Capped Support	ILEC PLR C	Capped Suppo	Cap Adjustments
	HCL	$ 750,000	$ 1,112,750	5000	5000	0.674005841	3370.029207	$ 222.55	200	0.898674	$ 674,005	$ (75,995)
	HCL AEX	$ 750	$ 1,112,750	5000	5000	0.000674006	3.370029207	$ 222.55	200	0.898674	$ 674	$ (76)
	CAF BLS	$ 360,000	$ 1,112,750	5000	5000	0.323522804	1617.614019	$ 222.55	200	0.898674	$ 323,522	$ (36,478)
	SNA	$ 1,000	$ 1,112,750	5000	5000	0.000898674	4.493372276	$ 222.55	200	0.898674	$ 898	$ (102)
	SVS	$ 1,000	$ 1,112,750	5000	5000	0.000898674	4.493372276	$ 222.55	200	0.898674	$ 898	$ (102)
							5000					$ (112,753)

Source: NECA

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

Decoding CAF BLS from forecasting to true-up



Source: NECA

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

FCC budget control mechanism
Application

- BCM, when applicable, reduces the current month support to stay under the CAF BLS and HCL budget for the current test period
- FCC rules require prior periods be funded first during true-up
  - Referred to as the attribution process
  - Made possible because the current period BCM calculation includes the true-ups from the prior period BCM calculation process
    - Determine upcoming test period forecasted CAF BLS and HCL
    - Add prior period true-ups (e.g., forecast miss)
    - Budget for CAF BLS and HCL support / (total forecasted support + true-ups)

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

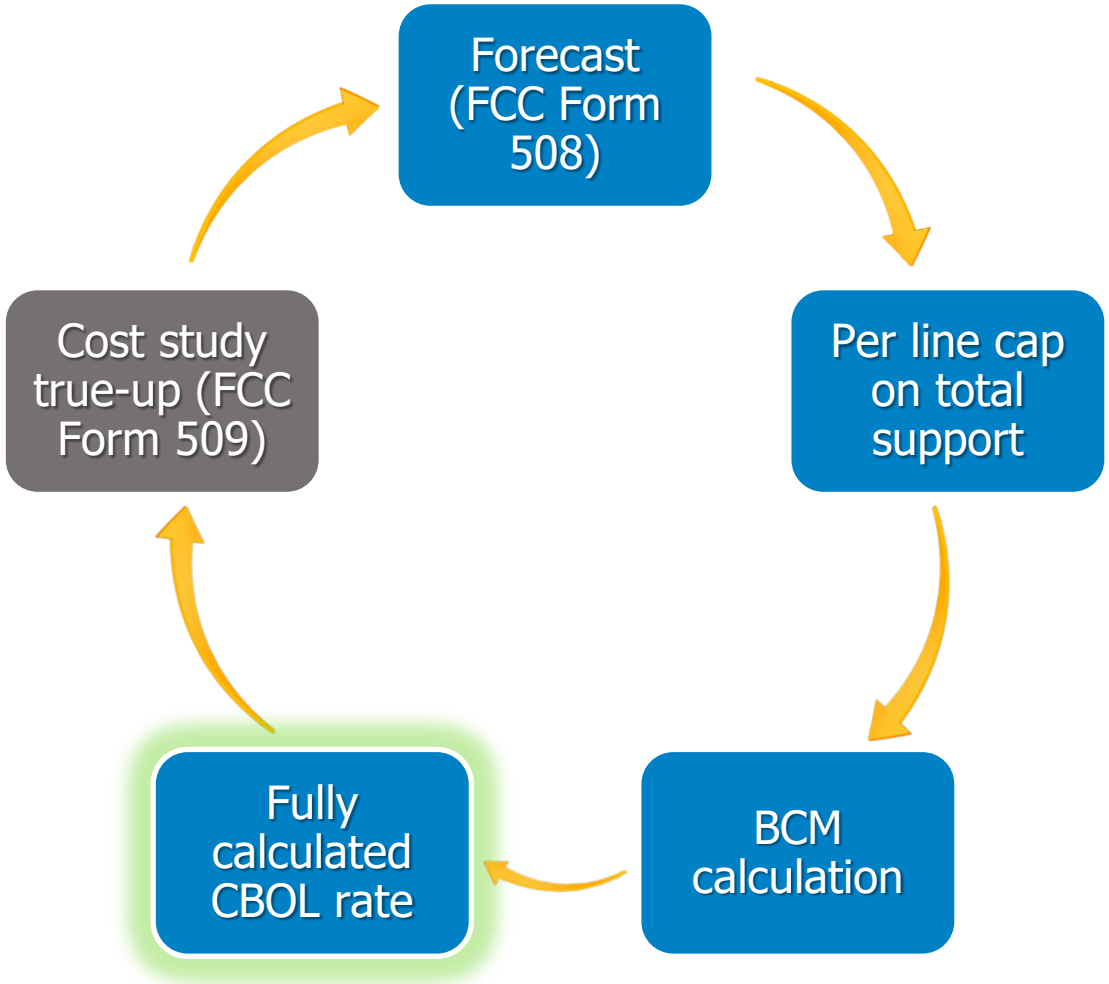
FCC budget control mechanism
BCM calculation

Calculate budget control factor 2026-2027	
Summary of forecasted individual mechanisms	
HCLS (plus SVS)	$195,125,280
CAF BLS (plus true up)	$1,199,306,114
Sum HCLS and CAF BLS forecasted amount	$1,394,431,394
Budget for HCLS and CAF BLS RoR support mechanisms	$1,301,043,547
Ratio of budget/forecasted amount	0.933028009
Budget adjustment keep factor (Minimum of above ratio and 1)	0.933028009
Budget adjustment keep factor in percentage format	93.30%
Budget control adjustment factor	6.697%
Source:	
3Q26 forecasted amount for HCLS, SVS, BLS and 2024 BLS true-up post $200 cap	

Source: USAC

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

Decoding CAF BLS from forecasting to true-up



Source: NECA

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

Fully calculated CBOL rate

- The fully calculated rate is the maximum permissible rate for a carrier submitting a tariff
- 47 CFR Section 69.132(c)
  - "The single-line rate or charge shall be computed by dividing one-twelfth of the projected annual revenue requirement for the Consumer Broadband-Only Loop category (net of the projected annual Connect America Fund Broadband Loop Support attributable to consumer broadband-only loops) by the projected average number of consumer broadband-only service lines in use during such annual period."
  - (CBOL RRQ – CAF BLS attributed to broadband-only loops) / 12 / loops

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

Fully calculated CBOL rate
CBOL rate certification website



Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

Fully calculated CBOL rate
Unlimited and limited fully calculated rates

Study area CBOL rate calculation TP2024-25

Study area Id: 123456 ABC TELEPHONE COMPANY
Effective date: July 02, 2024
Test period: TP2024-25

Line		Amount		
1	Total projected CAF BLS + true ups test period 2024-25 (before BCM): (Line 1a + 1b + Line 1c)	$632,563.00		
1a	True ups	$58,704.00		
1b	Voice	$246,111.00		
1c	Broadband only	$327,748.00		
2	Total CAF BLS allocated to study area after BCM test period 2024-25	$620,854.00		
2a	Step 1: Allocate funds to true ups	$58,704.00		
2b	Step 2: Allocate funds to CAF BLS voice	$246,111.00		
2c	Step 3: Allocate any remaining funds to CAF BLS broadband only (Line 2 - Line 2a - Line 2b)	$316,039.00		
	Rate calculation	Unlimited	Limited	
3	CBOL RRQ test period 2024-25 :	$496,568.00	$414,436.00	
4	CAF BLS allocated to broadband only	$316,039.00	$316,039.00	
5	Reserved	$0.00	$0.00	
6	Net CBOL RRQ (Line 3 - Line 4)	$180,528.00	$98,396.00	
7	Average monthly CBOL loops	172	172	
8	Divide net CBOL RRQ from Line 6 by CBOL loops (Line 6 / Line 7)	$1,049.58	$572.07	
9	CBOL per month rate test period 2024-25 (Line 8 / 12)	$87.47	$47.67	

Based on FCC Form 508 filed 3/31

Note: The unlimited and limited calculated rates are different because of the impact of corporate operations and/ or OpEx limitation on the CBOL RRQ. Although companies are not allowed to recover these impacts through support, they can be recovered through the CBOL rate

Source: NECA

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

Fully calculated CBOL rate

- Fully calculated CBOL rates can be recalculated during a test period if demand or costs vary significantly from projected levels
  - May lower amount of revenue that must be reported on FCC Form 509 and pooled at true-up
- Projection versus trued-up support misses are carried forward to next rate calculation when support was underforecasted

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

Fully calculated CBOL rate
NECA CBOL tariff monthly filing activities

- Monthly tariff filings for:
  - New CBOL service
  - Fully calculated rate updates due to cost or demand changes
    - For either, must submit revised forecast reflecting updated CBOL demand and costs for new CBOL service and recalculation of the fully calculated rate
  - Tariffed rate updates
- One month advanced notice required
- Will be filed midmonth and effective the following month

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

Fully calculated CBOL rate
NECA CBOL tariff monthly filing activities

- CAF BLS support companies
  - Updated average monthly demand
  - Revised forecasts (two years) reflecting updated cost and demand (cost companies only)
  - Acknowledgement of new fully calculated rate and desired tariffed rate
  - Prior CBOL demand (only companies new to or reentering NECA's CBOL tariff)
  - Broadband-only data certification of demand

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

Fully calculated CBOL rate
CBOL rates summary for legacy companies

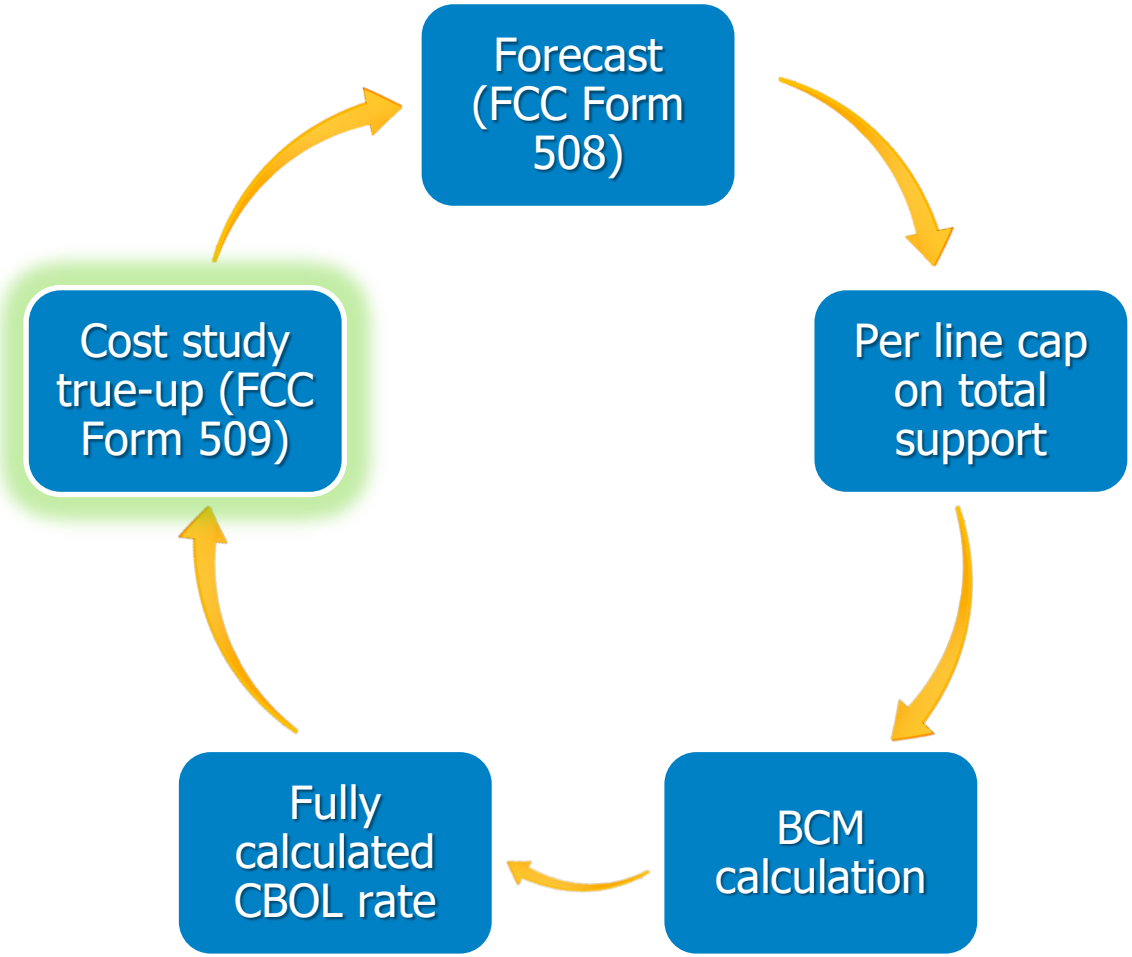
Legacy companies	Minimum	Average (weighted)	Median	Maximum
Tariffed rate	$0.00	$40.48	$42.00	$205.72
Fully-calculated capped rate	$0.00	$65.23	$53.17	$565.03

Note: Data as of July 2026

Source: NECA

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

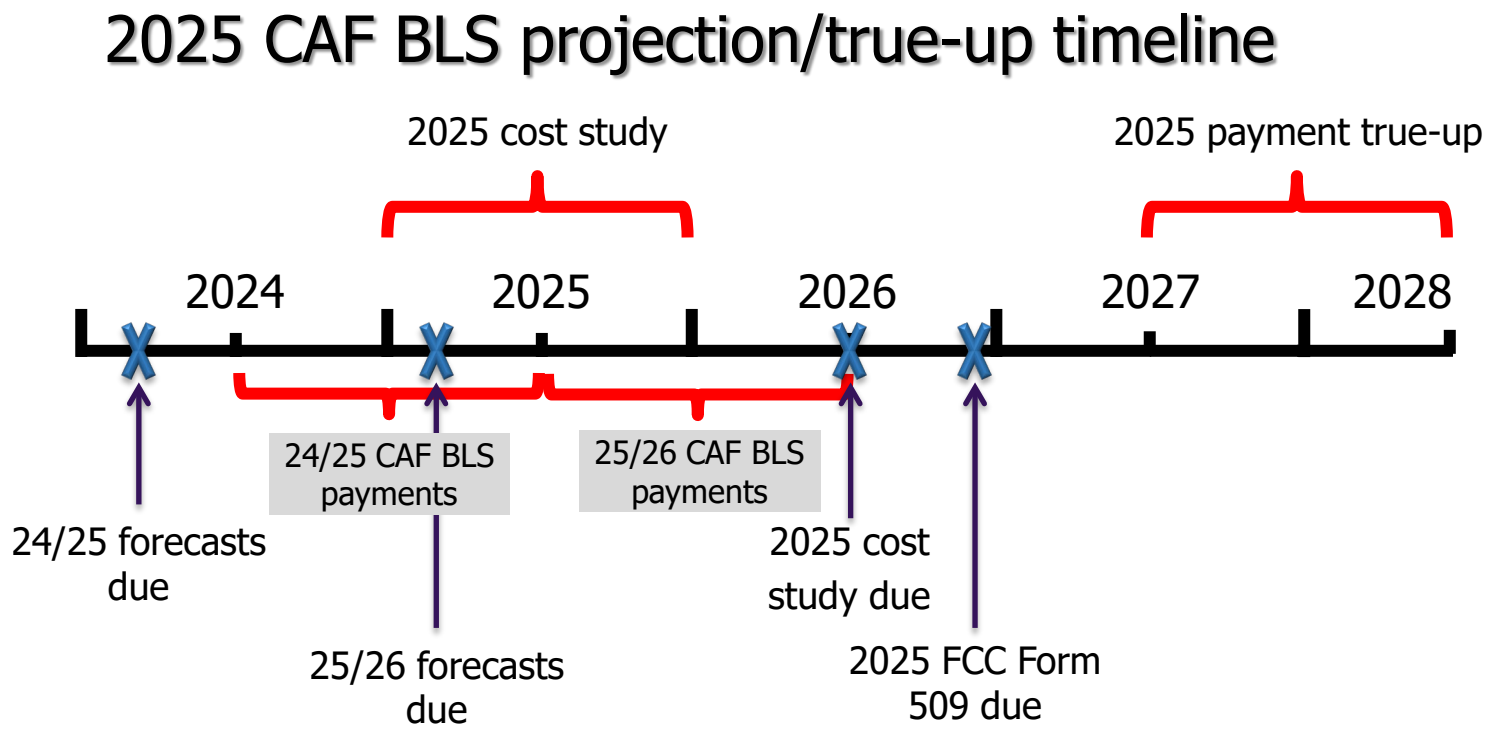
Decoding CAF BLS from forecasting to true-up



Source: NECA

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

FCC Form 509 true-up
Timeline



Source: NECA

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

Form 509 true-up
Data sources

- Based upon data collected through NECA processes
  - Cost study
  - Settlements – November view of prior calendar year
- Early December, CAF BLS system will open for companies to review/certify data
- Data/certifications will be filed with USAC by Dec. 31

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

Form 509 true-up
CAF BLS data certifications website



Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

FCC Form 509 true-up
EC review – CL voice RRQ and revenues

Study area ID: 123456		
Study area name: ABC TELEPHONE COMPANY		
Settlement type: Cost		
	Form 509 - year 2024 annual amounts	
COMMON LINE VOICE REVENUE REQUIREMENT (from cost study)		
1	2024 Common line voice revenue requirement incl MAG shift#	$347,359
2	2024 OpEx limitation and/or FCC exclusions##	($66,802)
3	2024 Common line voice revenue requirement incl MAG shift (Line 1 + Line 2)	$280,557
4	2024 Universal service contributions	$8,566
5	Subtotal (Line 3 - Line 4)	$271,991
6	Pool administration expense amount	$9,728
7	2024 Common line voice revenue requirement (Line 5 + Line 6)	$281,719
COMMON LINE VOICE REVENUES (from pool settlements)		
8	2024 Residential/single-line business revenues	$14,476
9	2024 Multiline revenue	$4,450
10	2024 SLC uncollectibles	$0
11	2024 SLC revenue (Line 8 + Line 9 - Line 10)	$18,926
12	2024 End user ISDN port revenue	$0
13	2024 Special access surcharge revenue	$0
14	2024 CAF BLS VOICE** (Line 7 - Line 11 - Line 12 - Line 13)	$262,793

Source: NECA

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

FCC Form 509 true-up
EC review – CBOL RRQ and revenues

2024 CAF BLS BROADBAND-ONLY (from cost study and pool settlements)		
15	2024 Consumer broadband-only loop RRQ	$453,585
16	2024 OpEx limitation and/or FCC exclusions##	($84,288)
17	2024 Consumer broadband-only loop RRQ (Line 15 + Line 16)	$369,297
18	Pool Administration expense amount (applicable to CBOL tariff participants only)	$13,245
19	2024 Consumer broadband-only loop RRQ (Line 17 + Line 18)	$382,542
20	2024 Average monthly broadband-only loops (Line 59)	155
21	2024 Average broadband-only revenues (Line 20 * 12 * $42)	$78,120
22	Lesser of 2024 broadband-only (Line 19) RRQ or broadband-only revenues (Line 21)	$78,120
23	2024 Average of consumer broadband-only rates (Line 59)	$44.96
24	2024 Broadband-only revenues (Line 20 * Line 23 * 12)	$83,626
25	2024 Broadband-only revenues (greater of Line 22 or Line 24)	$83,626
26	2024 CAF BLS BROADBAND-ONLY** (Line 19 - Line 25)	$298,916
27	2024 CONNECT AMERICA FUND BROADBAND LOOP SUPPORT** (Line 7 + Line 19) - (Line 11 + Line 12 + Line 13 + Line 25)	$561,709

Source: NECA

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

FCC Form 509 true-up
EC review – CBOL revenue detail

Calculation of CBOL revenues for pool reporting purposes - companies participating in NECA CBOL tariff

	Month	Col A	Col B	Col C	Col D	Col E	Col F	Col G
		Fully calculated rate	# of CBOL loops reported to settlements	CBOL revenue (Col A x Col B)	CBOL revenue (greater of blended rate or $42 x Loops)	CBOL revenue at $42 or RRQ, if RRQ < $42 per loop	Pooling adjustment to revenues@ (0 if CBOL RRQ < $42 per loop)	CBOL revenue reported for settlement purposes (greater of Col D or Col E) + Col F
33	Jan-24	$42.00	139	$5,838.00	$6,249.44	$5,838.00	$0.00	$6,249.44
34	Feb-24	$42.00	142	$5,964.00	$6,384.32	$5,964.00	$0.00	$6,384.32
35	Mar-24	$42.00	146	$6,132.00	$6,564.16	$6,132.00	$0.00	$6,564.16
36	Apr-24	$42.00	152	$6,384.00	$6,833.92	$6,384.00	$0.00	$6,833.92
37	May-24	$42.00	153	$6,426.00	$6,878.88	$6,426.00	$0.00	$6,878.88
38	Jun-24	$42.00	158	$6,636.00	$7,103.68	$6,636.00	$0.00	$7,103.68
39	Jul-24	$47.67	159	$7,579.53	$7,148.64	$6,678.00	$0.00	$7,148.64
40	Aug-24	$47.67	159	$7,579.53	$7,148.64	$6,678.00	$0.00	$7,148.64
41	Sep-24	$47.67	160	$7,627.20	$7,193.60	$6,720.00	$0.00	$7,193.60
42	Oct-24	$47.67	163	$7,770.21	$7,328.48	$6,846.00	$0.00	$7,328.48
43	Nov-24	$47.67	164	$7,817.88	$7,373.44	$6,888.00	$0.00	$7,373.44
44	Dec-24	$47.67	165	$7,865.55	$7,418.40	$6,930.00	$0.00	$7,418.40
45	###	$44.96	155	$83,619.90	$83,625.60	$78,120.00	$0.00	$83,625.60

Source: NECA

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

FCC Form 509 true-up
Important notes

- Review the FCC Form 509 data carefully. If changes are required to the data, contact your member service team
  - FCC Form 509 data will be recalculated and available for viewing/certification in the CAF BLS system within 24 hours
- Revisions to FCC Form 509 data filed after this true-up filing resulting in increased support will not be accepted unless an FCC waiver is first filed and granted

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

NECA pooling

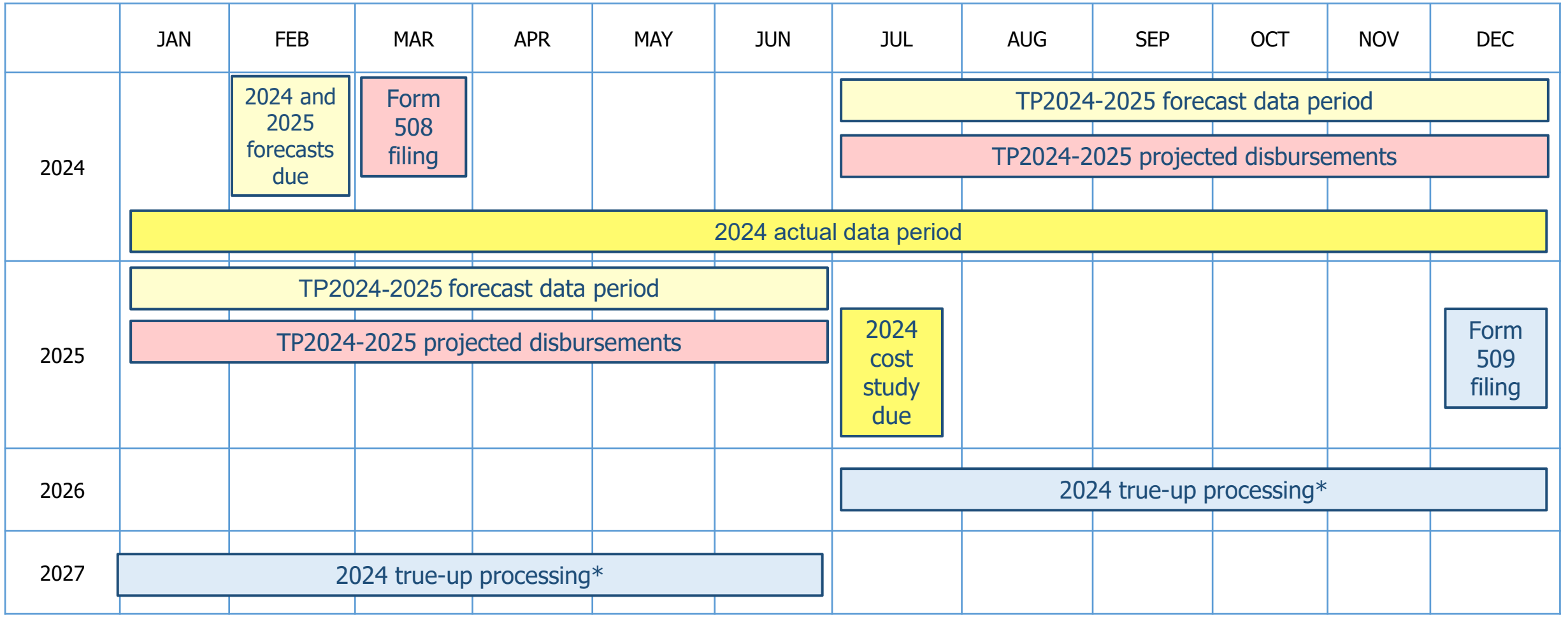
- CAF BLS filings
- Stable and predictable monthly cash flow
- Expedited cash flow timing
- NECA tariff services
- NECA training
- NECA regional staff support
- Provide data to support audit requests



Microsoft Office Stock Image

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

NECA pooling
Cash flow timeline



*July 2026 true-up processing corresponds to the January 2024 projection month. August 2026 true-up processing corresponds to February 2024, etc.

Source: NECA

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

Open proceedings – high-cost modernization initiative

- Notice of proposed rulemaking FCC 26-35
  - WC Docket No. 26-26, Reforming the High-Cost Program for an All-IP Future
  - WC Docket No. 10-90, Connect America Fund: A National Broadband Plan for our Future High-Cost Universal Support
- Adopted May 20, 2026, and released May 21, 2026
- Published in the Federal Register June 5, 2026
- Comment cycle: Aug. 4, 2026
- Reply comment cycle: Sept. 3, 2026

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

Open proceedings – high-cost modernization initiative

- Focus is on rate-of-return high-cost mechanisms
  - Cost-based support: CAF BLS and HCLS, which the FCC notes now lacks deployment and forward-looking buildout obligations
  - Model-based support: A-CAM I, Revised A-CAM I and A-CAM II, with sunsets in 2026 and 2028 absent FCC action
- Modernization objectives include:
  - Supporting the FCC's Build America agenda
  - Supporting American leadership in AI by efficiently supporting the broadband networks upon which AI-enhanced applications and services rely
  - Helping to accelerate the transition to all-IP networks

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

Open proceedings – high-cost modernization initiative

- In 2023, the FCC sought comment on how to modernize legacy support mechanisms to align them with the current broadband deployment and support environment
- This NPRM sought to refresh the record and suggests three possible paths forward:
  - Update these high-cost support mechanisms to align with the current landscape
  - Establish a new single modernized fixed-support mechanism replacement
  - Take no further action and maintain the status quo for legacy support mechanisms and allow the A-CAM support mechanisms to sunset

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

Open proceedings – high-cost modernization initiative

- The NPRM sought comment on the above options and also on:
  - Support in competitive areas
  - Satellite broadband service availability and its impact
  - Deployment obligations
  - Short term A-CAM I extension
  - USF's role in the IP-based transition

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

Summary

- CAF BLS has a complex set of rules and processes with a multiyear timeline and multiple filing requirements each year
- By participating in NECA CL pool, we will:
  - File certified FCC Form 507, FCC Form 508 and FCC Form 509 data with USAC
  - Provide data to support audit requests
  - Provide support from projection through true-up
  - Monitor open proceeding for any changes to current processes

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

thank you!



Please fill out the class evaluation on the EXPO app; your feedback is important to us!

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

Acronyms

- A-CAM — Alternative Connect America Model
- BCM — Budget Control Mechanism
- CAF — Connect America Fund
- CAF BLS — Connect America Fund Broadband Loop Support
- CBOL — Consumer Broadband Only Loop
- CFR — Code of Federal Regulations
- CL — Common Line
- CS — Cost Study
- DSL — Digital Subscriber Line
- EU — End User
- FCC — Federal Communications Commission
- HCL — High-Cost Loop

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.

Acronyms

- NOI — Notice of Inquiry
- NPRM — Notice of Proposed Rulemaking
- RoR — Rate of Return
- RRQ — Revenue Requirement
- SAC — Study Area Code
- SNA — Safety Net Additive
- SVS — Safety Valve Support
- TP — Test Period
- USAC — Universal Service Administrative Company
- USF — Universal Service Fund

Copyright © 2026 National Exchange Carrier Association, Inc. All rights reserved. This presentation may be used by attendees for informational purposes only.
No part of this presentation may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NECA.