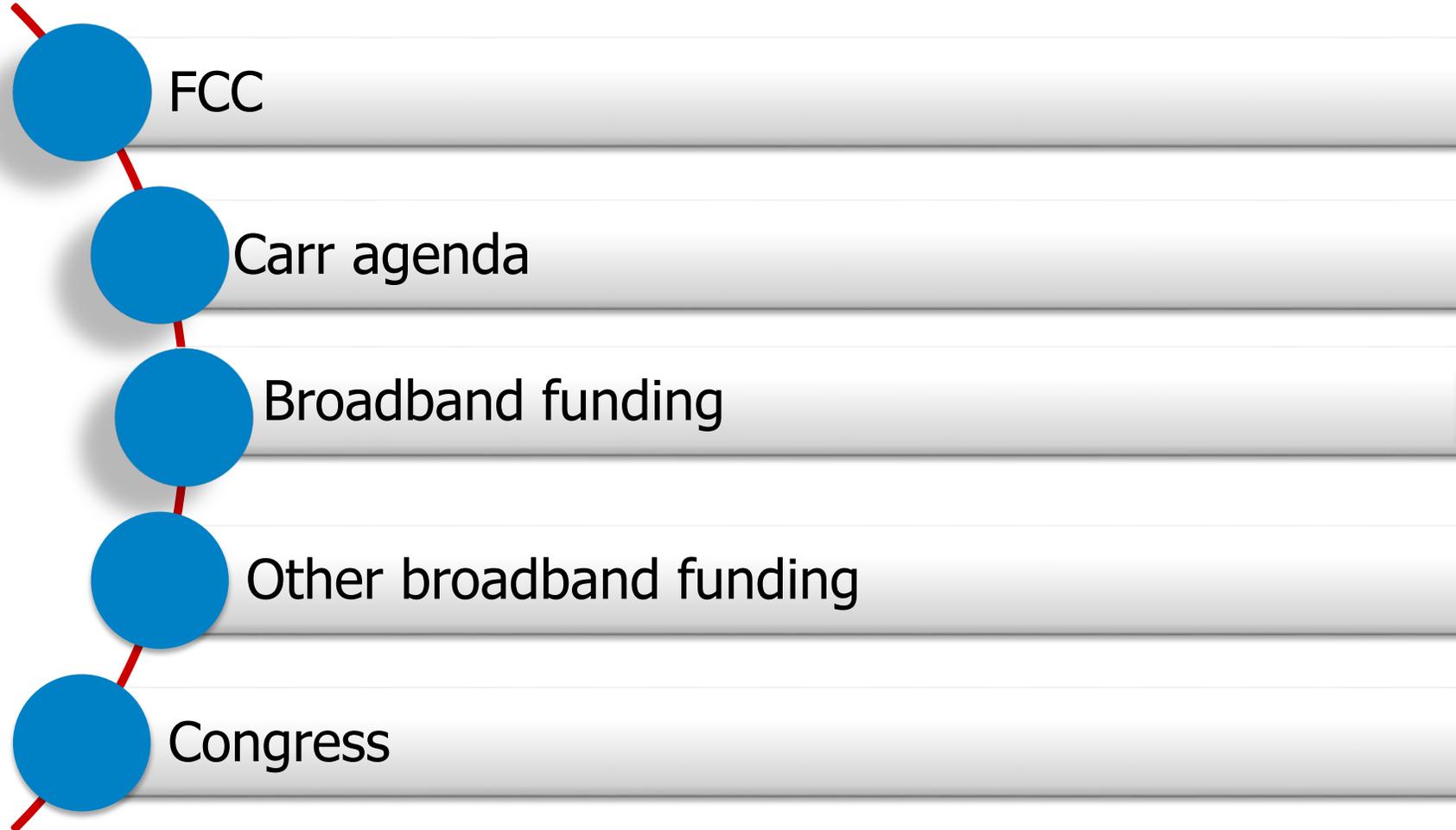




Inside the Beltway

Presented by:
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Director – Regulatory and Government Relations
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Agenda



Federal Government Shutdown

- 2025 Federal government shutdown - the longest in US history
- Around 700,000 federal employees furloughed and about the same amounts working without pay for over 35 days
- FCC was largely shutdown with 81% of staff or 1,044 employees furloughed
 - Impact to ongoing proceedings as commenting periods suspended or delayed
 - Ex parte meetings or letters unable to be processed for most items
 - USF payments were still authorized
- October open meeting still took place with FCC adopting 9 items



FCC

Current FCC

- Chairman Brendan Carr
- Commissioner Anna Gomez
- Commissioner Olivia Trusty
- Vacancy
- Vacancy



Source: fcc.gov

FCC

New commissioner

- President Trump nominated Olivia Trusty to FCC
 - Confirmed in mid-June of 2025
 - Longtime congressional staffer for:
 - Sen. Wicker (R-MS)
 - Sen. Thune (R-SD)
 - Rep. Latta (R-OH)
 - Previously served as staff for Senate Armed Services Committee covering cybersecurity and spectrum
 - Prior telecom experience with Senate Commerce and House Energy and Commerce committees



FCC

Vacancies/quorum

- There are currently two vacancies for seats that traditionally are filled by a Republican and a Democrat
 - No apparent rush to fill them and little discussion on potential nominees



Source: fcc.gov

- Is need for quorum preventing further action from President Trump?
 - Lots of litigation on firings of appointed administrative agency heads

Republican commissioners

Commissioner	Expiration of term	Must vacate seat if not reconfirmed
Brendan Carr (chairman)	June 30, 2028	End of first year of 121 st Congress (approximately Jan. 3, 2030)
Olivia Trusty	June 30, 2030	End of first year of 122 nd Congress (approximately Jan. 3, 2032)
Vacancy	June 30, 2024	End of first year of 119 th Congress (approximately Jan. 3, 2026)

Democratic commissioners

Commissioner	Expiration of term	Must vacate seat if not reconfirmed
Anna Gomez	June 30, 2026	End of first year of 120 th Congress (approximately Jan. 3, 2028)
Vacancy	June 30, 2027	End of 120 th Congress (approximately Jan. 3, 2029)

Source: NECA created

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FCC

WCB, OEA and BDTF

- Wireline Competition Bureau
 - Joseph Calascione, chief
 - Divisions: Telecommunications Access Policy, Pricing Policy and Competition Policy
- Office of Economics and Analytics
 - Catherine Matraves, acting chief
 - Divisions: Auctions, Data, Economic Analysis and Industry Analysis
- Broadband Data Task Force
 - Eduard Bartholme and Jonathan McCormack, co-chairs



Source: fcc.gov

FCC Staff turnover

Source: [communicationsdaily.com](https://www.communicationsdaily.com)

The screenshot shows the Communications Daily website header with the logo and tagline 'The authoritative news source for communications regulation'. Navigation links for 'TODAY'S ISSUE', 'PREVIOUS ISSUES', and 'COURT TRACKER' are visible. The article title is 'FCC Hit by Wave of Retirements; Some Raise 'Brain Drain' Concerns' with a sub-headline 'Nightmare on L Street?'.

- The FCC has experienced significant turnover since the beginning of the year
- Significant loss of expert and seasoned staff members from WCB and OEA who familiar with the RLEC industry

The document is titled 'TESTIMONY OF BRENDAN CARR, CHAIRMAN, FEDERAL COMMUNICATIONS COMMISSION' before the 'SUBCOMMITTEE ON FINANCIAL SERVICES AND GENERAL GOVERNMENT OF THE UNITED STATES HOUSE OF REPRESENTATIVES COMMITTEE ON APPROPRIATIONS'. The hearing is on 'Oversight Hearing of the Federal Communications Commission' on 'May 21, 2025'. The text begins with 'Chairman Joyce, Ranking Member Hoyer, and distinguished Members of the Subcommittee, it is an honor to appear before you today. Since joining the FCC, I have had the privilege of testifying before a number of House and Senate Committees, including in front of this Subcommittee last year. But this is my first time appearing before Congress as the Chairman of the FCC. I am pleased to share with you some of the challenges we are facing and the steps we are taking to address them. I am also pleased to share with you some of the successes we have achieved in our budgetary...'

And we have been delivering these results with a focus on efficiency. At the beginning of Fiscal Year 2025, the FCC employed 1,461 full-time employees. As of April 28, 2025, the FCC employed 1,383 full-time employees. The difference over the last six months can be attributed to many factors, including FCC employees who took advantage of the early retirement window opened by my predecessor, the deferred resignation program offered by President Trump, and natural turnover. The agency is well positioned to continue carrying out its statutory mission for the remainder of Fiscal Year 2025 and beyond.

Source: [house.gov](https://www.house.gov)

Carr agenda

- Build America Agenda
 - Unleashing high-speed infrastructure builds
 - Restoring America's leadership in wireless
 - Boosting America's space economy
 - Cutting red tape and modernizing FCC Operations
 - Advancing national security and public safety
 - Strengthening America's workforce



Source: linkedin.com (fcc)

Carr agenda

Deregulation – D³

- Executive orders / DOGE
 - Regulation and funding freeze: no impact on FCC
 - Regulation review: Trump mandates a review of all federal regulations
- Delete, Delete, Delete public notice (DA 25-219)
 - Comment sought on deregulatory initiatives to help modernize networks, developing infrastructure, etc.
- Direct final rule orders (FCC 25-40, 25-51, 25-68, 25-77)
 - Four separate DFRs through October to delete rules deemed obsolete or unnecessary without notice and comment period



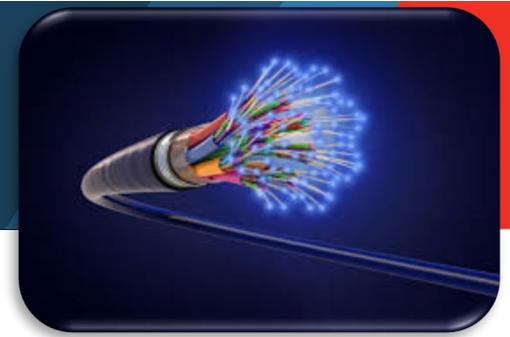
Source: linkedin.com (fcc)

Carr agenda

Tech transitions



Source: dot.gov



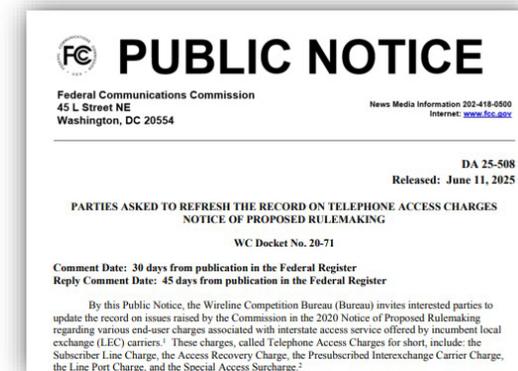
Source: freerangestock.com

- Investigate obstacles to deployment
 - Pole attachment order/FNPRM (FCC 25-38), NEPA (FCC 25-47), permitting NOI (FCC 25-66)
- Copper retirement
 - WCB issued temporary waivers to streamline copper retirements and transition to high-speed networks. July NPRM (FCC 25-37) aims to make the changes permanent
- NPRMs promoting transition to IP networks:
 - March NPRM (FCC 25-21) to ensure NG911 reliability
 - April NPRM (FCC 25-25) to repeal exemption for non-IP networks and require providers to upgrade or implement non-IP caller ID authentication

Carr agenda

Telephone access charge refresh

- In June, the Wireline Bureau released a public notice (DA 25-508) requesting parties to refresh the record on a 2020 NPRM (FCC 20-40) proposing to deregulate and detariff end user interstate telephone access charges
 - Affected charges would be: subscriber line charges, access recovery charges, presubscribed interexchange carrier charge, line port charge and special access surcharges
- Then as now, there was near universal opposition to the NPRM
 - Rural associations, CLEC associations and state PUCs asserted the impact of the deregulation of TACs would far outweigh any benefits
 - If the FCC must act, parties suggested permissive detariffing



Carr agenda

BDS NPRM

- In August, the FCC adopted an NPRM, FNPRM and order (FCC 25-44) proposing and seeking comment on:
 - Deregulating and detariffing business data services for all ILECs
 - This covers lower speed TDM as well as higher speed packet-based services (ETS)
 - Whether other optional approaches such as additional incentive based BDS elections for RLECs are warranted, etc.
- Comments and replies were initially due in October but are delayed due to shutdown
 - Largely expected to oppose proposal and instead suggest permissive options

Carr agenda

Interconnection / What's next

- At October open meeting, the FCC adopted an NPRM on IP interconnection issues (FCC 25-73) which seeks comment on:
 - Current state of TDM and IP interconnection framework
 - Forbearance from / elimination of interconnection rules in Section 251(c)
 - What a regulatory framework for IP interconnection would look like
 - What authority the FCC has or needs to regulate IP interconnections / VoIP
 - How the FCC can maintain oversight of public safety and consumer protection
 - Cost and benefits of changing regulatory framework
- No specifics, but NPRM suggests future proceedings may examine other ILEC regulatory systems related to intercarrier compensation

Broadband funding

CAF BLS

- HCLS/CAF BLS budget is around \$1.25 billion
 - USAC announced a BCM of 4.29%, effective July 1, 2025
- Deployment obligation status
 - January 2025 WCB order (DA 25-75) deferred next five-year period of deployment obligations to the latter of Jan. 1, 2026, or when the EA-CAM/CAF BLS NPRM (FCC 23-60) is addressed
- Further action on CAF BLS
 - As BEAD begins to come into focus there is likely to be additional proceedings on horizon addressing CAF BLS

Broadband funding

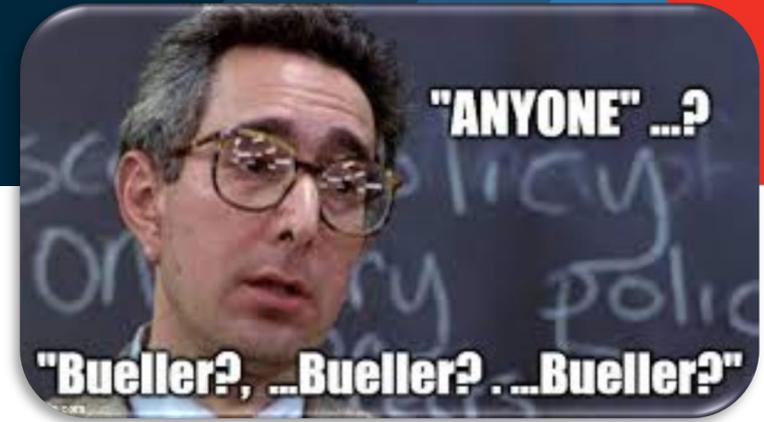
A-CAM/EA-CAM

- A-CAM I runs through 2026 for 10 remaining study areas
 - Several ex partes with WCB staff proposing A-CAM I support should be extended until FCC addresses support for A-CAM I Revised and A-CAM II
- EA-CAM location adjustment anticipated by Dec. 31, 2025
 - Numerous industry ex partes filed with concerns on BDC challenge process, support adjustment calculations, etc.
 - WCB has released several interim lists of eligible locations
- EA-CAM deployment obligations timeline
 - April 2025 WCB order on reconsideration (DA 25-309) denied requests to delay deployment obligation timelines until the end of 2030 to align with BEAD

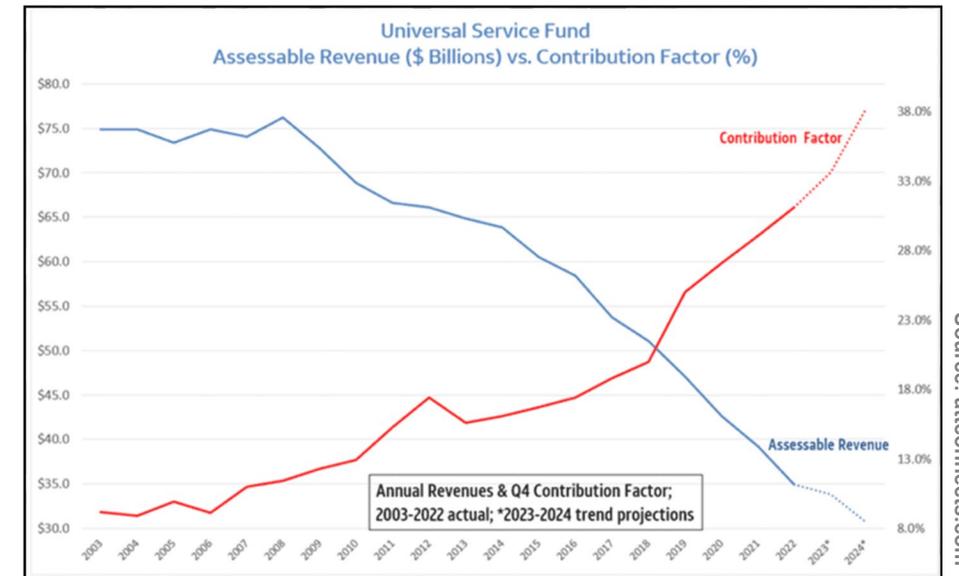
Broadband funding

USF contributions

- Contribution factor is 38.1% (fourth quarter 2025)
- Clear need for reform
- Congressional action
 - Legislation, working group, white papers
- FCC action
 - Previously Carr has expressed interest in big tech contributions



Source: imgflip.com



Source: atconncts.com

Broadband funding Litigation

- Consumers' Research, et al. has filed numerous petitions for review of the FCC's approval of the USF contribution factor
 - Claimed there are several violations of the Constitution and laws
 - Delegation to the FCC to raise and spend money via the USF
 - FCC's redelegation of authority to private company (i.e., USAC)
 - Ability of the FCC to impose a tax
- Numerous industry groups intervened in support of FCC/USF
 - NTCA, USTelecom, SHLB, Public Knowledge and Benton Institute
- 6th and 11th Circuits ruled for FCC and 5th Circuit **en banc** panel ruled for Consumers' Research, et. al



Broadband funding Litigation



Source: [supremecourt.gov](https://www.supremecourt.gov)

- Case heard by Supreme Court in late March
 - Importantly both Biden and Trump administrations defended USF
 - Lengthy oral argument where FCC/intervenors seemed to have upper hand
- Supreme Court ruled in favor of the FCC, 6-3 (145 S.Ct. 2482)
 - Held the FCC's universal service contribution system does **not** violate the nondelegation doctrine and Congress provided intelligible principles to FCC
 - Use of USAC is constitutional, as USAC is subordinate to the FCC
- Huge win to protect USF, but challenges remain
 - USF reform is still needed
 - Consumers' Research continues to fight and has filed new petitions with 5th circuit



Source: [nytimes.com](https://www.nytimes.com)

Broadband funding

Other agencies

- Department of Commerce

- Secretary of Commerce: Howard Lutnick
- NTIA administrator: Arielle Roth
 - Formerly with Sen. Cruz at Commerce Committee and former advisor to Michael O’Rielly at FCC



Source: cantor.com



Source: fedsoc.org

- Department of Agriculture

- Secretary of Agriculture: Brooke Rollins
- RUS administrator: Karl Elmshaeuser
 - Chris McLean has returned to an assistant administrator role



Source: americafirstpolicy.com

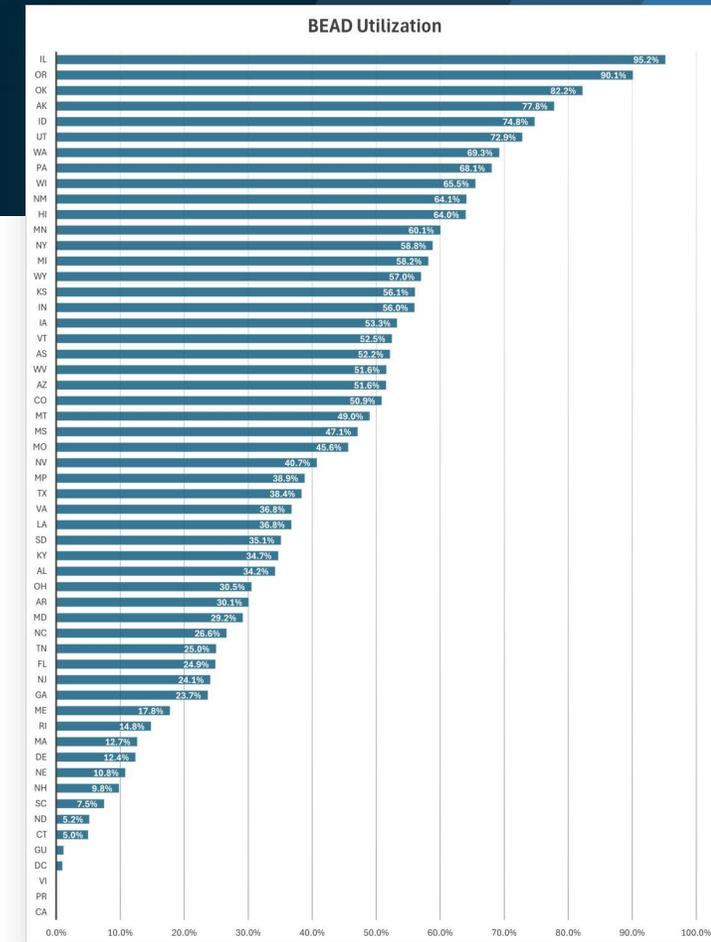
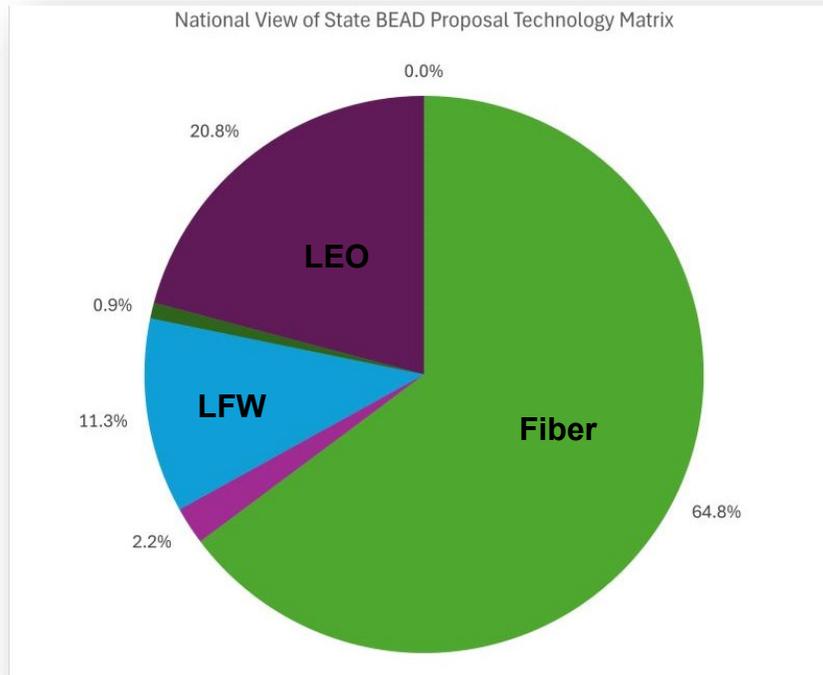


Source: usda.gov

- \$42.45 billion – Broadband Equity, Access and Deployment Program
 - Following 2022 NOFO, all proposals submitted under last administration but no money had been disbursed
 - Under Trump administration, Commerce department announced a rigorous review and revamp of BEAD
 - In June, NTIA issued a restructuring policy notice to remove burdens, lower costs and look at all technologies. This required all states to resubmit proposals after conducting a new **Benefit of the Bargain** round within 90 days
 - Generally required to use low-cost bidder but did give states latitude to create priority projects
 - As of Nov. 3, 2025, 53 of 56 grantees have submitted revised final proposals ...

Broadband funding BEAD

Results:



Source for both: Wes Robinson (Eastex Telephone)

- Reports of NTIA telling grantees some costs are still too high and requiring further negotiations or **best-and-final** bidding rounds
- NTIA to prohibit BEAD recipients from getting other federal subsidies for locations

Broadband funding

RUS loans/ReConnect

- Rural broadband access loans
 - Around \$850 million in existing loans
 - Will Farm Bill provide additional funding?
- Telecommunications infrastructure loans
 - Over \$2.5 billion in existing loans
 - Actively funded for additional opportunities
- ReConnect loans/grants
 - Around \$5.2 billion appropriated since 2018
 - Over \$4.75 billion awarded so far
 - More to come in FY2026 appropriations?



Congress Telecom leaders

- Senate – Committee on Science, Commerce and Transportation and its Subcommittee on Communications, Media and Broadband oversee the FCC and NTIA



Cruz (R-TX)



Fischer (R-NE)



Cantwell (D-WA)



Lujan (D-NM)

- House – Committee on Energy and Commerce and its Subcommittee on Communications and Technology oversee the FCC and NTIA



Guthrie (R-KY)



Hudson (R-NC)



Pallone (D-NJ)



Matsui (D-CA)

Source for all: congress.gov

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Congress

Hearings and legislation



Source: house.gov

- Several nomination and oversight hearings
- One Big Beautiful Bill Act (P.L. 119-21)
 - No tax relief for grants but did make 100% bonus depreciation permanent
 - Restored FCC's spectrum auction authority
- Over two dozen broadband related bills have been introduced
- Several hearings on rural broadband and FCC oversight
 - Carr oversight hearing before House Appropriations focused on BEAD
 - House E&C and Small Business hearings with RLECs on importance of broadband
 - Another Carr oversight hearing scheduled before end of year...



Source: pbs.org

- Sens. Fischer, Luján, Moran, Klobuchar, Capito, Peters, Sullivan and Rosen, and Reps. Hudson and Matsui
 - Relunched in 119th Congress to evaluate and propose potential reforms for USF
 - Encouraged by Supreme Court decision and focused on long term solutions
- Request for updated comments on:
 - Effectiveness; reforms for transparency, accountability and efficiency; contribution reform; coordination; USAC
 - Industry groups largely stressed importance of USF, effectiveness of programs, the need for predictable support and urging expansion of contribution base to include all network beneficiaries



Source: senate.gov

Thank you!



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

Acronyms

- ACP Affordable Connectivity Plan
- APA Administrative Procedure Act
- BEAD Broadband Equity, Access and Deployment
- BDC Broadband Data Collection
- BIAS Broadband Internet Access Service
- CAF BLS Connect America Fund Broadband Loop Support
- CAF ICC Connect America Fund Intercarrier Compensation
- CBOL Consumer Broadband-only Loop
- CR Consumers' Research
- D Democrat
- DA Decision Authority
- EA-CAM Enhanced Alternate Connect America Fund
- E&C Energy and Commerce

Acronyms

- FAIR Contributions Act Funding Affordable Internet with Reliable Contributions Act
- FCC Federal Communications Commission
- FSJB Federal-State Joint Board
- GOP Grand Old Party (Republican Party)
- HCLS High-cost Loop Support
- H.R. House of Representatives bill
- IP Internet protocol
- Mbps Megabits per second
- NARUC National Association of Regulatory Utility Commissioners
- NECA National Exchange Carrier Association
- NPRM Notice of Proposed Rulemaking
- NTCA National Telecommunications Cooperative Association

Acronyms

- NTIA National Telecommunications and Information Administration
- PL Public Law
- PN Public Notice
- R Republican
- RLEC Rural Local Exchange Carrier
- RUS Rural Utilities Service
- S. Senate bill
- S.Ct. Supreme Court decision
- TAC Telephone Access Charge
- TDM Time division multiplexing
- USAC Universal Service Administrative Company
- USDA United States Department of Agriculture

Acronyms

- USF Universal Service Fund
- WCB Wireline Competition Bureau
- Wi-Fi Wireless Fidelity