pursuant to § 54.1302(a) (the HCLS cap), then each study area's expense adjustment will be reduced by multiplying it by the ratio of the HCLS cap to the aggregate expense adjustments for all study areas.

(2) If the aggregate expense adjustments for all study areas are less than the HCLS cap set pursuant to § 54.1302(a), then the expense adjustments for all study areas pursuant to paragraph (a) of this section shall be recalculated using a cost per loop calculated to produce an aggregate amount equal to the HCLS cap in place of the national average cost per loop.

(c) The expense adjustment calculated pursuant to paragraphs (a) and (b) of this section shall be adjusted each year to reflect changes in the amount of high-cost loop support resulting from adjustments calculated pursuant to § 54.1306(a) made during the previous year. If the resulting amount exceeds the previous year's fund size, the difference will be added to the amount calculated pursuant to paragraphs (a) and (b) of this section for the following year. If the adjustments made during the previous year result in a decrease in the size of the funding requirement, the difference will be subtracted from the amount calculated pursuant to paragraphs (a) and (b) of this section for the following year.

(d) High Cost Loop Support is subject to a reduction as necessary to meet the overall cap on support established by the Commission for support provided pursuant to this subpart and subpart K of this chapter. Reductions shall be implemented as follows:

(1) On May 1 of each year, the Administrator will publish an annual target amount for High-Cost Loop Support in the aggregate. The target amount shall be the forecasted disbursement amount times a reduction factor. The reduction factor shall be the budget amount divided by the total forecasted disbursement amount for both High Cost Loop Support and Broadband Loop Support for recipients in the aggregate. The forecasted disbursement for High Cost Loop Support is the High Cost Loop Support cap determined pursuant to § 54.1302 as reflected in the most recent annual filing pursuant to § 54.1305.

(2) Each January 1 and July 1, the Administrator shall apply a pro rata reduction to High Cost Loop Support for each recipient of High Cost Loop Support as necessary to achieve the target amount.

(3) This paragraph (d) shall not apply to support provided from July 1, 2017 to June 30, 2018.

[80 FR 4479, Jan. 27, 2015, as amended at 81 FR 24344, Apr. 25, 2016; 83 FR 18965, May 1, 2018; 84 FR 4733, Feb. 19, 2019]

Subpart N—The Digital Opportunity Data Collection

SOURCE: 84 FR 43724, Aug. 22, 2019, unless otherwise noted.

§ 54.1400 Purpose.

The purpose of this subpart is to set out the terms by which facilities-based providers report data to the Universal Service Administrative Company concerning the deployment of fixed broadband connections for use in administration of the Universal Service program and related matters.

§ 54.1401 Frequency of reports.

Entities subject to the provisions of this subpart shall file initial reports pursuant to the Digital Opportunity Data Collection within six months after the Office of Economics and Analytics issues a public notice announcing the availability of the new Digital Opportunity Data Collection platform. Thereafter, Digital Opportunity Data Collection filers must submit updates within six months of completing any new, or discontinuing existing, fixed broadband deployments; acquiring new, or selling existing, network facilities that have fixed broadband connections; or changing existing offerings that change the data submitted on their current Digital Opportunity Data Collection filing. Entities that become subject to the provisions of this subpart for the first time after the initial filing deadline shall file their initial reports within six months after they become eligible and shall report data for that initial period. All eligible entities must file a certification once per year on or before June 30th that as of December 31st of the previous year all