

Federal Communications Commission Response to  
United States House of Representatives  
Committee on Energy and Commerce  
Universal Service Fund Data Request of July 9, 2012

Requests 12 and 13  
Connect America Fund Information: Incremental  
Funding, Numbers of Locations Nationwide and  
Housing Units Served by State

## House Energy & Commerce Questions

12. The amount of incremental additional funding that price cap carriers have accepted as part of the Connect America Fund Phase I; the number of locations those carriers will be required to deploy broadband to in total; and, by state, the number of housing units located in census blocks which those carriers have identified as areas where they intend to deploy broadband for which there was no broadband service available from any commercial broadband provider, including fixed and mobile wireless and satellite.
13. For each of the carriers identified in question 12, the number of housing units located in census blocks which those carriers have identified as areas where they intend to deploy broadband for which there is broadband service available from a commercial broadband provider, including providers of fixed and mobile wireless and satellite.

As questions 12 and 13 are closely related, below is a combined response.

For 2012, holding companies whose affiliates include price cap carriers accepted a total of \$114,765,000 in incremental support. Those carriers will be required to deploy broadband to a total of 148,086 locations. The carriers accepting Connect America Phase I support have indicated plans for deployment in 37 states. The Commission estimates that nearly 400,000 residents and small business owners in these areas will gain access to high-speed Internet within three years as a result of these funds.

Due to the manner in which data is currently collected and displayed in the National Broadband Map (Map), the rules for Connect America Phase I allow carriers to identify locations to be served in census blocks which the Map indicates are completely unserved, completely served, or partially served. In reality, there are currently individual unserved locations in census blocks that the map indicates are entirely or partially served. However, in no circumstance may Connect America Fund Phase I support be used to deploy to a location that is already served by a commercial provider.

Recognizing that certain aspects of the National Broadband Map could potentially prevent carriers from accepting Connect America Phase I support to quickly deploy broadband to unserved locations (identified as being located in blocks that are completely served on the Map), the Commission modified certain rules on reconsideration. Specifically, the Commission modified the rules to permit carriers accepting CAF Phase I support to satisfy their deployment requirement by deploying to locations identified on the National Broadband Map as located in census blocks that are completely served if the Map reflects that the only provider of fixed broadband to the location is the incumbent carrier itself, the locations are in fact unserved by broadband, and the carrier makes the certifications required by section 54.312(b)(3) of the Commission's rules.<sup>1</sup> A carrier is

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<sup>1</sup> See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Second Order on Reconsideration, 27 FCC Rcd 4648, 4651 para. 9 (2012).

also permitted to deploy to unserved locations in census blocks the Map indicates are partially served, with appropriate certifications.

In all cases, when accepting Connect America Phase I support, carriers were required to certify that the locations to be deployed to are shown on the National Broadband Map as unserved by any provider other than the certifying entity itself or an affiliate; that, to the best of the carrier's knowledge, the locations are, in fact, unserved by fixed broadband; that the carrier's capital improvement plan did not already include plans to complete broadband deployment within the next three years to the locations to be counted to satisfy the deployment obligation; and that incremental support will not be used to satisfy any merger commitment or similar regulatory obligation.<sup>2</sup> In short, Connect America Phase I funds are not permitted to be used to deploy to any locations where fixed broadband is already available or areas in which a carrier already had plans to deploy.

At this time, the Commission is unable to determine the actual number of individual locations that each carrier will deploy to at the census block level. Carriers accepting funds were required to indicate the census blocks and wire centers in which they intend to deploy, but were not required to identify the number of individual locations per identified census block. Based on acceptance letters provided by carriers receiving Connect America Phase I support, the Commission has published a map identifying the total number of locations carriers expect to deploy to at the state level. The map is available at <http://www.fcc.gov/maps/connect-america-fund-caf-phase-i>. However, carriers are not required to indicate the specific locations to which they have deployed until they notify the Commission that they have met their deployment obligations – specifically, deployment to no fewer than two-thirds of the required number of locations within two years, and all required locations within three years, after filing their notices of acceptance.

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<sup>2</sup> See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Order, 27 FCC Rcd 8141, 8143 para. 7 (Wireline Comp. Bur. 2012).