

expressions of interest sought levels of funding substantially greater than the CAF Phase II model-based support in the relevant census tracts.

Our streamlined review consisted of two steps. Step 1 involved reviewing each filing in the sample to determine whether it contained a listing of census tracts and/or a request for a specific amount of funding³. Based on this review the sample was divided into four categories: A) expressions with both census tracts and funding; B) expressions with census tracts but no funding; C) expressions with a request for funding but no census tracts listed; and D) general expressions of interest with neither tracts nor funding. The category results are as follows:

Table 1

	<i>Category</i>	<i>Count</i>
A	CTs and Funding	328
B	CTs but no Funding	86
C	Funding but no CTs	166
D	General Expression	110
	Total Sample	690

In Step 2, we more closely analyzed a random subset of 227 of the 328 expressions in Category “A,” expressions that contained both a listing of census tracts and a specified amount of funding, to determine how the requested funding compared to the Commission’s CAM model-based support available for the Experiment by the listed census tracts.⁴ In this way, we divided Category “A” expressions into two groups: 1) expressions that requested the same or less than

³ We arrived at these two data elements because they appeared to be the ones that were provided in the most consistent manner. Other factors, such as number of locations to be served and service speed, would be of interest but were not readily available in many filings.

⁴ Given the time and resource constraints, this analysis was performed on a census tract basis since applications for the rural broadband experiment in price cap territories will be entertained at the census tract level (*Further Notice* at ¶ 111) with the knowledge that such experiments in rate-of-return areas are proposed to be made at the census block level in lieu of the census tract level in recognition that smaller providers may wish to develop proposals for smaller geographic areas (*Further Notice* at ¶ 209).

the support available for the CTs; and 2) expressions that requested more than the available support for the CTs. The results of this analysis are below.⁵

Table 2

<i>Group</i>	<i># of Apps</i>	<i>Total Request \$</i>	<i>Total Avail. \$</i>	<i>\$ Difference</i>	<i>Req/Avail</i>	<i>% of Apps</i>
<i>1. Less \$ than Available</i>	50	\$147,425,434	\$332,716,823	\$185,291,389	.44	22%
<i>2. More \$ than Available</i>	177	\$2,872,670,870	\$287,133,570	(\$2,584,937,300)	9.98	78%
	227	\$3,020,096,304	\$620,450,393	(\$2,399,645,911)	4.87	100%

The results show that 78 percent of the sampled expressions of interest asked for more than the CAF II support available and that on average the requested amount for this group was almost 10 times more than the available support.⁶ The average size of the funding request in this group was \$16 million. The 22 percent of the expressions of interest that sought less than the support available also requested smaller amounts of funding, averaging \$3 million. Overall, the 227 expressions of interest reviewed under USTelecom’s streamlined approach sought almost 4 times the CAF II support available, asking for \$2.4 billion in support for census tracts identified

⁵ It should be noted, that while these expressions of interest listed individual census tracts to be covered, the funding requests were most often provided on a total project basis. The comparison was done by associating the FCC’s support available with each census tract identified and adding the tract-specific amounts to determine a total support available for the proposed project. This calculated total support available was then compared to the total project funding amount requested.

⁶ The factors of 0.44 and 9.98 in Table 2 are potentially understatements relative to the proposed metrics proposed in the comments submitted by USTelecom in this proceeding. *See* In the Matter of Connect America Fund, WC Docket No. 10-90, Comments of the United States Telecom Association (filed Mar. 31, 2014). In this analysis, due to the unavailability of necessary information, we did not make an assessment of the completeness of the proposals relative to proposing to build to all targeted census blocks in the census tracts for which expressions of interest are proposing to cover.

as having \$620 million in available support. A lack of time as well as a lack of consistent data elements across all expressions of interest limited our ability to systematically analyze whether other factors, such as number of locations, contributed to the results. Instead, we looked more closely at a random sample of 10 expressions of interest from each group in an attempt to gain further insight.

Of the ten expressions of interest sampled from Group 1 (requesting less than the support available), all ten proposed to offer a fixed wireless broadband solution. Service speed in this sample varied from a low of 1.5 Mbps to a high of 30 Mbps, with 5 Mbps the most common speed mentioned. The entities in this sample included community/regional organizations and fixed wireless providers. Two of the expressions of interest proposed to offer service to a defined subset of users as opposed to the entire community.

Of the ten sampled expressions of interest from Group 2 (requested more than available funding), six proposed a fiber to the home or premises (FTTH/P) broadband solution and four proposed a fixed wireless solution. Three of the six FTTH/P providers planned to also utilize fixed wireless in some areas. Download speeds for the FTTH/P solutions ranged from 20 mbps to 1 Gbps. Wireless speeds ranged from 4 Mbps to 12 Mbps. Of the ten entities in this sample, four were telephone companies, three were electric utilities, and three were fixed wireless providers.

USTelecom hopes that this analysis provides information useful to the Commission's deliberations regarding the Rural Broadband Experiments and the CAF Phase II competitive process more broadly. One conclusion that can be drawn from this exercise is that the time and effort necessary to review, evaluate and rank applications in a fair and responsible manner should not be underestimated. In order to make such a process feasible, the FCC should require

that all applications provide the same data elements in a consistent format and then use a simple cost-based ranking methodology, such as USTelecom proposed in opening comments in this proceeding to evaluate the submissions.

Respectfully submitted,

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