

CAF Phase II: Delivering the Promise of Universal Broadband Access

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Frontier Looks Forward to CAF Phase II as the Final Piece of Its Commitment to Rural Broadband

- Frontier has a demonstrated commitment to providing broadband in rural America.
- Frontier utilized the CAF Phase I funding the Commission made available in 2012 and 2013 to expand broadband to our rural markets:
 - In 2012, Frontier accepted \$71.9M of CAF Phase I Round 1 support to deploy broadband to 93,000 unserved locations over three years;
 - In 2013, Frontier accepted \$61.3M of CAF Phase I Round 2 support to deploy or upgrade broadband to over 101,000 locations over three years.
- CAF Phase II's explicit support mechanisms are the final piece of the puzzle that framed the USF/intercarrier compensation reform process.
 - With CAF II support Frontier can deploy broadband to an additional 593,000 locations, tripling what we have already built.
- Two and a half years since the USF/ICC reform Order the intercarrier compensation reductions continue but CAF Phase II has yet to be implemented
 - Any proposal to raise the CAF Phase II minimum speed obligations of broadband used for CAF Phase II from 4 Mbps download/1 Mbps upload (4/1/) to 10 Mbps download without any increase in funding or other change in terms is not economically feasible.
 - The FCC's own USF budget does not provide adequate funding for a 10 Mbps ubiquitous deployment.

The Proposed Speed Increase Cannot Proceed Without Changes to Other CAF Phase II Terms

- The Commission can provide huge benefits to rural America without requiring 10 Mbps speed to **100%** of the locations.
 - A high percentage will receive ten, while others receive at least 6 Mbps with only the farthest out receiving speeds of 4 Mbps.
- If the FCC is committed to 10 Mbps for even the most rural locations it should extend the funding term to 10 years for the ROFR to ensure funding support to justify this kind of expense.
 - A 10 year term would provide parity with the competitive process.
- The FCC must make all areas not served at 10 Mbps by an unsubsidized competitor eligible for funding.
 - The Commission should avoid creating a further rural/rural divide in broadband speeds