

The Connect America Fund and Broadband Availability Data: Frequently Asked Questions



Background:

In October 2011, the Federal Communications Commission ([FCC](#)) adopted an [order](#) that changes parts of the Universal Service Fund (USF), specifically what is known as the “High Cost Fund,” and the FCC is currently in the process of implementing that order. The USF High Cost Fund to date has provided approximately \$4.5 billion in annual subsidies to eligible telecommunications carriers (ETCs) for the provision of voice telephone services in areas where this service comes at a higher cost and lower return to the provider.

The FCC is transforming these subsidy programs to directly support broadband service in the new Connect America Fund. This process will begin in 2012 and this transition will occur in different phases for different providers over the next five years.

As it implements the Connect America Fund, the FCC will be relying upon the broadband inventory data collected through the broadband mapping component of the State Broadband Initiative (SBI) program, administered by the Department of Commerce, National Telecommunications and Information Administration (NTIA). Stated simply, the FCC will use broadband data collected by Connected Nation to help implement this significant, industry-transforming transition.

[Connected Nation](#) takes its role as a SBI mapping grantee and contractor very seriously, and we pride ourselves in making sure that the data we collect pursuant to the SBI program and submit to the NTIA is complete, comprehensive, reliable, and verified. At this time, it is more important than ever to make sure that the SBI data we collect and that is displayed on the NTIA’s [National Broadband Map](#) is as comprehensive and accurate as possible.

This document is prepared to answer frequently asked questions from providers about the Connect America Fund and how our data collection and verification process fit into that transition. This FAQ document is not intended as legal advice, and we recommend that providers with specific questions about how the Connect America Fund will affect their particular situation seek appropriate legal and financial counsel.

Why is broadband mapping data important to the reformed Universal Service Fund?

Broadband availability data is a key element of the FCC’s ability to determine what areas of the U.S. are, and aren’t, eligible for Connect America Fund subsidies. This data, collected by Connected Nation in many states, is the most granular, comprehensive national dataset on broadband availability in existence. Because these datasets are updated every six months, they also provide the most up-to-date intelligence on where areas unserved or underserved by broadband remain.

With regard to fixed broadband service, the FCC establishes 4 Mbps down/1 Mbps up (actual) speeds as its target for broadband availability. This speed target does not correspond directly with the broadband speed tier collected through the NTIA’s SBI program. As a result, the FCC has identified three “tiers” of fixed broadband service collected by the SBI program that it will use to direct funding:



- 768 Kbps down/200 Kbps up: this speed tier will be used to identify “unserved areas” by the FCC to guide 2012 funding in the service territories of larger (price cap) incumbent LECs.
- 3 Mbps down/768 Kbps up: the FCC has specifically stated that providers may use SBI data on this speed tier “as a proxy for the availability of 4 Mbps/1Mbps broadband” in any particular area.
- 6 Mbps down/1.5 Kbps up: the FCC has stated that it will require Connect America Fund subsidy recipients to provide broadband at this speed tier in a number of specific locations that will be identified by an FCC model. That model is still in development.

Why should my company help the FCC figure out where to allocate Connect America funding?

Everyone can agree that any broadband subsidy program should be based on the best, comprehensive, and validated broadband availability data.

While the SBI program is voluntary, the FCC has stated that the data, along with its Form 477 database, is “the best available to us.” The FCC has established a comment cycle for providers to comment on whether the proposed combined use of SBI and Form 477 data is sufficient for this purpose. Connected Nation takes pride in its high provider participation rates, and we strive to be careful stewards of this important information.

The SBI program in particular ensures that the proprietary elements of broadband availability data are able to be protected by Connected Nation through the use of non-disclosure agreements.

I don’t receive any USF subsidies – they only benefit my competitor. So why should I care about this?

We understand this point of view. The FCC Order clearly states its expectation that Connect America funds will not be used to subsidize fixed broadband providers to build and operate networks in areas in which a non-mobile “unsubsidized competitor” provides voice and broadband data service. Hence, all unsubsidized competitors have an incentive to make sure their network is accurately represented in the SBI data. Failure to do so could lead to the FCC allocating funds to your competitors – a situation they have expressly stated they want to eliminate.

Once again, having comprehensive, accurate, and validated maps is necessary for this process to succeed. The FCC will police this requirement through annual reports that Connect America Fund subsidy recipients will be required to provide. Such providers are required to certify annually where they have utilized the funds in the prior year. As stated above, availability at the 3 Mbps/768 Kbps and 6 Mbps/1.5 Mbps speed tiers may be used by the FCC and the Universal Service Advisory Corporation (USAC) to enforce these requirements.

As a result, any broadband provider not participating in its state’s broadband mapping activity may also inadvertently complicate the FCC’s intention to make sure that Connect America funds not be used to “overbuild” existing unsubsidized networks.



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What happens if we don't participate in broadband mapping?

The datasets collected by Connected Nation (and others) under the SBI program and provided to the federal government for the creation of the National Broadband Map represent that largest, most granular, and most accurate broadband availability dataset ever in the U.S. Those datasets, however, require near constant updates and a vigorous data validation process to help ensure accuracy.

If your company refuses to participate in your state's broadband mapping program, the FCC will use the most recent broadband availability dataset in existence. In some parts of the Connect America Fund, an alternate (like American Roamer) or supplementary (like Form 477) dataset will be used as well. Pursuant to our grant obligations, Connected Nation may make estimates of the broadband service availability areas of non-participating providers.

The online map doesn't accurately reflect broadband in my area – how do I fix it in time?

Please contact the Connected Nation service representative or Engineering Staff immediately. We will be happy to work with you to investigate the data and verify its accuracy.

Connected Nation submits data to the NTIA every six months – in April and in October. We are almost always in some phase of data collection for the next data submission.

Which version of the National Broadband Map will be used by the FCC for its cost models to distribute subsidies?

The FCC has stated that it will use “the [National Broadband Map](#) that is most current at the time” in administering the Connect America Fund transition for fixed, larger (price cap) incumbent telephone companies. It currently has a comment cycle open as to whether to use the National Broadband Map data for smaller, rate of return carriers.

Will SBI and National Broadband Map data be used to direct mobile broadband subsidies?

As part of the Connect America Fund transition, the FCC is phasing out subsidies that competitive providers receive (largely for mobile service) in high cost areas. To replace that funding, the FCC has created a Mobility Fund designed to subsidize capital investment and operational expenses necessary to build or expand 3G and 4G networks in areas that do not have mobile broadband service today. These subsidies will be allocated through a market-based mechanism such as reverse auctions.

The FCC will begin to implement the Mobility Fund in 2012. The initial round of funding (“Phase I”) will not rely upon the National Broadband Map to identify areas with or without 3G service. The FCC will be using American Roamer data to identify those areas without access to mobile networks that offer service using EV-DO, EV-DO Rev A, UMTS/HSPA and HSPA+, LTE, “and any other technologies offering equivalent speeds or better.” The FCC intends to release a list of these areas to the public in early 2012.

The FCC has stated that after this release, it will “entertain challenges” to that list and provide the public “a reasonable opportunity to respond by demonstrating that specific areas identified as unserved are actually served and/or that additional unserved areas should be included.” One can expect that mobile broadband information and data on the National Broadband Map can and will be used in those proceedings. In addition, Mobility Fund recipients, like all Connect America Fund recipients, are required to file annual reports with the [Commission](#) that demonstrate and certify their build-out on a census block by census block basis.



General Broadband Mapping FAQs:

For answers to frequently asked questions of a more general category regarding broadband mapping, please utilize Connected Nation’s broadband mapping FAQs at:

http://www.connectednation.org/documents/CN_Website_Mapping_FAQs_FINAL.pdf.

To learn more about Connected Nation’s mapping program, visit www.connectednation.org/mapping.