



NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

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See MCI v. FCC, 515 F.2d 385 (D.C. Circ 1974).

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NEWS MEDIA CONTACT:
Mark Wigfield, 202-418-0253
E-mail: mark.wigfield@fcc.gov

FCC INCREASES RURAL BROADBAND SPEEDS UNDER CONNECT AMERICA FUND

Rural Consumers Must Receive Broadband Delivering At Least 10 Mbps Downloads, 1 Mbps Uploads from Providers Who Benefit from Connect America Support

Washington, D.C. – Broadband for rural consumers that is supported by the Connect America Fund must deliver the same speeds that 99% of urban Americans enjoy, the Federal Communications Commission said in an Order adopted today.

The FCC will now require companies receiving Connect America funding for fixed broadband to serve consumers with speeds of at least 10 Mbps for downloads and 1 Mbps for uploads. That is an increase reflecting marketplace and technological changes that have occurred since the FCC set its previous requirement of 4 Mbps/1 Mbps speeds in 2011.

According to recent data, 99% of Americans living in urban areas have access to fixed broadband speeds of 10/1, which can accommodate more modern applications and uses. Moreover, the vast majority of urban households are able to subscribe to even faster service.

Congress directed the FCC to make available in rural areas communications services that are reasonably comparable to those in urban areas. Increasing the Connect America speed requirement means that rural Americans, like urban Americans, can tap the benefits provided by broadband through faster web downloads, improved video streaming, and service capable of supporting multiple users in a household.

In 2011, the FCC reformed its universal service program for rural telephone service so it can more effectively support networks delivering both broadband and voice. With the adoption of today's Order, the FCC is prepared to make offers of support totaling up to nearly \$1.8 billion annually to a class of larger carriers known as price cap carriers in early 2015, which will potentially expand service to over 5 million rural Americans.

The Order makes a number of adjustments to the 2011 reforms to accommodate the higher speed requirement and better target Connect America funds to efficiently expand broadband into rural areas that would not otherwise be served. These changes include:

- Increasing the terms of support for price cap carriers from five years to six years, with an option for a seventh year in certain circumstances
- Providing increased flexibility in the build-out requirement, while still ensuring that support recipients are reaching out to Americans that were previously unserved

- Forbearing from certain universal service obligations in low-cost census blocks where price cap carriers are not eligible to receive Connect America support, as well as census blocks where the carriers face competition
- Requiring recipients that decline Connect America support in a state to continue to deliver voice service to high-cost census blocks until replaced through a competitive bidding process by another subsidized carrier that is required to deliver voice and 10/1 broadband.

The Order also makes changes that will distribute traditional universal service support for small carriers more equitably and curb waste. Finally, the Order helps ensure that carriers adhere to voice and broadband service obligations by setting clear consequences for failing to meet these standards.

Action by the Commission December 11, 2014, by Report and Order (FCC 14-190). Chairman Wheeler and Commissioner Rosenworcel, Commissioners Clyburn and Pai approving in part and dissenting in part and Commissioner O’Rielly concurring. Chairman Wheeler, Commissioners Clyburn, Rosenworcel, Pai and O’Rielly issuing statements.

Docket No.: 10-90

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More information about the Connect America Fund is available at
<http://www.fcc.gov/encyclopedia/connecting-america>