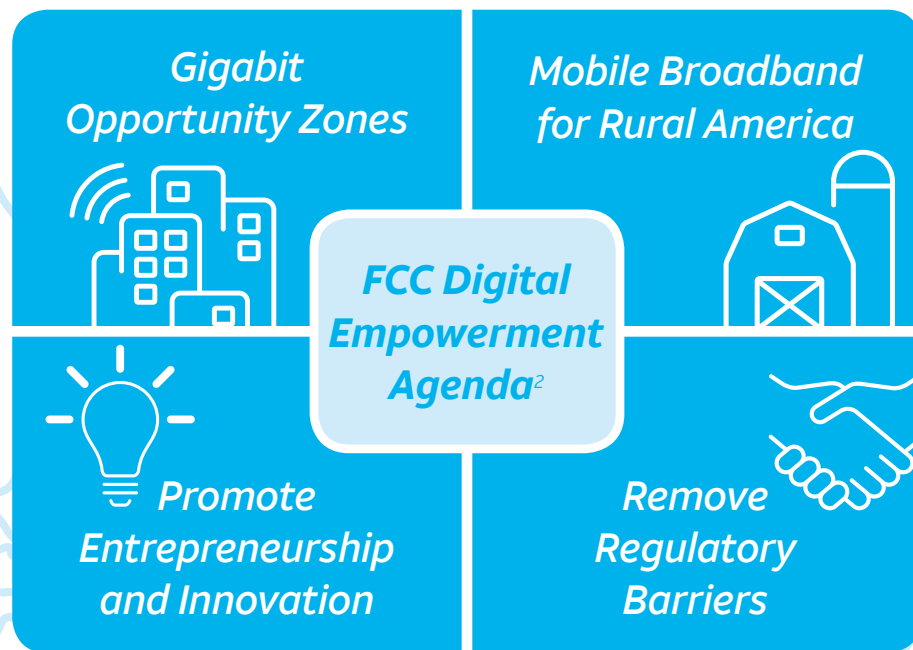


Digital Empowerment — Building America's Broadband Networks of the Future

Broadband is **essential** for American progress and productivity — broadband fuels jobs, education, civic engagement, and **ECONOMIC GROWTH**.¹



Leverage off the **SUCCESS** and **STRUCTURE** of the FCC's existing broadband infrastructure programs — the Connect America Fund and the Mobility Fund — to carry out the Digital Empowerment Agenda.

- Existing FCC programs narrowly target funds to specifically-defined unserved areas
- Data-driven process that is constantly improving
- Technology-neutral

FCC programs alone are NOT enough to fund the nation's broadband build-out — for example, the estimated \$198 million per year made available through the FCC's Connect America Fund Phase II Auction would provide only 21% of the FCC's own calculated deployment costs for all eligible areas.³

Smart Management of America's Broadband Investment

Competition is the **BEST WAY** to distribute and employ government broadband dollars.

- Large government programs are often slow, inefficient, and result in waste. For example, the NTIA's Broadband Technology Opportunity Program (BTOP) resulted in numerous claims of waste, fraud, and abuse.

The FCC's **Connect America Fund** and **Mobility Fund** programs provide a proven framework for service providers to compete for broadband funding.



- Competitive bidding is handled through a **“reverse auction.”**
- In a reverse auction, the **lowest** qualified bid wins.
- Service providers **compete** for funding.

Connect America Fund - Phase II Auction⁴

- Offers almost \$2 billion total — \$198 million per year for ten years
- Expands broadband to targeted unserved areas
 - Ensures scarce resources are efficiently targeted
- Uses reverse auction to distribute funds
- Incentivizes high quality service offerings through “bidding weights” for higher speeds, more data allowances, and low latency
- Technology neutral
- Milestones ensure winning bidders roll-out broadband in a timely fashion
- Participants bid for support to deploy broadband to targeted areas at speeds ranging from 10/1 Mbps to 1 Gbps

Mobility Fund - Phase II⁵

- Expands and preserves 4G LTE coverage in rural American and Tribal lands
- Distributes \$453 million in annual universal service fund support - totaling more than \$4.5 billion over 10 years
- Targets support to specifically-defined unserved areas that need it the most
- Ensures scarce resources are efficiently targeted

Citations

1. For AT&T's view of broadband infrastructure spending, see Joan Marsh, Delivering on the Broadband Promise to All Americans (Mar. 29, 2017) (available at <https://www.attpublicpolicy.com/broadband/delivering-broadband-promise-americans/>).
2. For an overview of FCC Chairman Ajit Pai's Digital Empowerment Agenda, see Remarks of FCC Commissioner Ajit Pai, A Digital Empowerment Agenda (Sep. 13, 2016) (summary available at https://apps.fcc.gov/edocs_public/attachmatch/DOC-341210A2.pdf).
3. Support for broadband deployment through the FCC's Connect America Fund Phase II reverse auction will comprise only a fraction of the funds needed to roll out broadband to all of rural America. The Connect America Fund Phase II reverse auction will make available approximately \$198 million/year in support — this is only 21% of the FCC's own calculated deployment costs for all eligible areas. See Delivering on the Broadband Promise to All Americans (available at <https://www.attpublicpolicy.com/broadband/delivering-broadband-promise-americans/>).
4. For information about the FCC's Connect America Fund, see FCC Takes Next Steps Towards Expanding Rural Broadband Access, Press Release (Feb. 23, 2017) (available at https://apps.fcc.gov/edocs_public/attachmatch/DOC-343606A1.pdf) (describing the FCC's action to implement the Connect America Fund Phase II reverse auction). On February 23, 2017, the FCC adopted a Report and Order and Order on Reconsideration concerning Phase II of the Connect America Fund reverse auction. The FCC released the order on March 2, 2017. See In the Matter of Connect America Fund, Report and Order and Order on Reconsideration, FCC 17-12 (rel. Mar. 2, 2017).
5. For information about the FCC's Mobility Fund, see FCC Advances Seamless Nationwide Access to Mobile Voice and Broadband Service Through Mobility Fund II, Press Release (Feb. 23, 2017) (available at https://apps.fcc.gov/edocs_public/attachmatch/DOC-343605A1.pdf) (describing the FCC's action to implement the Mobility Fund Phase II reverse auction). On February 23, 2017, the FCC adopted a Report and Order and Further Notice of Proposed Rulemaking concerning Phase II of the FCC's Mobility Fund. The FCC released the order on March 7, 2017. See In the Matter of Connect America Fund; Universal Service Reform - Mobility Fund, Report and Order and Further Notice of Proposed Rulemaking, FCC 17-11 (rel. Mar. 7, 2017).

