



**Power and Communications Contractors Association**  
**Position Paper**  
**Connect America Fund**  
**November 2015**

The Power & Communication Contractors Association (PCCA) represents contractors, manufacturers, and suppliers that build and repair America's power and communications infrastructure, including electric transmission and distribution lines and substations and broadband, telephone, and cable television systems. PCCA members also engage in directional drilling, local area and premises wiring, water and sewer utilities, and gas and oil pipelines. PCCA supports the Federal Communications Commission's (FCC) Connect America Fund (CAF) and its goal of expanding high-speed broadband service to unserved and underserved areas of the country.

**Connect America Fund**

The Connect America Fund (CAF) was created in 2012 out of the FCC's Universal Service Fund (USF) to transition the focus of universal service from supporting voice networks to supporting and expanding broadband availability and to provide immediate funding for high-speed, fixed-line broadband service in unserved areas of the United States.

Phase I of the CAF program provided support to carriers using forward-looking cost estimates based on switchboard efficiency and population as well as existing federal support. Eligible carriers had to provide broadband with actual speeds of at least 4 megabits per second (Mbps) downstream and 1 Mbps upstream, with available real-time applications and services and monthly usage capacity comparable to that of residential fixed-location broadband offerings in urban areas. FCC also adjusted existing universal service programs to focus more on expanding broadband availability in addition to voice network capacity.

**CAF II**

Phase II of the CAF program (CAF II) provides ongoing support to deploy and maintain fixed-line broadband and voice services in high-cost areas at comparable rates to those in urban areas. CAF II resources are determined by an FCC cost model where support is not be provided in areas where unsubsidized competitors are found to provide adequate broadband service. State-level support is offered to carriers for constructing both voice and broadband capable networks. However, ongoing delays in getting CAF dollars out the door are keeping the CAF program from achieving its goals.

PCCA supports distribution of CAF II resources through an accelerated and competitive bidding process that allows for an evolving broadband speed standard over time. Given the historical and expected direction broadband speeds are heading, consumers will likely demand faster upstream and downstream speeds sooner rather than later. The FCC conceded this point when it set the performance obligations at 10/1 Mbps.

In December 2014, FCC indicated that the minimum speed would be based on the highest speed adopted by a majority of households according to the most recent data available when CAF performance obligations are revisited and encouraged recipients of CAF support to deploy "future-proof networks" capable of meeting future demand.

Representing those constructing the broadband infrastructure, PCCA agrees. The USF program, currently utilizing a target level of 10 Mbps downstream/1 Mbps upstream, is grossly outdated. Even the 25 Mbps downstream/3 Mbps upstream identified by FCC as the as the target broadband level would be setting a substandard bar in terms of potential performance and should be considered the *minimum* speed provided. PCCA supports federal policy that encourages innovation and is able to keep pace with demand for high-speed, high-performance broadband infrastructure.