



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU ANNOUNCES AVAILABILITY OF VERSION THREE OF THE CONNECT AMERICA FUND PHASE II COST MODEL

WC Docket No. 10-90

Today, the Wireline Competition Bureau (Bureau) announces the availability of version three of the Connect America Cost Model, which allows Commission staff and interested parties to calculate costs based on a series of inputs and assumptions for Connect America Phase II implementation.

Connect America Fund Phase II will provide ongoing support for voice services and the extension of broadband-capable networks to millions of unserved locations using “a combination of a forward-looking cost model and competitive bidding.”¹ On December 11, 2012, the Bureau announced the release of version one of the Connect America Cost Model, and on January 17, 2013, the Bureau announced the release of version two of the model.²

Version three of the Connect America Cost Model builds on version two of the model. While version two incorporated 2010 census boundaries and December 2011 National Broadband Map data, version three contains additional updates to the model’s demand data. For example, version three utilizes GeoResults third quarter 2012 data for residential and business locations, with adjustments to residential location counts to conform to 2011 census data. Geocoded locations for both residences and businesses are used to the extent available, with locations lacking geocodes placed randomly along roads. The new version contains a revised network topology to take into account the updated locations. Version three also provides the capability for the user to identify census blocks shown in the June 2012 National Broadband Map as unserved by wireline telecommunications, cable, and fixed wireless providers offering speed levels of 3 Mbps downstream and 768 kbps upstream.³ Furthermore, this version incorporates updates to the

¹ See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17673, para. 23 (2011) (*USF/ICC Transformation Order*), *pets. for review pending sub nom.* In re: *FCC 11-161*, No. 11-9900 (10th Cir. filed Dec. 8, 2011).

² *Wireline Competition Bureau Announces Availability of Version One of the Connect America Fund Phase II Cost Model*, WC Docket Nos. 10-90 and 05-337, Public Notice, 27 FCC Rcd 15356 (Wireline Comp. Bur. 2012); *Wireline Competition Bureau Announces Availability of Version Two of the Connect America Fund Phase II Cost Model*, WC Docket No. 10-90, Public Notice, 28 FCC Rcd 280 (Wireline Comp. Bur. 2013).

³ This feature enables the user to designate areas that receive a minimum speed of 3 Mbps downstream and 768 kbps upstream as a served census block, and areas that receive a speed less than 3 Mbps downstream and 768 kbps upstream as an unserved census block. The Bureau notes that this feature is intended only to allow parties to test the impact on support calculations of various assumptions about the existence of unsubsidized competitors meeting specified speeds, and does not signify a determination that these areas are or are not served by an unsubsidized competitor. The Bureau previously has sought public comment on various issues regarding how to determine which areas are served by an unsubsidized competitor, including specific metrics for latency, usage and price, which are not captured in the National Broadband Map. See *Wireline Competition Bureau Seeks Further Comment on Issues Regarding Service Obligations for Connect America Phase II and Determining who is an Unsubsidized Competitor*, WC Docket No. 10-90, Public Notice, DA 13-

(continued...)

TelcoMaster table, which associates a holding company name with each wire center. Finally, this version allows users to modify how total cost in a census block is unitized and to toggle between per-subscriber and per-location data in reporting model results.

Parties should follow the same procedures to access version three of the Connect America Cost Model as previously announced for versions one and two. In particular, parties may access version three of the cost model at <http://www.fcc.gov/encyclopedia/caf-phase-ii-models> or <https://cacm.usac.org>.⁴ Additionally, authorized users who have signed the protective order will have access to a system evaluator package that provides a test environment populated with a sample database, allowing users to view database structures, observe the processing steps of CACM for a subset of the country, and see changes in the database.

The Bureau will continue to evaluate the record received in response to the virtual workshop and various public notices that have been released to date. The Bureau anticipates that the next step is to adopt an order that addresses the key engineering assumptions and design principles for the cost model platform.

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284 (Wireline Comp. Bur. rel. Feb. 26, 2013); *Wireline Competition Bureau Seeks Comment on Procedures Relating to Areas Eligible for Funding and Election to Make a Statewide Commitment in Phase II of the Connect America Fund*, WC Docket No. 10-90, Public Notice, 27 FCC Rcd 15970 (Wireline Comp. Bur. 2012).

⁴ In order to access any version of the model, parties must execute the relevant acknowledgement of confidentiality, licensing, and nondisclosure documents released as attachments to a Third Supplemental Protective Order. See *Connect America Fund*, WC Docket No. 10-90, Third Supplemental Protective Order, 27 FCC Rcd 15277 (Wireline Comp. Bur. 2012).