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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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NEWS MEDIA CONTACT:
Mark Wigfield at (202) 418-0253
Email: mark.wigfield@fcc.gov

FEDERAL COMMUNICATIONS COMMISSION RELEASES DATA ON HIGH-SPEED SERVICES FOR INTERNET ACCESS

High-Speed Connections to the Internet Increased from 37.9 Million to 42.9 Million Lines in the First Half of 2005

Washington, D.C. – The Federal Communications Commission (FCC) today released new data on high-speed connections to the Internet in the United States. Twice a year, facilities-based broadband providers report the number of high-speed connections in service pursuant to the FCC's local telephone competition and broadband data gathering program (FCC Form 477). Statistics released today reflect data as of June 30, 2005.

All facilities-based providers of high-speed connections to end users were required to report to the Commission basic information about their service offerings and types of customers as of June 30, 2005. Previously, providers with fewer than 250 high-speed connections in service in a particular state were not required to report data for that state. More than twice as many holding companies and unaffiliated entities reported information about high-speed connections as of June 30, 2005 as had reported six months earlier.

For reporting purposes, ***high-speed lines*** are connections that deliver services at speeds exceeding 200 kilobits per second (kbps) in at least one direction, while ***advanced services lines*** are connections that deliver services at speeds exceeding 200 kbps in both directions. The June 30, 2005 data provide more information about the "speeds" of advanced services lines and finer distinctions among technologies than previously reported. They also enable, for the first time in this data collection, estimation of the extent to which high-speed Digital Subscriber Line (DSL) connections are available to households residing in the areas served by incumbent local exchange carriers (ILECs) and the extent to which high-speed cable modem service is available to households residing in the areas served by cable TV systems.

1) Advanced Services Lines

- Advanced services lines, which deliver services at speeds exceeding 200 kbps in both directions, increased by 31% during the first half of 2005, from 28.9 million to 37.7 million, compared to a 23% increase, from 23.5 million to 28.9 million lines, during the second half of 2004. For the full twelve month period ending June 30, 2005, advanced services lines increased 60% (or 14.2 million lines).

- Of the 37.7 million advanced services lines reported as of June 30, 2005, 61.8% were at least 2.5 mbps in the faster direction and 38.2% were slower than 2.5 mbps in the faster direction.

- Of the 37.7 million advanced services lines, 34.3 million served primarily residential end users. Cable modem service represented 64.9% of these lines while 33.9% were asymmetric DSL (ADSL) connections, 0.5% were symmetric DSL (SDSL) or traditional wireline connections, 0.2% were fiber connections to the end user premises, and 0.5% used other types of technology including satellite, terrestrial fixed or mobile wireless (on a licensed or unlicensed basis), and electric power line.

2) <u>High-Speed Lines</u>

- High-speed lines, which encompass advanced services lines and also lines that deliver services at speeds exceeding 200 kbps in one, but not both, directions, increased by 13% during the first half of 2005, from 37.9 million to 42.9 million lines in service, compared to a 17% increase, from 32.5 million to 37.9 million lines, during the second half of 2004. For the full twelve month period ending June 30, 2005, high-speed lines increased by 32% (or 10.4 million lines).

- Of the 42.9 million total high-speed lines reported as of June 30, 2005, 38.5 million served primarily residential end users. Cable modem service represented 61.0% of these lines while 37.2% were ADSL connections, 0.4% were SDSL or traditional wireline connections, 0.2% were fiber connections to the end user premises, and 1.1% used other types of technology including satellite, terrestrial fixed or mobile wireless (on a licensed or unlicensed basis), and electric power line.

3) <u>Geographic Coverage</u>

- As a nationwide average, we estimate that high-speed DSL connections were available to 76% of the households to whom ILECs could provide local telephone service as of June 30, 2005, and that high-speed cable modem service was available to 91% of the households to whom cable system operators could provide cable TV service.

- Providers list the Zip Codes in which they have at least one high-speed connection in service to an end user, and 98% of Zip Codes were on the list of at least one provider. Our analysis indicates that more than 99% of the nation's population lives in those Zip Codes. The most widely reported technologies by this measure were satellite (with at least some presence reported in 86% of Zip Codes), ADSL (in 78% of Zip Codes), and cable modem (in 62% of Zip Codes). ADSL and/or cable modem connections were reported to be present in 85% of Zip Codes.

The summary statistics released today also include state-by-state information, and population density and household income information ranked by Zip Codes. As additional information becomes available, it will be posted on the Commission's Internet site.

The report is available for reference in the FCC's Reference Information Center, Courtyard Level, 445 12th Street, SW, Washington, DC. Copies may be purchased by calling

Best Copy and Printing, Inc. at (800) 378-3160. The report can also be downloaded from the Wireline Competition Bureau Statistical Reports Internet site at www.fcc.gov/wcb/stats.

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Wireline Competition Bureau contacts: James Eisner and Suzanne Mendez at (202) 418-0940, TTY (202) 418-0484.