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## **FCC Releases Data on High-Speed Services For Internet Access and Local Telephone Competition**

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**To: Broadcast Clients**  
**From: Cavan Fabris**

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On July 26, 2006 the Federal Communications Commission (FCC) released two reports on the nationwide status of telecommunications services deployment and competition. The first report summarizes the status of high-speed services for Internet access and the second provides a snapshot of local telephone competition.

The 1996 Telecom Act required the states and the FCC to encourage the timely deployment of advanced telecommunications capability throughout the U.S. In order to assess the level of deployment of high-speed services for Internet access, in 1999 the FCC instituted a reporting program requiring facilities based broadband providers (wireline telephone companies, cable system operators, wireless service providers, satellite service providers, etc.) to report twice a year, the number of high-speed lines they have in service. Likewise, incumbent local exchange carriers (ILECs) and competitive local exchange carriers (CLECs) are required to report twice a year information about their local telephone service, and all facilities-based mobile telephony providers are required to provide information about their subscribers. These reports summarize information from the thirteenth semi-annual data collection reflecting information received as of December 31, 2005.

### **High-Speed Services for Internet Access**

Pursuant to the Local Competition and Broadband Reporting Order, high-speed lines are defined as services that provide the subscriber with transmissions at speeds exceeding 200 kbps in at least one direction. Advanced services lines provide the subscriber with transmissions at speeds of at least 200 kbps in both directions. Below are some of the highlights from this report:

- High-speed lines and advanced services lines increased by 18% during the second half of 2005, from 42.4 million to 50.2 million lines in service, compared to a 12% increase, from 37.9 million to 42.4 million lines, during the first half of 2005. For the full twelve month period ending December 31, 2005, high-speed lines increased by 33% (or 12.3 million lines).
- Of the 50.2 million total high-speed lines reported as of December 31, 2005, 42.9 million served primarily residential end-users. Cable modem service represented 57.5% of these lines while 40.5% were asymmetric DSL (ADSL) connections, 0.3% were symmetric

DSL (SDSL) or traditional wireline connections, 0.5% were fiber connections to the end-user premises, and 1.2% used other types of technology (satellite, terrestrial fixed or licensed or unlicensed mobile wireless and electric power line).

- For the first time since data was collected in 1999, the increase in ADSL lines exceeded the increase in cable modem connections. ADSL increased by 3.2 million lines during the second half of 2005 compared to an increase of 1.6 million lines for cable modem service. For the full year, ADSL increased by 5.7 million lines compared to an increase of 4.2 million lines for cable modem service.
- Advanced services lines increased by 15% during the second half of 2005, from 37.3 million to 42.8 million, compared to a 29% increase, from 28.9 million to 37.3 million lines, during the first half of 2005. For the full twelve month period ending December 31, 2005, advanced services lines increased 48% (or 13.9 million lines).
- Of the 42.8 million advanced services lines reported as of December 31, 2005, 62.3% were at least 2.5 mbps in the faster direction and 37.7% were slower than 2.5 mbps in the faster direction.
- Of the 42.8 million advanced services lines, 39.3 million served primarily residential end users. Cable modem service represented 62.4% of these lines while 36.2% were ADSL connections, 0.3% were SDSL or traditional wireline connections, 0.5% were fiber connections to the end user premises, and 0.5% used other types of technology (satellite, terrestrial fixed or licensed or unlicensed mobile wireless and electric power line).
- As a nationwide average, high-speed DSL connections are estimated to be available to 78% of the households where the incumbent LECs could provide local telephone service as of December 31, 2005, and that high-speed cable modem service was available to 93% of the households where the cable system operators could provide cable TV service.
- 99% of all Zip Codes nationwide are served by at least one provider. FCC analysis indicates that more than 99% of the nation's population lives in those Zip Codes. The most widely reported technologies in use were satellite (with at least some presence reported in 88% of Zip Codes), ADSL (in 82% of Zip Codes), and cable modem (in 57% of Zip Codes). ADSL and/or cable modem connections were reported to be present in 87% of Zip Codes.

This report can be downloaded from the FCC's Internet site at: [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DOC-266596A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-266596A1.pdf).

### **Local Telephone Competition**

The data below provides a snapshot of local telephone service competition based on switched access lines in service and mobile telephony subscribers as of December 31, 2005:

- End-user customers obtained local telephone service via approximately 143.8 million incumbent LEC switched access lines, 31.6 million CLEC switched access lines, and 203.7 million mobile telephony service subscriptions.
- Of the 31.6 million CLEC end-user switched access lines, 5.1 million lines were provided over coaxial cable connections. The 5.1 million lines represent about 50% of the 10.1 million end-user switched access lines provided over the CLEC's own local loop facilities.
- Mobile telephony service providers reported 203.7 million subscribers at the end of 2005, which is 22.6 million, or 12%, more than in 2004.
- At least one CLEC was serving customers in 82% of the nation's Zip Codes at the end of 2005. About 98% of United States households resided in those Zip Codes.
- The 31.6 million lines reported by CLECs is about 18% of the 175.4 million total end-user switched access lines reported for the end of 2005.
- CLECs reported 13.9 million (or 13%) of the 108.3 million lines that served residential end users and 17.7 million (or 26%) of the 67.1 million lines that served business, institutional, and government customers.
- CLECs reported providing 32% of their end-user switched access lines over their own local loop facilities, 47% by using unbundled network elements (UNEs) leased from other carriers, and 21% through resale arrangements.
- ILECs reported providing about 26% fewer UNE loops with switching (UNE-Platform) at the end of 2005 than they reported six months earlier (10.8 million compared to 14.6 million) and about 4% more UNE loops without switching (4.5 million compared to 4.3 million).
- ILECs were the presubscribed interstate long distance carrier for 51% of the switched access lines they provided to end users, while CLECs were the interstate long distance carrier for 79% of their switched access lines.

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These reports are quite significant. High speed access to the internet is no longer a challenge. 99% of the U.S. population has access to high speed data service and the majority of the population access the Internet via a cable modem. Furthermore, mobile phones are ubiquitous. With 12% growth in subscribers between 2004 and 2005 there are now more mobile subscribers nationwide than traditional ILEC and CLEC provided switched access lines.

If you have any questions or would like additional information, please contact Cavan Fabris (202- 857-4536) or any other Womble Carlyle communications attorney. Also, be sure to check out our Commlaw Source blog: <http://wombletelecomm.blogspot.com/>.

**The Communications Lawyers at  
Womble Carlyle Sandridge & Rice, PLLC**

Cavan Fabris, (202) 857-4536, [cfabris@wcsr.com](mailto:cfabris@wcsr.com)

Mark Palchick, (202) 857-4411, [mpalchick@wcsr.com](mailto:mpalchick@wcsr.com)

Gregg P. Skall, (202) 857-4441, [gskall@wcsr.com](mailto:gskall@wcsr.com)

John F. Garziglia, (202) 857-4455, [jgarziglia@wcsr.com](mailto:jgarziglia@wcsr.com)

Peter Gutmann, (202) 857-4532, [pgutmann@wcsr.com](mailto:pgutmann@wcsr.com)

Vincent A Pepper, (202) 857-4560, [vpepper@wcsr.com](mailto:vpepper@wcsr.com)

Howard J. Barr, (202) 857-4506, [hbarr@wcsr.com](mailto:hbarr@wcsr.com)

Joan D. Stewart, (202) 857-4490, [jstewart@wcsr.com](mailto:jstewart@wcsr.com)

Michael H. Shacter, (202) 857-4494, [mshacter@wcsr.com](mailto:mshacter@wcsr.com)

Michael B. Hazzard, (202) 857-4540, [mhazzard@wcsr.com](mailto:mhazzard@wcsr.com)

Ross Buntrock, (202) 857-4479, [rbuntrock@wcsr.com](mailto:rbuntrock@wcsr.com)