



NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

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FCC RELEASES ‘CONNECT AMERICA FUND’ ORDER TO HELP EXPAND BROADBAND, CREATE JOBS, BENEFIT CONSUMERS

Sweeping reforms will modernize U.S. communications infrastructure and expand broadband to 18 million unserved Americans throughout the nation

Washington, D.C. – The Federal Communications Commission has released its comprehensive reforms to expand access to high-speed Internet and voice services nationwide and benefit consumers by accelerating deployment of modern communications networks. Adopted unanimously late last month, the overhaul transforms the FCC’s outdated universal service and intercarrier compensations systems into a new Connect America Fund, or CAF, representing the most significant policy step ever taken to connect all Americans to broadband.

The CAF—with an annual budget set at no more than \$4.5 billion, the same as the current universal service funding level—is expected to help connect 7 million Americans to high-speed Internet and voice in rural America over the next six years, generating approximately 500,000 jobs and \$50 billion in economic growth over this period. Main Street businesses across the country will benefit from the opportunity to sell to new customers throughout the U.S.

The Order adopted by the FCC recognizes the growing importance of mobile broadband and makes it an independent universal service objective for the first time. Dedicated support to expand mobile broadband nationwide to tens of thousands of road miles where millions of Americans live, work, and travel will be provided through a new Mobility Fund.

The Order also phases down antiquated, opaque, regulated charges for the exchange of voice traffic among carriers—known as intercarrier compensation—and transitions to a simplified, uniform “bill-and-keep” framework, which removes hidden subsidies on consumers’ bills, increases efficiency, and eliminates impediments to the deployment of modern networks. Intercarrier compensation reform will provide benefits to all Americans through improved service and lower costs.

The Connect America Fund will put America on the path to universal broadband and advanced mobile coverage without increasing costs. By eliminating waste and targeting support where it is most needed, these reforms keep universal service funding on a firm budget, and they will ensure rigorous accountability for Fund recipients.

The full [Order and Further Notice of Proposed Rulemaking](#) includes an executive summary highlighting key reforms. The rules adopted as part of these reforms should take effect by January 1, 2012.

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on the Commission’s web site www.fcc.gov.