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FCC RELEASES REPORT ON THE AVAILABILITY OF HIGH-SPEED AND ADVANCED TELECOMMUNICATIONS CAPABILITY

Report on High-Speed and Advanced Telecommunications Services Shows Nearly Ten Million Subscribers

Washington, D.C. – Today, the Federal Communications Commission (FCC) released its third report on the availability of advanced telecommunications capability services concluding that advanced telecommunications capability is being deployed in a reasonable and timely manner. The report, which includes data through June 30, 2001, showed that the advanced telecommunications services market continued to grow, and that the availability of and subscribership to high-speed services increased significantly. Additionally, the report noted that although investment trends in general have slowed recently, investment in infrastructure for advanced telecommunications remains strong.

This is the FCC's third inquiry, as required by Congress, into whether "advanced telecommunications capability" is being deployed to all Americans in a reasonable and timely fashion. Advanced telecommunications capability is the availability of high-speed, switched, broadband telecommunications that enables users to originate and receive high-quality voice, data, graphics, and video using any technology platform.

As with previous reports, the FCC uses the term "advanced telecommunications capability" to describe services and facilities with an upstream (customer-to-provider) and downstream (provider-to-customer) transmission speed exceeding 200 kilobits per second (kbps). The FCC uses the term "high-speed" for those services with over 200 kbps capability in at least one direction. The term high-speed services includes advanced telecommunications capability.

The data in the report is gathered largely from standardized information from providers of advanced telecommunications capability including wireline telephone companies, cable providers, wireless providers, satellite providers, and any other facilities-based providers of 250 or more high-speed service lines (or wireless channels) in a given state.

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Summary of Report

1. Overall Subscribership Data

- There were approximately 9.6 million high-speed (including advanced services) subscribers, as of June 30, 2001, a 36% increase during the first half of 2001, and a 250% increase from the FCC's *Second Report* issued in August 2000, (which included data from 18 months ago, December 31, 1999).
- Approximately 7.8 million of these subscribers are residential or small business customers, up from nearly 5.2 million during the first half of 2001 – a 51% increase.
- Approximately 4.3 million of the 7.8 million residential or small business customers are advanced services subscribers – a 54% increase during the first half of 2001.
- There were approximately 5.9 million advanced services subscribers, as of June 30, 2001, a 38% increase during the first half of 2001.
- 7.0% of American households subscribed to high-speed services, up from 4.7% since January 2001, and 1.6% in the FCC's *Second Report* issued in August 2000.

2. Subscribership by Technology

- High-speed asymmetric DSL (ADSL) lines in service totaled 2.7 million, an increase of 36% during the first half of 2001.
- High-speed lines in service over coaxial cable systems remained more numerous, increasing 45% to 5.2 million lines.
- High-speed lines in service over satellite or fixed wireless technologies increased at the fastest rate, 73%, during the first half of the year 2001, to nearly 200 thousand.
- Of the 5.9 million subscribers to advanced services, 3.3 million subscribed to cable-based services – a 52% increase over the first six months of 2001– and 1 million subscribed to asymmetric DSL – a 48% increase over the first six months of 2001, with the remaining balance subscribed to other technologies.
- Of the 2.7 million high-speed DSL lines, about 93% of these lines were reported by incumbent local exchange carriers (LECs); about 86% of these lines were reported by the Regional Bell Operating Companies (RBOCs); and about 7% of these lines were reported by non-ILECs.

3. Zip Code, Density and Income Data

- 78% of the zip codes in this country have at least one subscriber to high-speed services, up from 73% as of January 2001. 58% of the nation's zip codes have multiple high-speed providers.
- High-speed subscribers were reported in 97% of the most densely populated zip codes and in 49% of zip codes with the lowest population densities.

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- In the top one-tenth zip codes ranked by median family income, high-speed subscribers were reported in 96% of zip codes. By contrast, high-speed subscribers were reported in 59% of zip codes with the lowest median family income. It should be noted, however, that this gap is closing – in the FCC's *Second Report*, 42% of zip codes with the lowest median household income reported a high-speed subscriber and 91% of zip codes with the highest median household income reported a high-speed subscriber.

Commission Action to Promote Broadband Deployment

The Commission has recently undertaken several proceedings to promote the availability of advanced telecommunications capability with the goal of removing barriers to deployment, encouraging competition and promoting infrastructure investment. Below are listed just a few of these proceedings:

- The *Cable Modem Notice* that considers the definitional question of the regulatory classification of cable modem service.
- The *Incumbent LEC Broadband Telecommunications Services Notice* to examine the appropriate regulatory requirements for the incumbent LECs' provision of domestic broadband telecommunications services.
- The *Triennial Review Notice* to address incumbent LECs' wholesale obligations under section 251 to make their facilities available as unbundled network elements to competitive LECs for the provision of broadband services.

Additionally, the Commission plans to initiate an inquiry, the *Broadband Notice*, relating to the statutory classification of wireline broadband Internet access services. The Commission will explore what regulations, if any, are appropriate if wireline broadband Internet access services are found to be information services or other services subject to Title I of the Act. Specifically, we plan to examine implications for universal service, access and interconnection, and other core communications policy objectives.

-FCC-

Docket No.: CC 98-146

Action by the Commission February 6, 2002, by Third Report (FCC 02-33). Chairman Powell and Commissioner Abernathy, and Commissioner Martin issuing separate statements; Commissioner Copps Dissenting and issuing a statement.

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