



NTCA 2017 USF Budget Control Impact Survey Results

OVERVIEW OF THE SURVEY

In June of 2017, NTCA–The Rural Broadband Association surveyed its members on the impact that the USF budget controls would have on their company and their ability to serve their customers. Responses were received from 183 member companies, a 33% response rate.

SURVEY RESULTS

Q: Is your company receiving non-model-based USF support (CAF-BLS and/or HCLS)?

Yes – 79.7%

No – 20.3%

Q: If your company is receiving non-model-based support, how much (in dollars) is the budget control on such support forecasted to reduce your USF support from July 2017 through June 2018?

<u>Mean</u>	<u>Median</u>
\$536,084	\$332,852

Q: As a result of your reduction in support, will you be reducing future network investment efforts over the next 12 months?

Yes – 64.0%

No – 36.0%

Q: If yes, how much will the reduction in future investments be (\$ value of projects)?

<u>Mean</u>	<u>Median</u>
\$943,418	\$500,000

Q: If yes, estimate how many customers overall will be denied greater broadband speeds than they receive today due to the declined/delayed future investment?

<u>Mean</u>	<u>Median</u>
854	250

Q: If yes, estimate the PERCENTAGE reduction of your customers to whom you would construct new broadband capable of:

	<u>Mean</u>	<u>Median</u>
10 to 25 Mbps down (%):	34%	25%
26 to 50 Mbps down (%):	31%	10%
51 to 100 Mbps down (%):	30%	5%



Q: If you will be required to charge your customers higher broadband prices because of the reduction in support due to the budget control, how much more do you believe that you will need to charge per month for broadband (whether on a standalone basis or as part of a bundle)?

\$0.01 to \$5.00:	18.5%
\$5.01 to \$10.00:	33.8%
\$10.01 to \$25.00:	33.8%
\$25.01 to \$50.00:	7.7%
More than \$50.00:	6.2%

Q: If you offer standalone broadband, what is your monthly charge for that?

<u>Mean</u>	<u>Median</u>
\$83	\$72

Q: If you do NOT offer standalone broadband, what do you estimate your standalone broadband rates would be if you offered it given the budget control?

<u>Mean</u>	<u>Median</u>
\$126	\$120

Q: How much do you believe your standalone broadband product would cost customers if the budget control did not apply?

<u>Mean</u>	<u>Median</u>
\$70	\$52

Q: Have you received any estimates from advisors regarding the magnitude of the budget controls in future periods (i.e., for periods AFTER the next 12 months?)

Yes – 31.4%
No – 68.6%

Q: If “Yes,” what are those estimates for 2018-2019 (stated as a % of USF support)?

<u>Mean</u>	<u>Median</u>
17%	12%

DISCLAIMER: Data from the survey has been presented as reported.

To get more information on this report please contact Rick Schadelbauer at NTCA (703-351-2019, rschadelbauer@ntca.org)