Deployment for Rural and Underserved Areas

Materiality Assessment Topic: Deployment for rural and underserved areas

Issue Summary

Innovation in communications technology drives consumer demand and continual growth in the industry. People in all corners of the country seek the benefits of high speed broadband at home and at work — as students and as entrepreneurs and business-owners. But access to communications technologies is not evenly distributed across the United States. Currently, many lower income or rural communities have limited access to next-generation Internet Protocol (IP)-based networks.

Our Position

Our customers embraced increased choice in how they connect to each other and to the Internet in many aspects of their daily lives, including smart phones, tablets or IP-enabled TVs. As innovation introduces new opportunities for our customers every day, we are competing vigorously to improve and expand their service.

Through Project Velocity IP (VIP), AT&T's $14 billion investment plan to expand and enhance AT&T's wireless and wireline IP broadband networks over the next three years, we seek to accelerate the transition to next-generation networks. IP-based networks boost affordability and the rate of broadband adoption, enhance broadband service quality, generate economic growth, maximize private investment and strengthen U.S. global competitiveness.

Data Highlights

2012 Key Performance Indicators

- Investment in wired and wireless networks: Nearly **$20B**

Our Action

To help meet the needs of our customers today and for the future, AT&T announced VIP, which will accelerate the transition to IP-based networks, in November of 2012. Project VIP is a three-year, $14 billion investment plan to expand and enhance AT&T's wireless and wireline IP broadband networks to support growing demand for high speed Internet access and new mobile, app and cloud services. We also recently filed a petition at the FCC that asks the agency to work together with the industry to begin a national dialogue about, and start an incremental transition to, IP-networks.

IMPROVING RELIABILITY AND SPEED, ALL WHILE PREPARING FOR THE NEXT GENERATION OF INNOVATION

Project VIP consists of several wireless and wireline initiatives, which are outlined below:

- Over the next three years, we plan to deploy more than **10,000 new macro sites**, more **than 1,000 distributed antenna systems** and more than **40,000 small cells**.
- Plan to expand our 4G LTE network to cover **300 million** people in the United States by year-end 2014.
- Plan to expand and enhance our wireline IP network to cover approximately **75 percent** of customer locations in our wireline service area by yearend 2015.
- Plan to expand our fiber network to reach an additional **1 million** business customer locations by year-end 2015.

The transition to IP-based networks holds new opportunity for rural and underserved communities, where high speed connections can augment traditional services in areas such as education and health care.

Specifically, completion of the IP transition is expected to help:

- Expand economic opportunity to help alleviate high unemployment in underserved communities. For example, a study by economists Robert Shapiro and Kevin Hassett shows that the transition from 2G to 3G wireless created about 1.6 million U.S. jobs.[1]
- Boost broadband adoption by increasing competition and making home broadband more affordable. Help advance broadband access to those in rural communities.
- Enable improved communication around the country — connect people in ways that provide a better exchange of information and ideas.
- Improve access to quality health care, improve health outcomes, and cut health care costs. Broadband enables access to distant health care specialists and services. A range of health applications, including remote monitoring, enables better management of chronic conditions. These services can be especially helpful to rural communities.
- Broadband access helps communities to bridge educational divides. Online classes made more widely available through IP networks can also help address the shortage of advanced and expanded course offerings in rural and underserved schools, only 69 percent of which are able to provide Advanced Placement

[1]NDN and New Policy Institute. The Employment Effects of Advances in Internet and Wireless Technology: Evaluating the Transitions from 2G to 3G and from 3G to 4G. http://ndn.org/blog/2012/01/ndnnpi-releases-new-paper-employment-effects-advances-internet-and-wireless-technology.

classes, compared to 93 percent of city schools.[2]

[2]The Alliance for Excellent Education. http://www.all4ed.org/files/RuralHSReportChallengesOpps.pdf.