Beyond the Numbers:
Industry Trends and Insights From NECA Data

Presented by:
Roman Sysuyev
Senior manager – Business Analytics and Earnings Assessment
rsysuyev@neca.org

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Agenda

- BDC service coverage update
- BDC competition analysis
- Demand trends

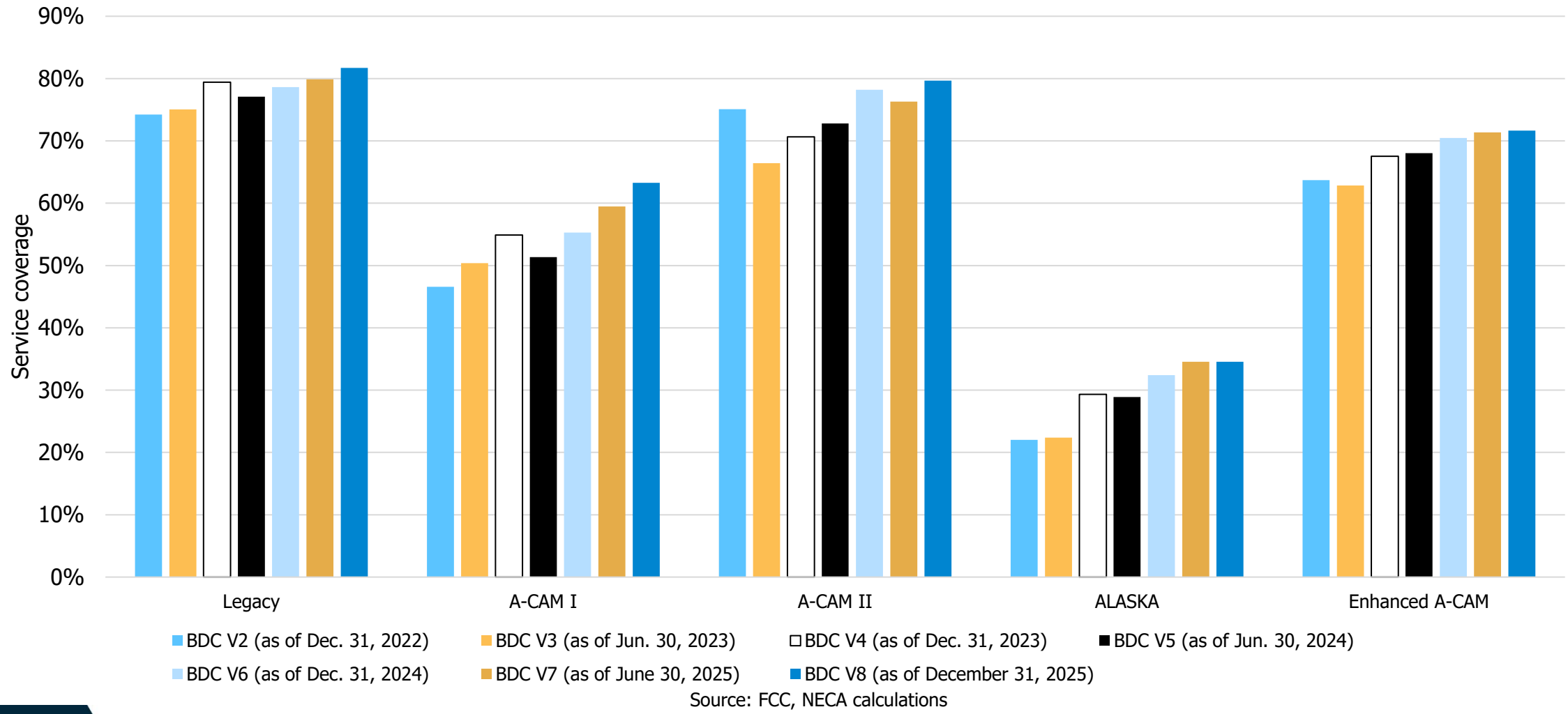
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BDC service coverage update
Data sources

- Broadband Data Collection (and Broadband Fabric) available in eight versions:
  - V1 as of June 30, 2022, to V8 as of Dec. 31, 2025
  - Updated semiannually
- V1 is the first time BDC rolled out and the data is not reliable; using V2-V8
- Coverage shown for locations serviced by ILEC in the ILEC's study area compared to total locations in the study area, averaged by model type
- Study areas on Enhanced A-CAM support in V2 through V4 correspond to would-be electors. The would-be Enhanced A-CAM electors are also included in legacy, A-CAM I and A-CAM II support groups for those versions

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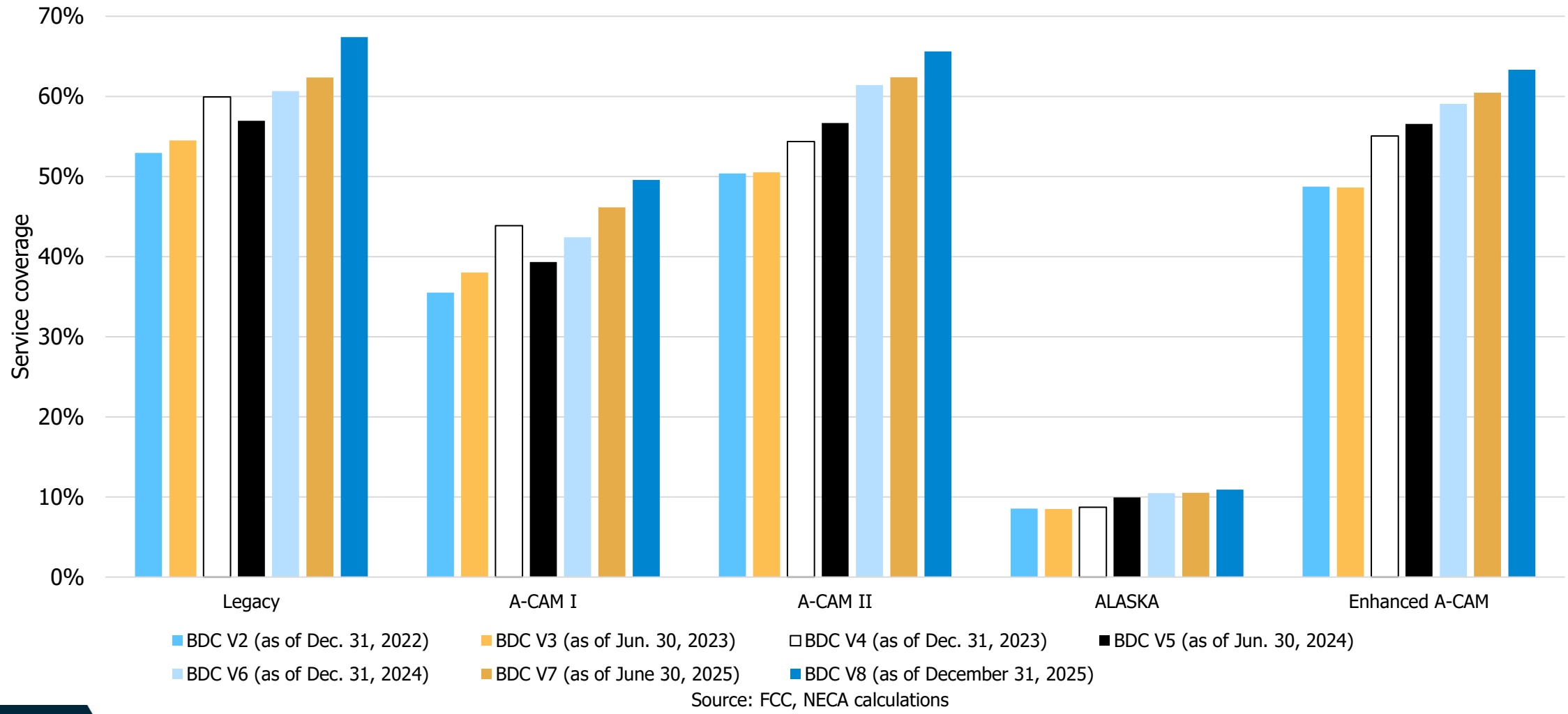
BDC service coverage update
100/20 service coverage



Source: FCC, NECA calculations

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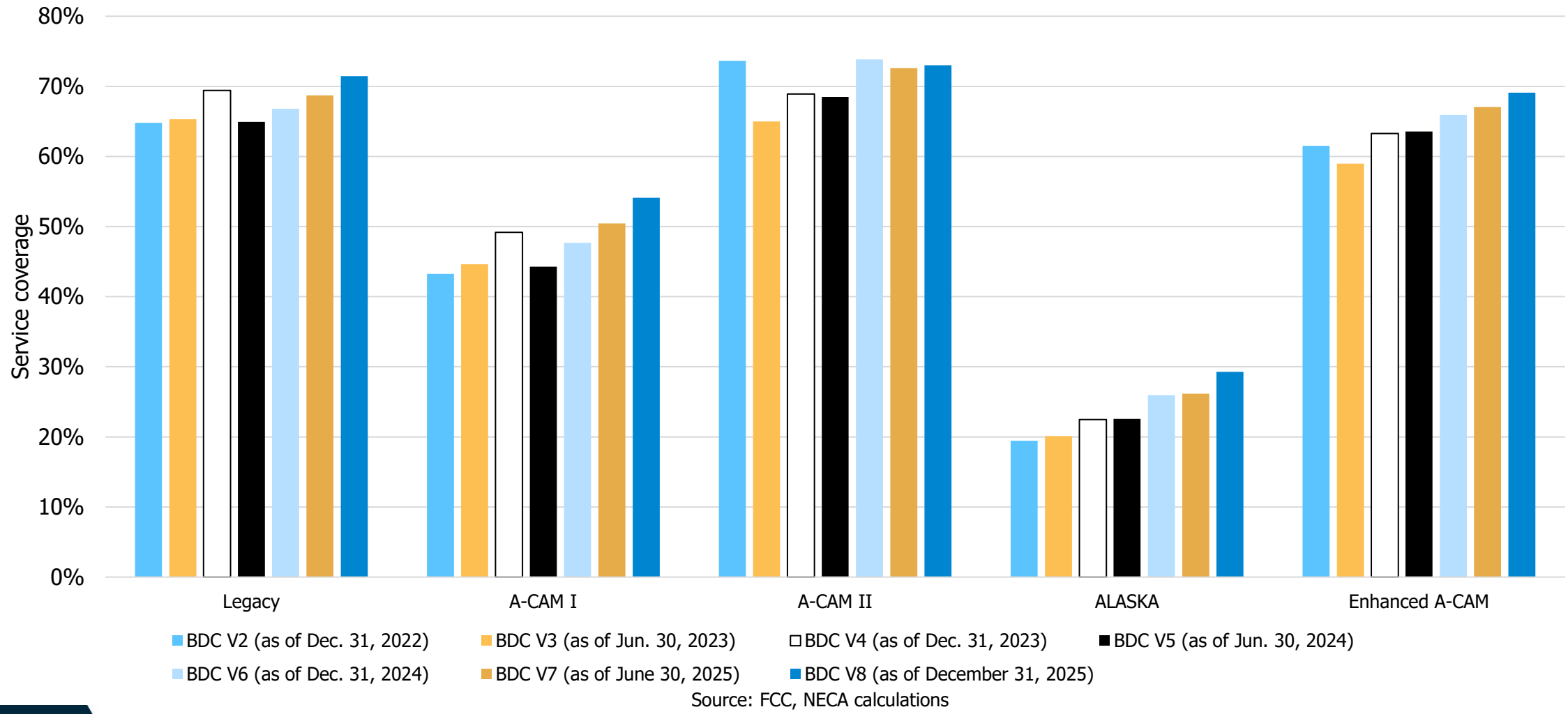
BDC service coverage update
1,000/500 service coverage



Source: FCC, NECA calculations

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BDC service coverage update
Fiber coverage



Source: FCC, NECA calculations

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BDC service coverage update
Incumbents' technologies

Technology	Served by any speed	Served by 100/20	Served by 1000/500	Served by fiber
Copper	18.2%	0.9%	0%	0%
Cable	4.4%	4.7%	0.2%	0%
Fiber	62.8%	67.1%	62.7%	68.3%
Unlicensed fixed wireless	0.9%	0.4%	0%	0%
Licensed fixed wireless	1.4%	1.2%	0%	0%
LBR fixed wireless	0.2%	0.2%	0%	0%
Total served	87.9%	74.5%	62.9%	68.3%

Source: FCC, NECA calculations

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BDC service coverage update
Summary

- Service coverage has been slowly increasing by all support types
- High-speed offerings saw the biggest increases in the past year
- 100/20 coverage increased to 80% for legacy and A-CAM II companies and 70% for Enhanced A-CAM companies
- Study areas that opted into Enhanced A-CAM had average service coverage for A-CAM I and A-CAM II and significantly above average service coverage for legacy support. That led to a drop in all coverages for legacy support study areas between V4 and V5 of BDC
- ILECs predominantly rely on fiber to provide their services, although copper is still present for very low speed offerings

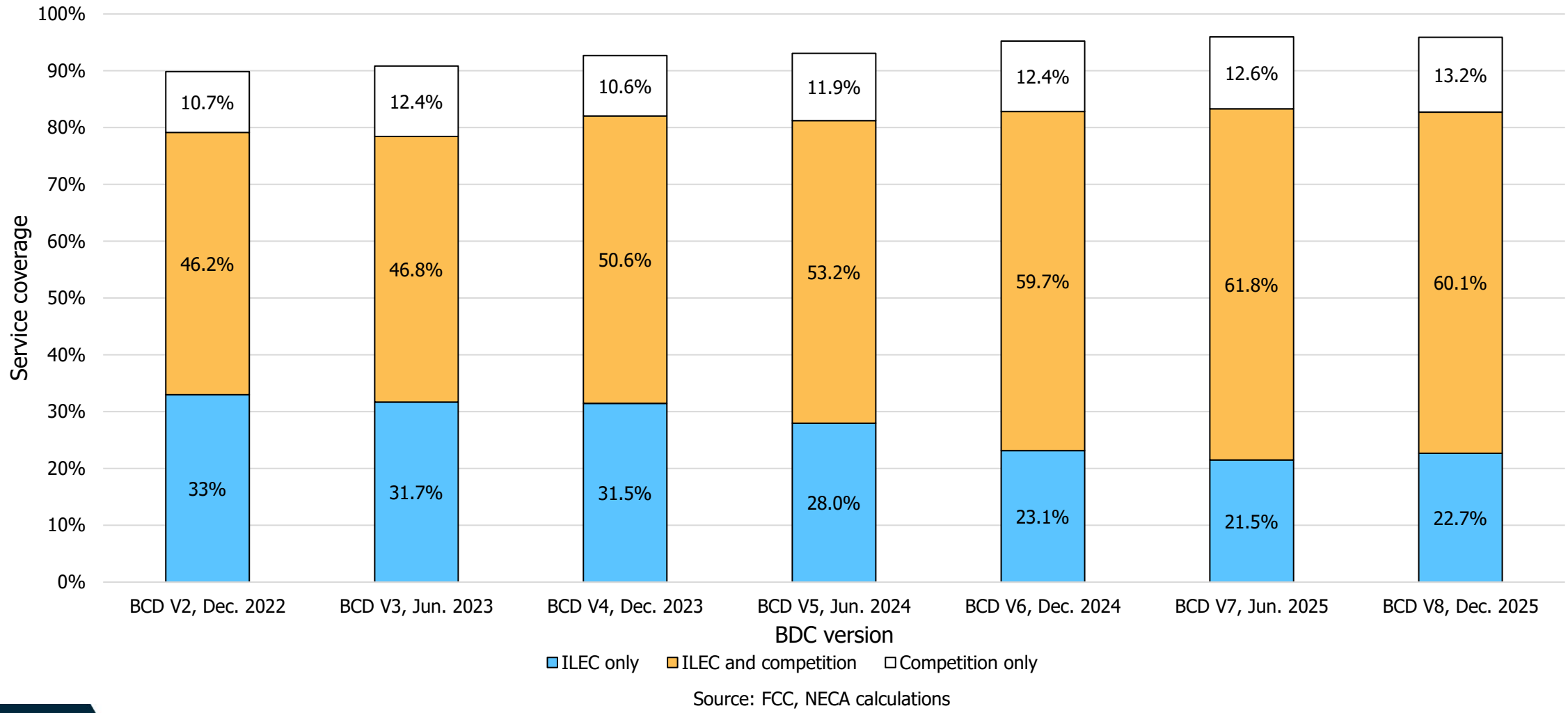
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BDC competition analysis
Assumptions

- We consider competition from fixed broadband providers only and exclude satellite
- Service rates are defined as locations in ILEC study area served by ILEC and any eligible competitors as a fraction of total locations in the study area
- Only the best service for each provider and technology is selected, defined as the maximum sum of advertised download and upload speeds

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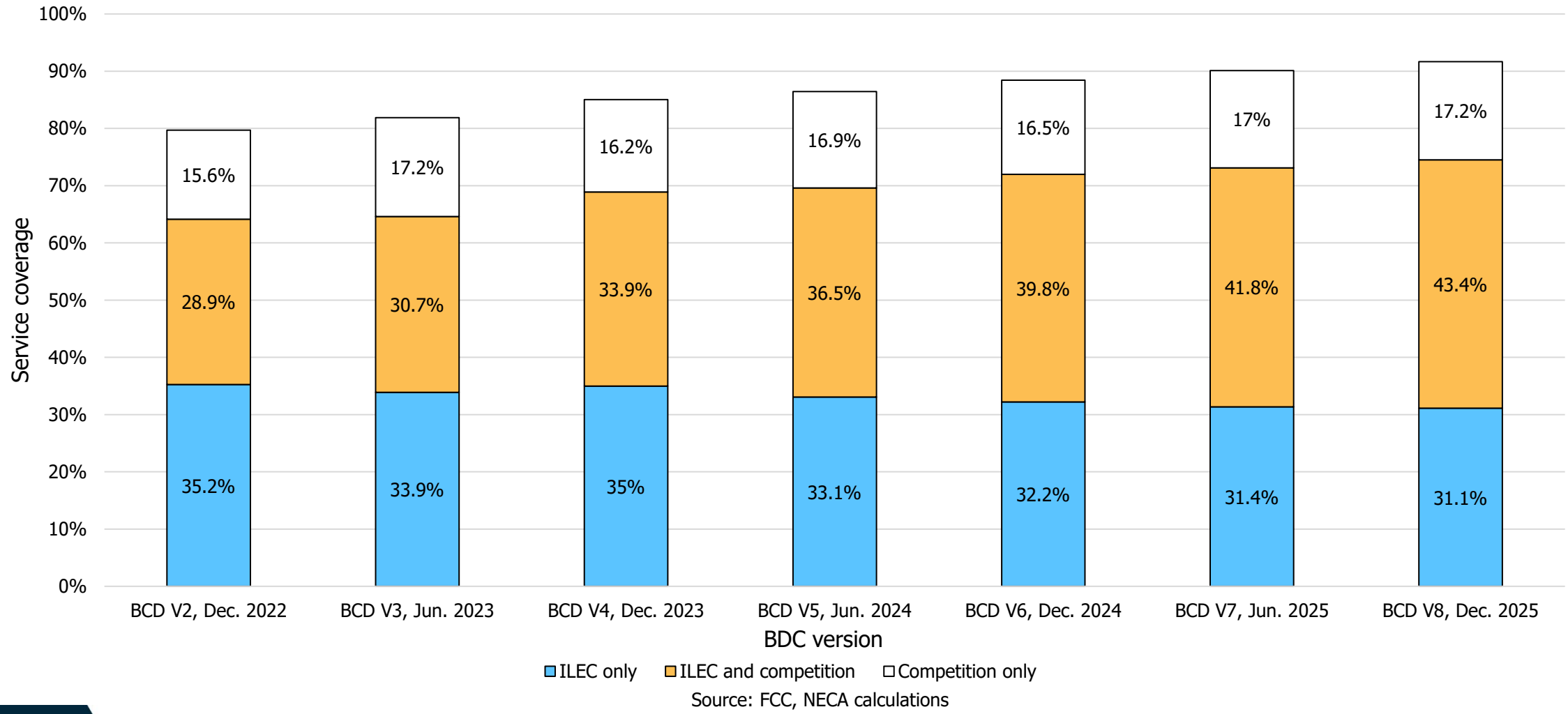
BDC competition analysis
25/3 service by ILEC and competition



Source: FCC, NECA calculations

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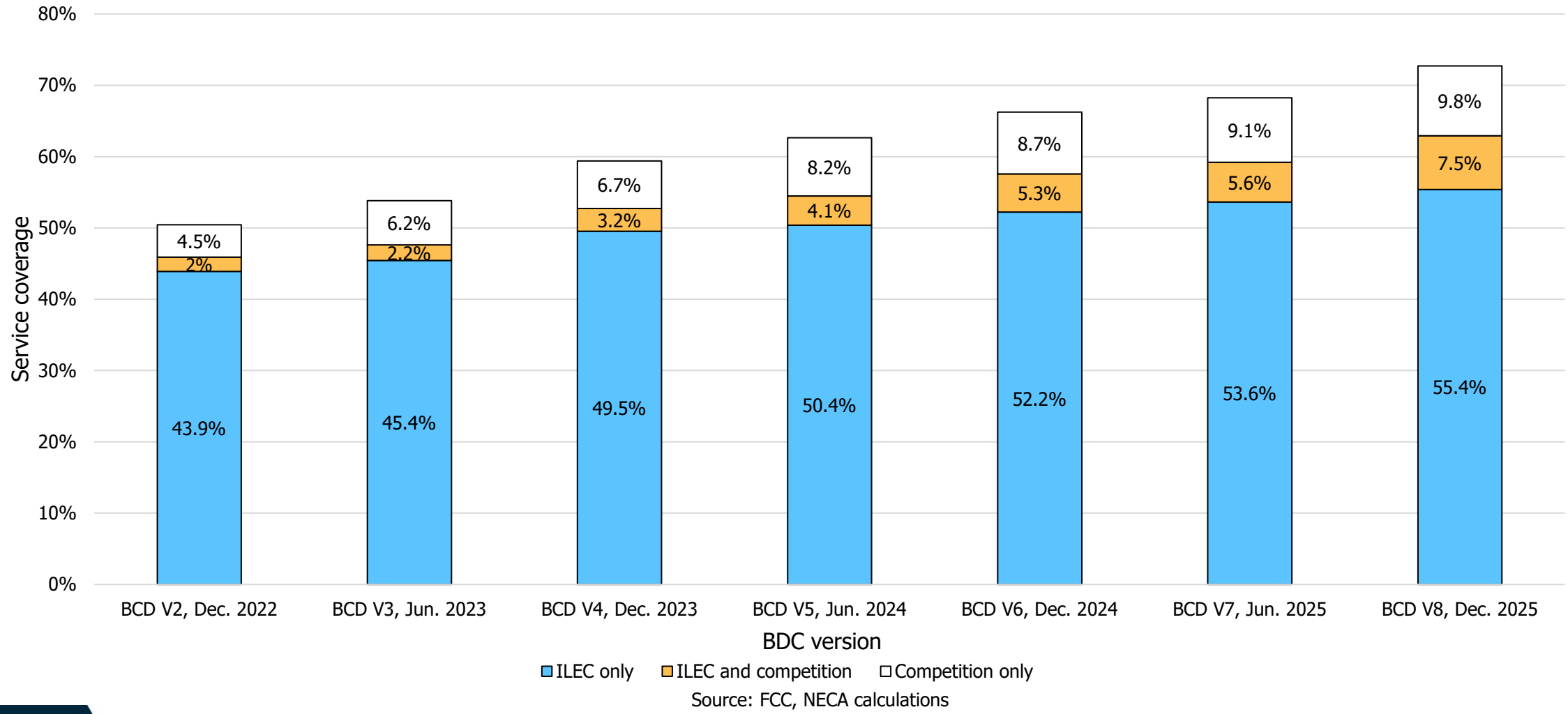
BDC competition analysis
100/20 service by ILEC and competition



Source: FCC, NECA calculations

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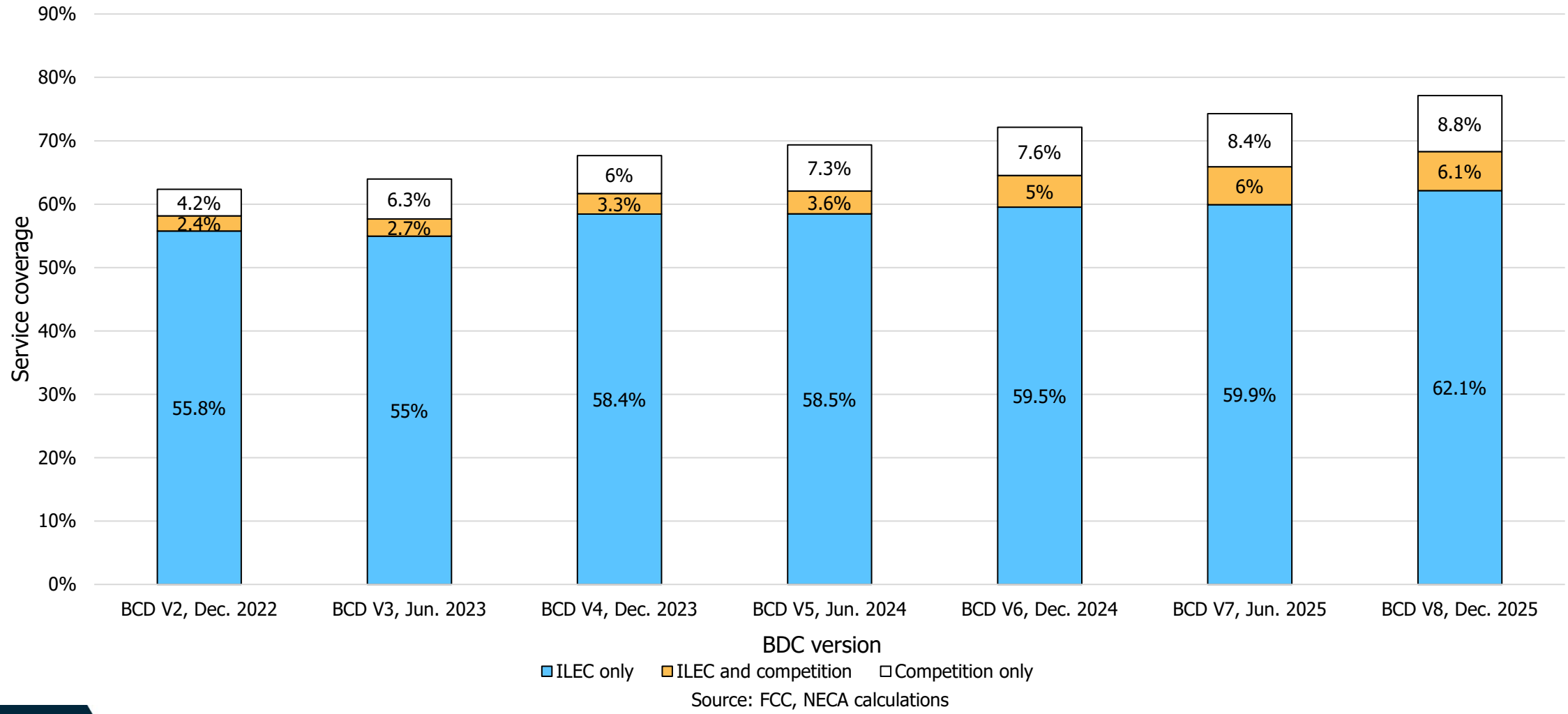
BDC competition analysis
1000/500 service by ILEC and competition



Source: FCC, NECA calculations

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BDC competition analysis
Fiber service by ILEC and competition



Source: FCC, NECA calculations

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BDC competition analysis
Competition coverage summary

- 25/3 and 100/20 service coverages increased between BDC versions, mostly due to an increase in the locations served by both ILEC and competition. Shares served exclusively by ILECs decreased, and shares held by the competitors increased slightly
- 1,000/500 service and fiber coverage also increased, but mostly due to an increase in the locations served by the ILECs, although the competition more than doubled their high-speed coverage from December 2022 to December 2025
- There is significantly more competition for 25/3 and 100/20 services than for 1,000/500 or fiber services
- Competition is increasing over time for all service speeds, with competitors pushing into previously uncontested higher-speed tiers

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BDC competition analysis
Competing offers and technologies

- Consider competition in the ILEC's coverage area by a particular standard of service
- Include either all competing service offers or only ones matching the ILEC's service standard
- Technologies included are copper, fiber, cable and fixed wireless

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BDC competition analysis
Competing offers: any competitor speeds

Number of competitors' offers	All locations	ILEC served by 25/3	ILEC served by 100/20	ILEC served by 1000/500
0	22.4%	22.9%	23.1%	22.4%
1	27.4%	28.1%	28%	27.5%
2	22.6%	23%	22.9%	23%
3	15.6%	15.7%	15.8%	16.4%
4	8.2%	7.6%	7.6%	8%
5 and more	3.8%	2.6%	2.5%	2.6%
At least one offer	77.6%	77.1%	76.9%	77.6%
Location count	6,172,013	5,107,418	4,599,401	3,885,312

Source: FCC, NECA calculations

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BDC competition analysis
Competing offers: matching competitor speeds

Number of competitors' offers	All locations	ILEC served by 25/3	ILEC served by 100/20	ILEC served by 1000/500
0	22.4%	27.4%	41.8%	88%
1	27.4%	26.8%	33%	11.3%
2	22.6%	22%	16.9%	0.6%
3	15.6%	14.6%	6.5%	0%
4	8.2%	7%	1.4%	0%
5 and more	3.8%	2.3%	0.4%	0%
At least one offer	77.6%	72.6%	58.2%	12%
Location count	6,172,013	5,107,418	4,599,401	3,885,312

Source: FCC, NECA calculations

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BDC competition analysis
Competitors' technologies: any competitor speeds

Technology	All locations	ILEC served by 25/3	ILEC served by 100/20	ILEC served by 1000/500
Copper	1.4%	0.4%	0.4%	0.3%
Cable	33.7%	32.6%	32.3%	34.2%
Fiber	15%	10.1%	9.4%	9.3%
Any fixed wireless	67.5%	68.2%	68.8%	69.4%
- Unlicensed fixed wireless	13.3%	13.1%	12.3%	12%
- Licensed fixed wireless	61.9%	62.7%	63.8%	65%
- LBR fixed wireless	6.5%	6.5%	6.2%	6.3%
Location count	6,172,013	5,107,418	4,599,401	3,885,312

Source: FCC, NECA calculations

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BDC competition analysis
Competitors' technologies: matching competitor speeds

Technology	All locations	ILEC served by 25/3	ILEC served by 100/20	ILEC served by 1000/500
Copper	1.4%	0.2%	0%	0%
Cable	33.7%	32.5%	31.3%	3%
Fiber	15%	10.1%	9.3%	8.7%
Any fixed wireless	67.5%	62.7%	37.4%	0.6%
- Unlicensed fixed wireless	13.3%	12.7%	7%	0.5%
- Licensed fixed wireless	61.9%	56.3%	31.1%	0.1%
- LBR fixed wireless	6.5%	6.4%	5%	0%
Location count	6,172,013	5,107,418	4,599,401	3,885,312

Source: FCC, NECA calculations

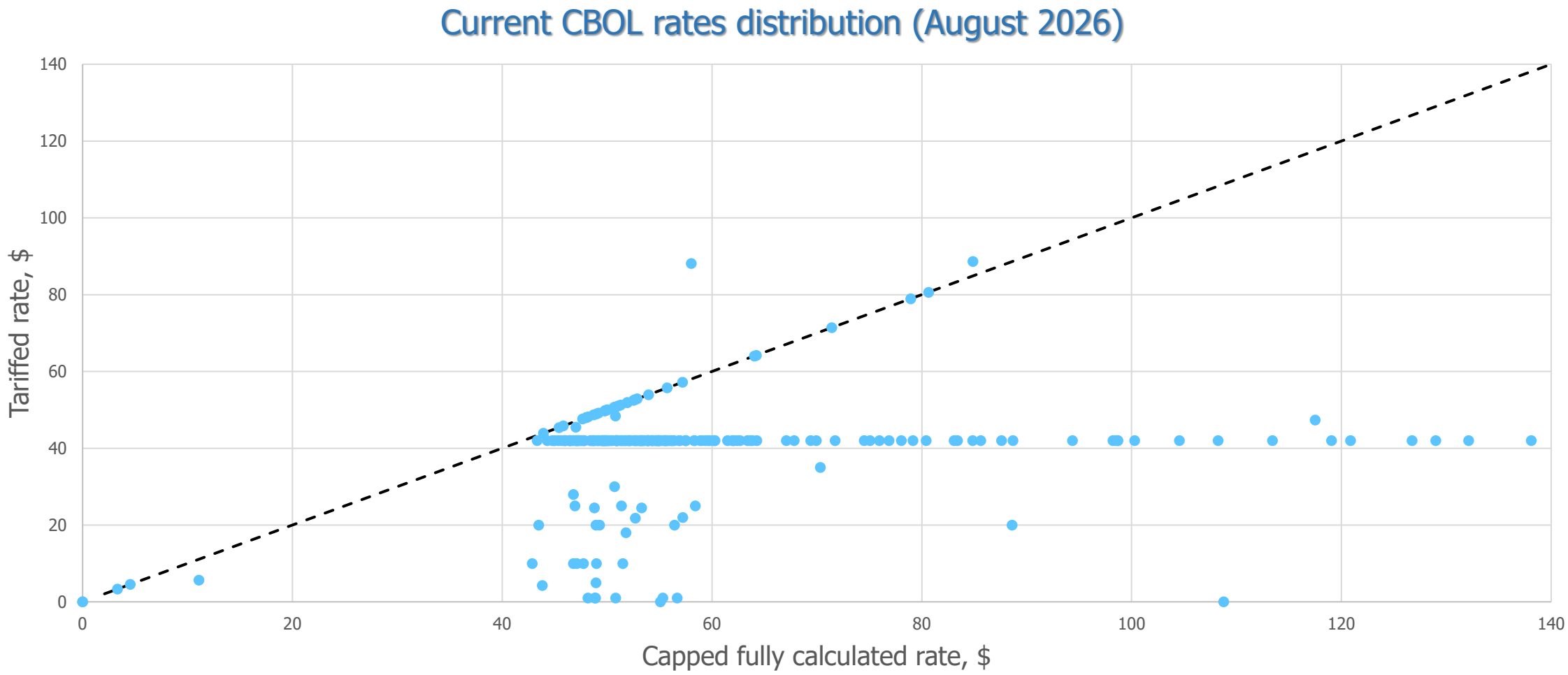
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BDC competition analysis
Competing offers summary

- Competitors' coverage over ILEC service area does not depend on the ILEC's standard of service
- Competition over higher speed of service is significantly lower than over lower speed of service
- Lower speed competition is mainly represented by fixed wireless technologies with their representation dropping sharply from 25/3 to 100/20 speed
- Medium speed competition mainly comes from cable providers with their representation dropping from 100/20 to 1000/500
- Highest speeds are almost exclusively represented by fiber technologies

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Demand trends
CBOL rates distribution for legacy companies



Source: NECA

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Demand trends
CBOL rates summary for legacy and model companies

Legacy companies	Minimum	Average (weighted)	Median	Maximum
Tariffed rate	$0	$34.15	$42	$205.72
Fully calculated capped rate	$0	$50.79	$48.90	$565.03

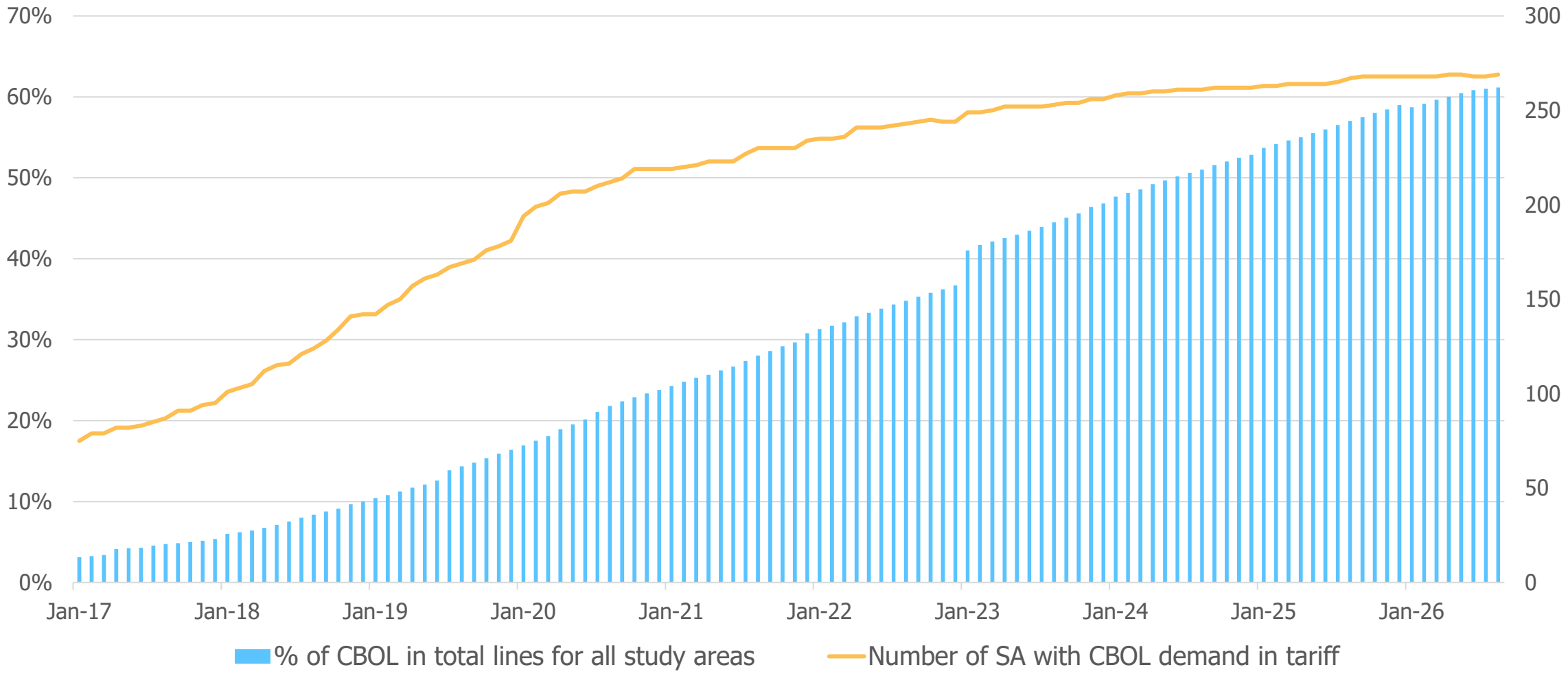
Model companies	Minimum	Average	Median	Maximum
Tariffed rate	$0	$37.22	$42	$42

Note: Data as of July 2026

Source: NECA

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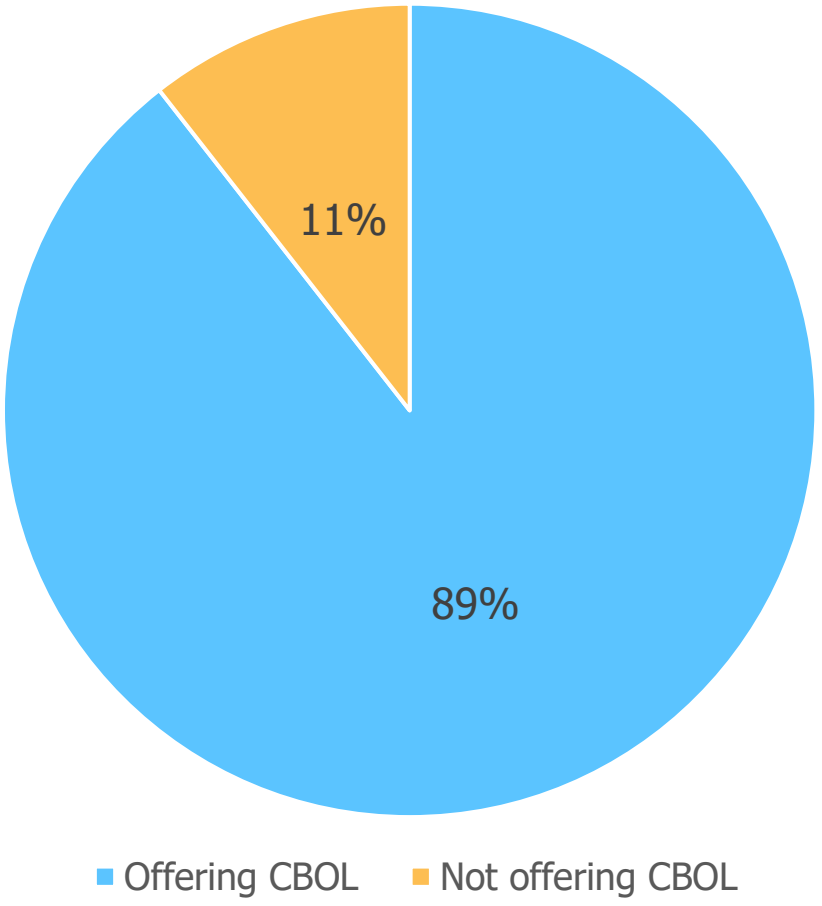
Demand trends
Average broadband-only lines share in CL pool



Source: NECA

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Demand trends
Study areas in CL pool as of July 2026

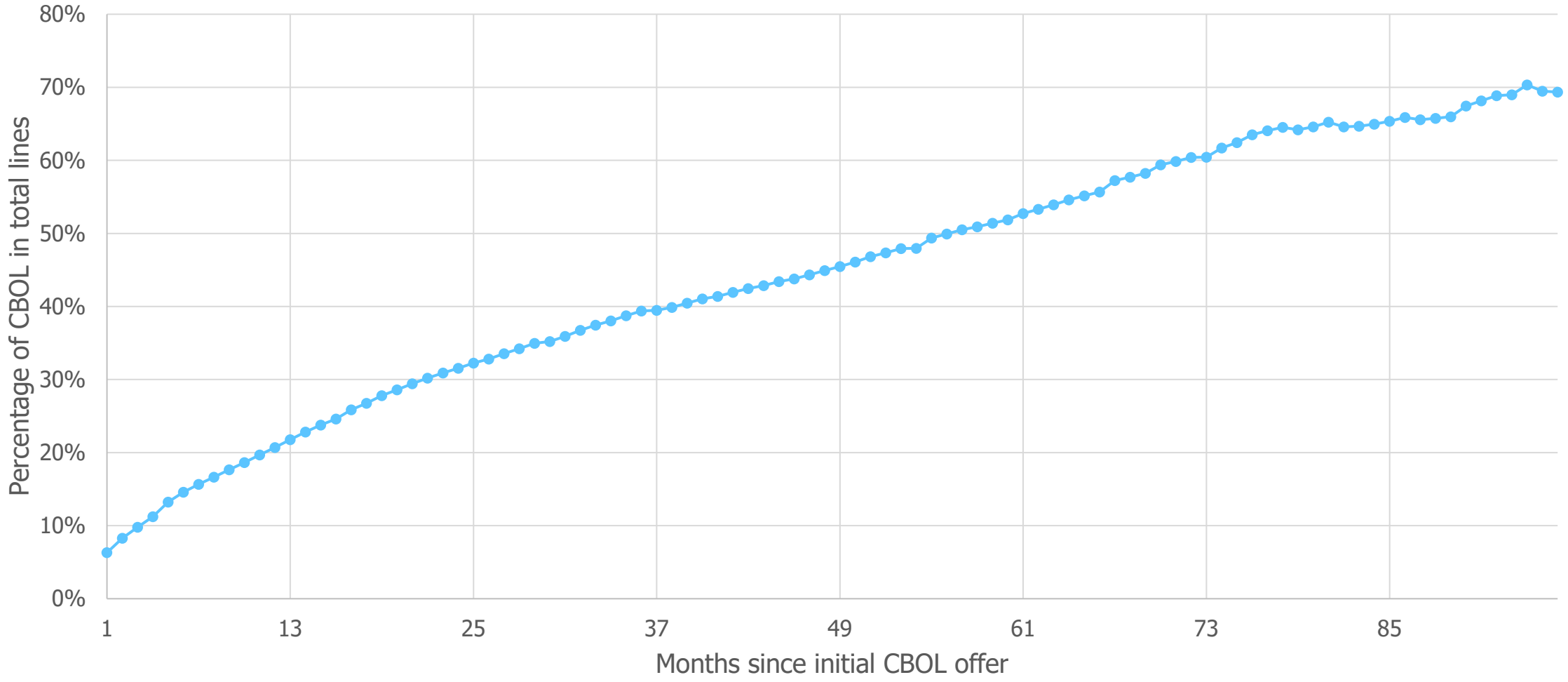


Study areas offering CBOL	CBOL share in CL
Bottom 5%	20.45%
Bottom 25%	48.14%
Median (50%)	61.2%
Top 25%	74.97%
Top 5%	93.41%
Maximum	99.72%

Source: NECA

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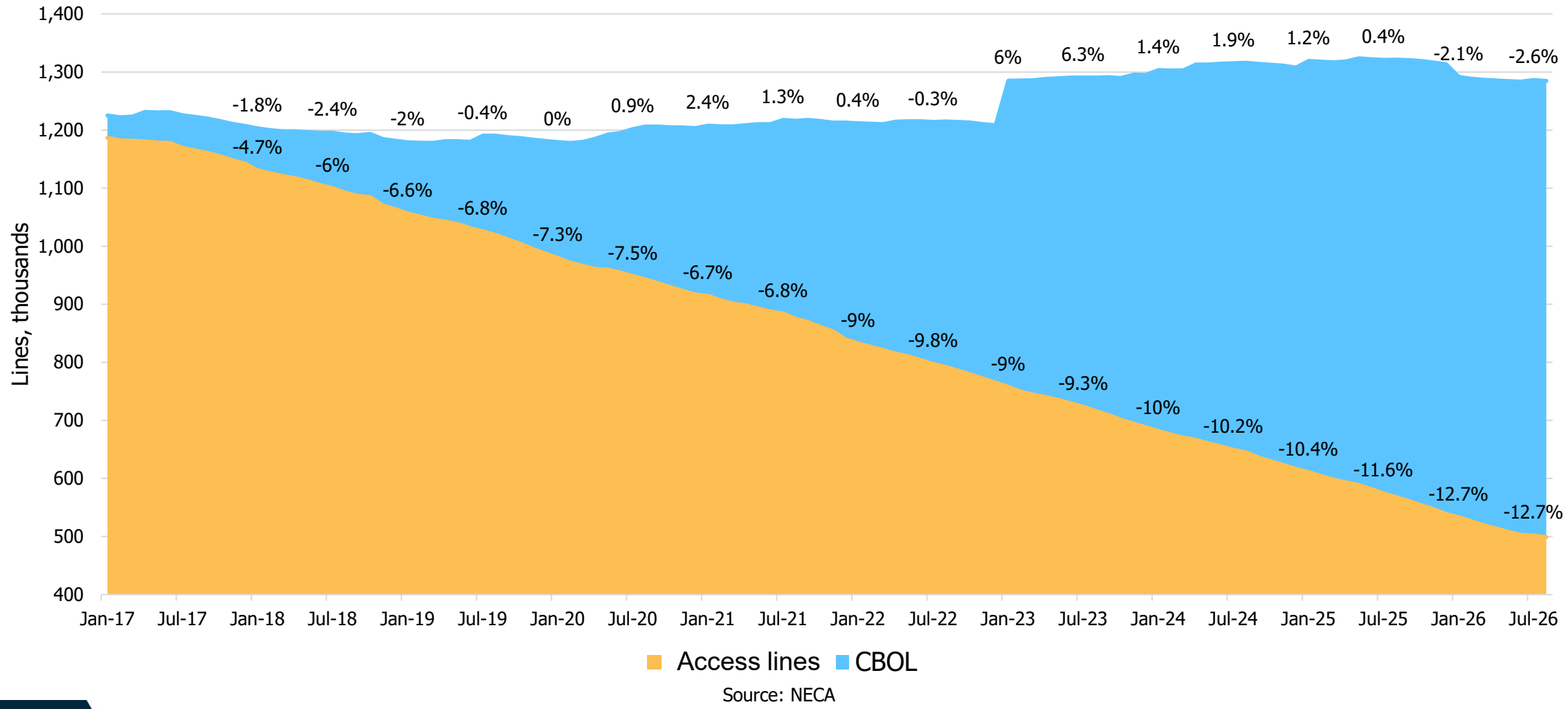
Demand trends
Broadband-only lines share over time for an average ILEC



Source: NECA

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Demand trends
Lines in CL pool



Source: NECA

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Demand trends
Common line demand forecast misses/pool performance

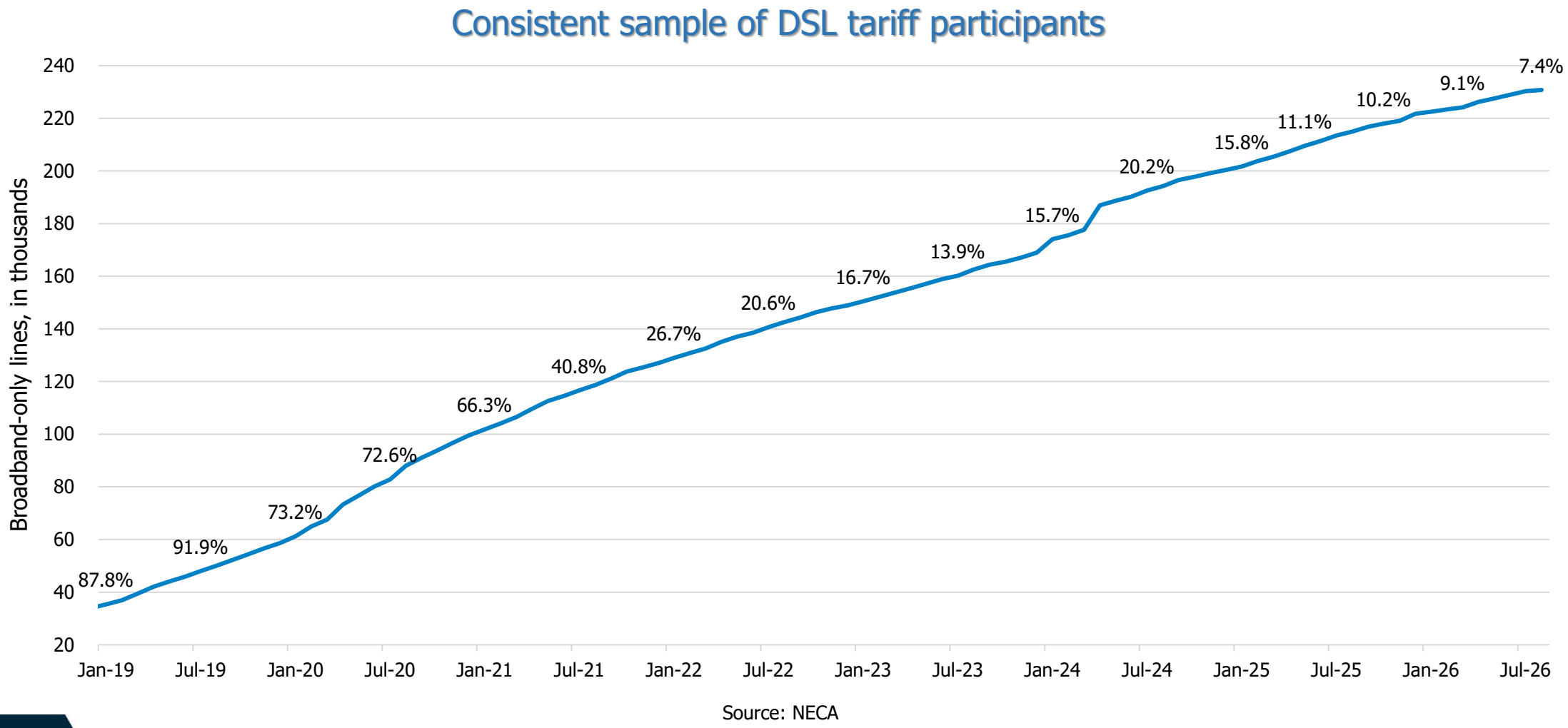
Period	Lines	Forecast (in thousands)	Actual (in thousands)	Forecast miss (in thousands)	Forecast miss % (forecast/actual-1)*	RoR**
TP 23/24	CL	722	689	(32)	4.7%	7.47%
	CBOL	585	615	29	-4.8%	
TP 24/25	CL	643	616	(27)	4.4%	8.34%
	CBOL	671	701	31	-4.4%	
TP 25/26	CL	566	538	(28)	5.2%	8.5%
	CBOL	744	765	21	-2.7%	

* Calculation is done with full numbers; rounding errors are possible
** Authorized RoR is 9.75% for all three test periods

Source: NECA

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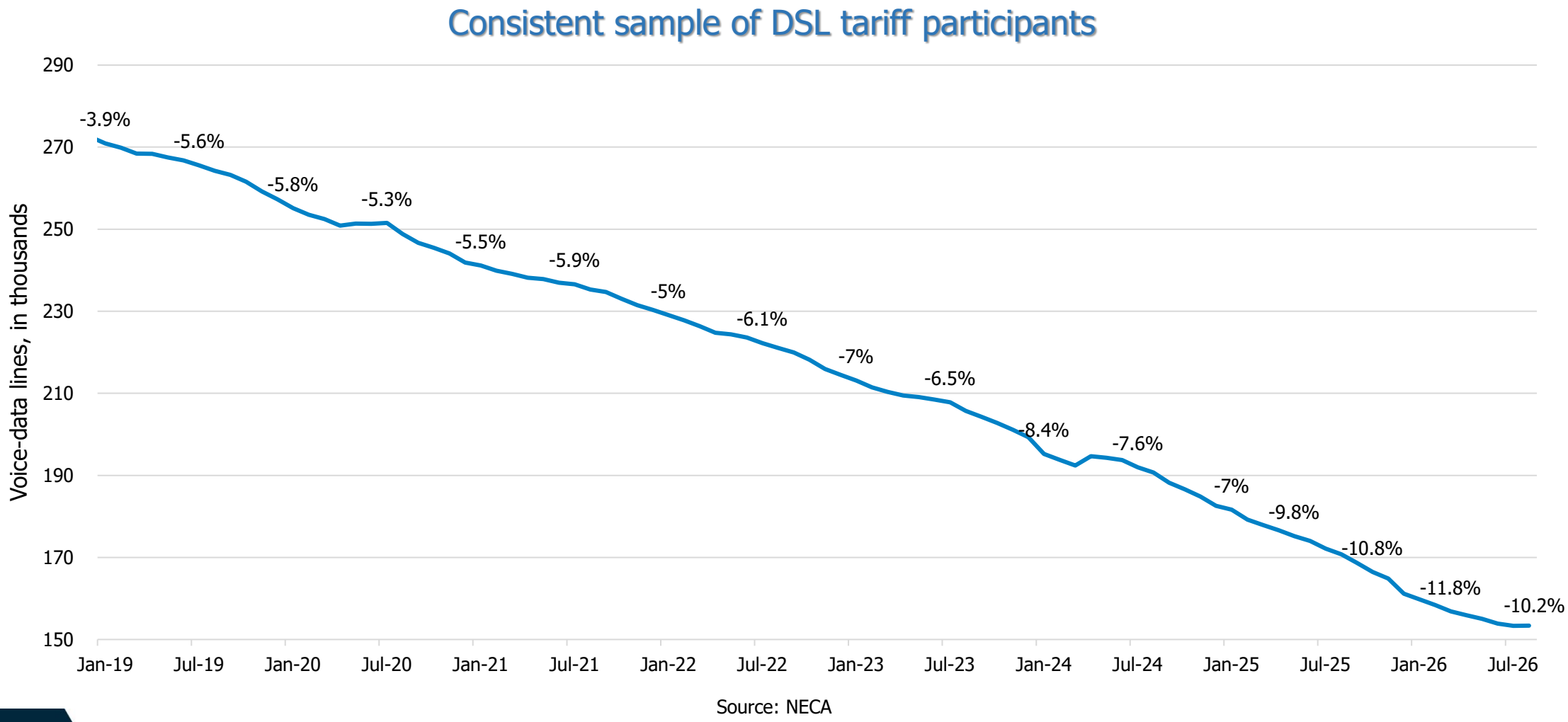
Demand trends
Broadband-only lines



Source: NECA

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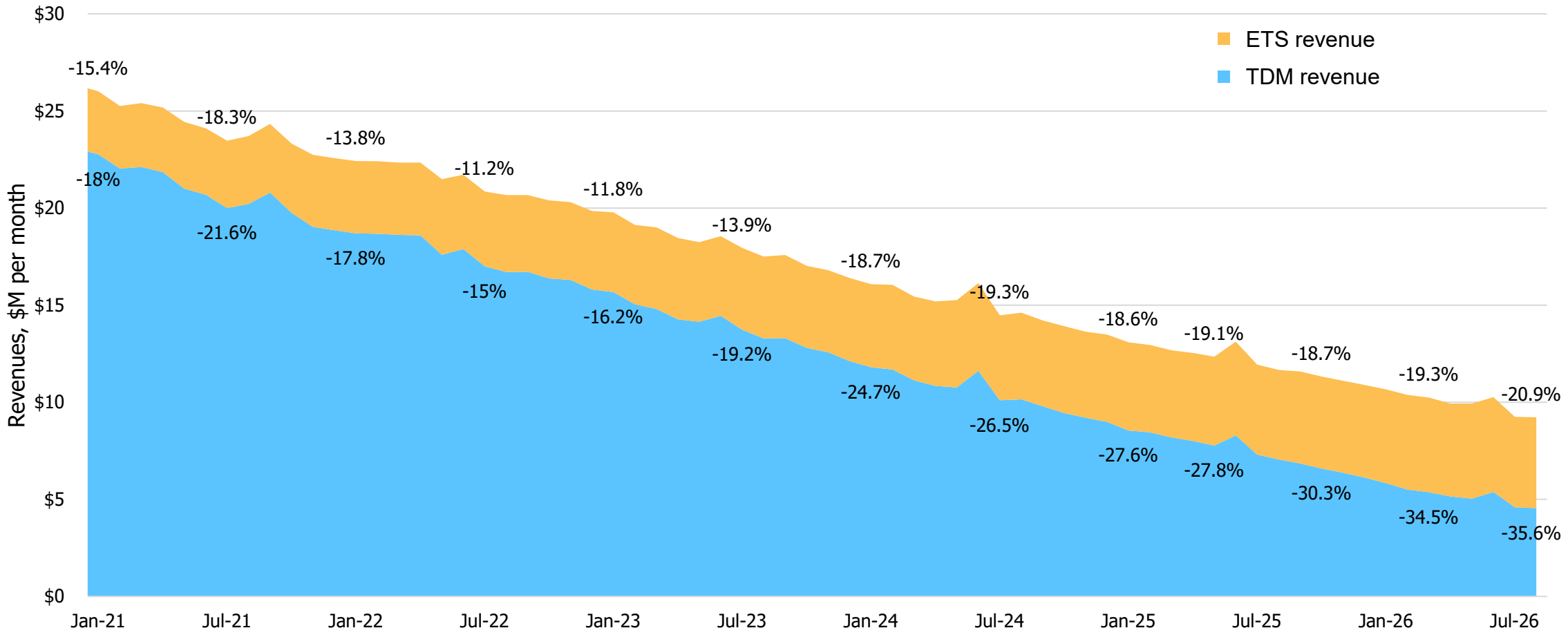
Demand trends
Voice-data lines



Source: NECA

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Demand trends
Ethernet transport service and time-division multiplexing revenue



*Revenues represent unbanded revenues at July 2026 uniform rate

Source: NECA

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Demand trends
Special access demand forecast misses/pool performance

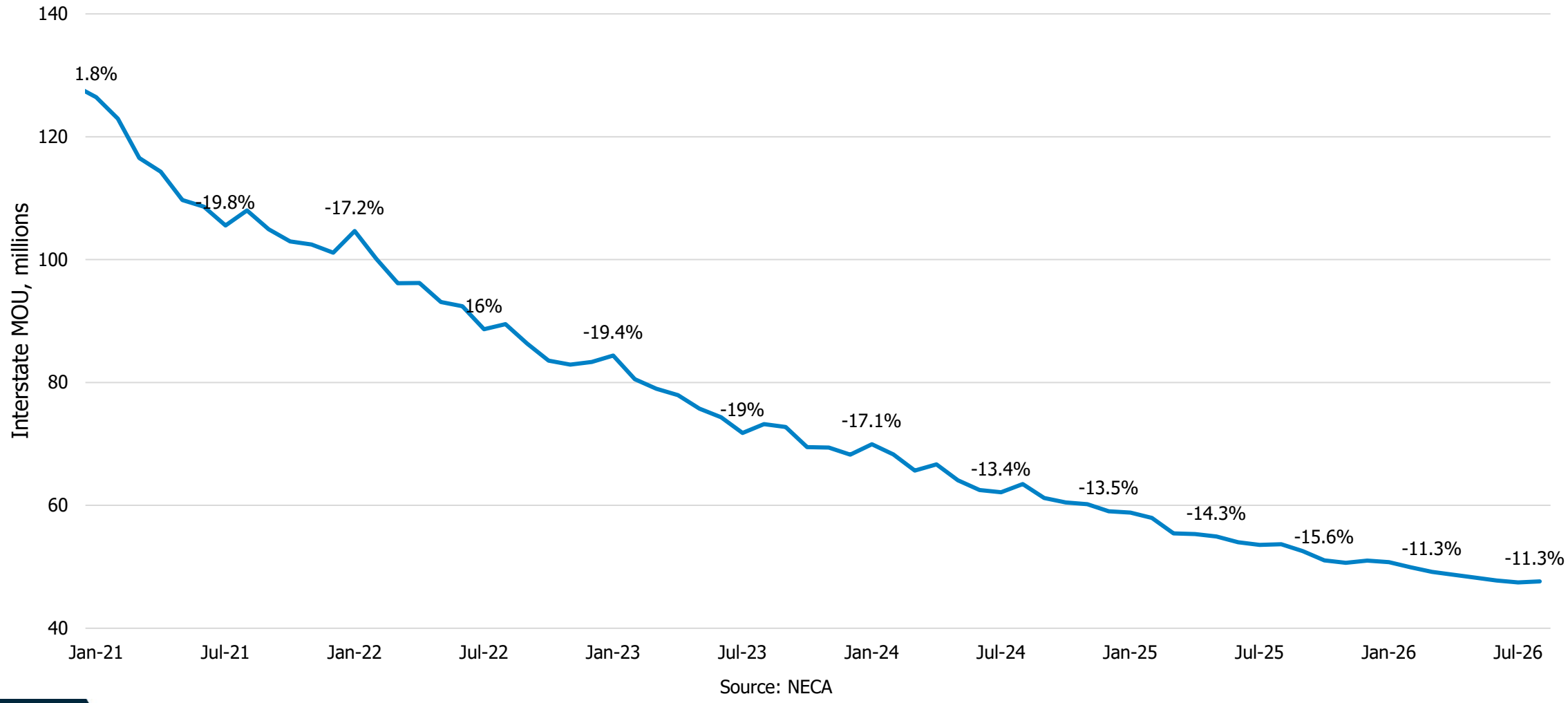
Period	Forecast (in millions)	Actual (in millions)	Forecast miss (forecast/actual-1, %)	RoR*
TP23/24	$253.8	$242.1	4.6%	6.82%
TP24/25	$223.2	$213.4	4.4%	8.34%
TP25/26	$197.1	$180.1	8.7%	7.44%

* August 2026 view. Authorized RoR in all test periods is 9.75%.

Source: NECA

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Demand trends
Switched minutes of use



Source: NECA

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Demand trends
Switched access forecast misses/pool performance

Period	Forecast MOU	Actual MOU	Forecast miss (forecast/actual-1, %)	RoR*
TP23/24	1,074	1,001	7.3%	11.17%
TP24/25	770	757	1.8%	11.29%
TP25/26	679	645	5.3%	10.5%

* Views of RoR in the table for all periods are as reported prior to beginning of CAF ICC support true-ups. SWA RoR will reach 11.25% after CAF ICC true-up is completed

Source: NECA

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Demand trends
Summary

- CBOL demand growth slowed down in 2026. Total lines exhibit slow decline now
- Non-ETS revenues decline while ETS shows slow growth. ETS revenues overtake non-ETS revenues in the latest data months
- Switched MOU continue in decline

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Acronyms

- A-CAM — Alternative Connect America Cost Model
- BDC — Broadband Data Collection
- CAF BLS — Connect America Fund Broadband Line Support
- CAF ICC — Connect America Fund Intercarrier Compensation
- CBOL — Consumer Broadband-Only Loop
- CL — Common Line
- DSL — Digital Subscriber Line
- ETS — Ethernet Transport Service
- FCC — Federal Communications Commission
- Gbps — Gigabits per second
- HCL — High-Cost Loop
- ILEC — Incumbent Local Exchange Carrier

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Acronyms

M	Million
MOU	Minutes of Use
NECA	National Exchange Carrier Association
RoR	Rate of Return
RRQ	Revenue Requirement
SPA	Special Access
SWA	Switched Access
TDM	Time Division Multiplexing
TP	Test Period
US	United States
USAC	Universal Service Administrative Company

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