Dear Broadband Opportunity Council,

The Rural Broadband Policy Group would like to submit the comments attached in response to your request for comments about identifying and removing regulatory barriers, incentivizing investment, promoting best practices, and aligning funding policies and decisions to support broadband deployment and adoption.

Thank you for considering our comments,

Edyael

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Edyael Casaperalta

Coordinator
Rural Broadband Policy Group

Internet Rights Fellow
(202) 861-0020 | @_edyael_
Public Knowledge | @publicknowledge | www.publicknowledge.org
1818 N St. NW, Suite 410 | Washington, DC 20036

EXPANDING BROADBAND DEPLOYMENT AND ADOPTION BY ADDRESSING REGULATORY BARRIERS AND ENCOURAGING INVESTMENT AND TRAINING

Broadband Opportunity Council

Comments of the Rural Broadband Policy Group
June 10, 2015

I. Broadband is Essential to the Future of Rural America.

In 2011, the Center for Rural Strategies commissioned a study about what happens to rural communities without broadband access.[1] The study found that while broadband access does not guarantee a community's prosperity, not having it guarantees a community will not prosper. Today, that finding is more relevant than ever.

Although we have seen progress in broadband accessibility across the country, the digital divide persists and disproportionally affects rural, Native, and low-income Americans. The most recent Federal Communications Commission Broadband Progress Report found that over half of rural Americans and nearly two-thirds of Americans living in Tribal lands lack access to advanced broadband service.[2] That means that over 22 million Americans do not have access to an essential service that allows them to join our economy, engage civically, and fully participate in society.

Broadband has allowed us to engage with each other, and the rest of the world, in new ways. We are building a digital culture where paying the bills, contacting a Senator, studying for a standardized test, calling 911, and launching a business all require a reliable advanced broadband connection. Because this new way of interacting is quickly becoming the norm, no American can afford to be disconnected or underconnected.

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[1] Strover, S. (Ed.). (2011). *Scholars' Roundtable: The Effects of Expanding Broadband to Rural Areas*. Published by the Center for Rural Strategies. Retrieved from www.ruralstrategies.org/sites/all/files/Broadband_Investment.pdf

[2] *2015 Broadband Progress Report*, Federal Communications Commission. Retrieved from https://www.fcc.gov/reports/2015-broadband-progress-report

For rural and marginalized communities, broadband access has become an existential question. As broadband becomes necessary to engage in every aspect of our economy and society, access to the service is critical not only for people currently living in rural communities, but also for the next generation that will live there.

However, the market has failed to supply rural American with adequate broadband service. What rural America gets, if any, is substandard service, high prices, and slow speeds. In rural America people are poor and live far apart, and left alone, the market is not interested in them. In this landscape, public policy must act to ensure all Americans are able to access essential services. It is our responsibility to work so that every American can access the tools that allow them to shape our society. To this end, the Rural Broadband Policy Group encourages the Broadband Opportunity Council to consider the following policy recommendations. The Rural Broadband Policy Group is an ad-hoc coalition of rural organizations and stakeholders that advocate for more access to reliable, affordable, high-speed broadband service in rural communities. We support broadband policies that allow rural communities to participate fully in the nation's democracy, economy, culture, and society.

II. Recommendations

A. Allow non-Eligible Telecommunications Carriers to Apply for Broadband Deployment Funding.

Since 2009, various federal and state initiatives have sought to extend broadband service by funding the deployment of broadband infrastructure. Efforts like the American Recovery and Reconstruction Act and the Connect America Fund are helpful and necessary to fund broadband infrastructure throughout the country. However, these initiatives have been shortsighted to only allow Eligible Telecommunications Carriers ("ETC") or incumbent providers to apply.

Many rural, Native, and low-income communities do not have the population size or affluence that attracts large telecommunications carriers to deploy broadband infrastructure in their area. Even when large carriers could receive millions of dollars in subsidies to deploy broadband, they do not find it worthwhile to reach low-income and remote communities. For example, the Connect America Fund invited only ten of the largest telecommunications carriers to participate in the first round of the program in 2012. The eligible carriers outright rejected over $80 million in subsidies and considered accepting an additional $100 million only if the

Federal Communications Commission ("FCC" or "Commission") agreed to certain rule waivers.[3] AT&T and Verizon alone rejected over $60 million. The carriers' refusal to accept the funds was problematic because non-ETCs interested in participating were not allowed to apply for the funding. As a result, efforts to deploy broadband were delayed and communities remained unconnected.

In contrast, the FCC did not limit the application process for its Rural Broadband Experiments initiative in 2014 to incumbent providers only. Any entity seeking funding to deploy broadband infrastructure in unserved areas was allowed and encouraged to apply. To ensure that the accountability structure of the ETC certification process was part of the Rural Broadband Experiments without having to limit the program to ETC-only applicants, the FCC allowed the winners a grace period to pursue ETC certification from their state if they did not already have it. This was the first time that non-ETC carriers, municipalities, and would-be-new entrants to the market were able to apply for federal funding. This was the first time that many providers exclusively interested in serving rural, low-income, and Native communities were able to apply for federal funds that would allow them to launch or expand their networks. This decision resulted in a remarkable more than 1,000 applications to the program, with a sizeable amount proposing fiber projects. This approach demonstrated the substantial interest from new entities to enter the market and smaller entities to expand their reach to serve the most challenging communities. And it also showed that allowing more applicants to participate can improve the quality of the projects proposed.

The Rural Broadband Policy Group strongly recommends that any program funding broadband deployment allow non-ETCs to apply. We believe that the Rural Broadband Experiments' approach demonstrated the success of opening up a funding program beyond the usual suspects. Rural, low-income, and Native communities cannot afford to wait for incumbent providers to decide when they want to accept funding. All interested entities should be allowed to apply to federal funding programs to deploy broadband infrastructure. We should allow all helpful hands on deck.

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[3] Engebretson, J. (2012, July 25). Verizon, AT&T Decline Broadband Connect America Funding. *Telecompetitor*. Retrieved from http://www.telecompetitor.com/verizon-att-decline-connect-america-funding/

B. Encourage Competition by Eliminating Barriers to Local Ownership of Broadband Networks.

Lack of competition is one of the main factors contributing to the persistent digital divide in rural and Native communities. Large telecommunications service providers often do not see sufficient financial incentive to deploy services in low-income and remote communities with little population density. As a result, rural and Native residents are some of the most neglected populations of the digital age.

Communities ignored by service providers are left with one of two options: hope someday a provider extends broadband service to their area or figure out a way to furnish the service themselves. When a community decides they cannot wait on private providers any longer, they can opt for "Local Ownership" to close the digital divide. That is, they can choose to build, own, and operate their own broadband network.

Non-profit, cooperative, or municipally owned networks are local ownership models that can help address lack of competition by infusing more providers into the local market. Increasing competition in a local market can also encourage non-local providers to offer better services and affordable prices in order to win customers. In addition, local ownership of broadband infrastructure spurs community-based innovation, and creates jobs in places private companies have left behind. But perhaps the most transformative quality of locally owned broadband networks is that they are community-driven. The members of a community should be allowed to determine their economic future, including investments in essential communications infrastructure. Locally owned broadband networks are uniquely positioned to help communities fulfill their vision for sustainability – creating opportunities for residents to stay in the community and help shape the future of their own towns.

However, some states have adopted laws that ban municipalities from creating their own broadband networks. This regulatory barrier directly hurts competition, diminishes consumer choice, and limits the ability of communities to determine their own telecommunications goals. The Rural Broadband Policy Group encourages the Broadband Opportunity Council to express strong public support for municipal broadband networks and other models of local broadband ownership. Adding more competitors to the broadband market, regardless of their business model, is good for competition and helps close the digital divide.

C. Fund a National Campaign to Educate Americans About the Technology Transition of our Telephone Network.

The traditional phone network is a great success story in the history of communications service in the United States. Universal Service rules helped extend telephone lines to rural communities, and today, landline telephone is the most available, affordable, and reliable communications service in rural America. But, the way the telephone works is changing.

The telephone network that connects our country has traditionally used copper wires and Time-division Multiplexing ("TDM") technology to bring telephone service to homes and businesses. Now, telephone providers have begun to transition from copper networks to wireless and fiber networks that use Internet Protocol ("IP") technology. This change in the underlying technology of our telephone network is a process called the "Technology Transitions," and it can change the availability, quality, and reliability of telephone service and 911 access.

The transitions present us with the opportunity to improve communications services for all Americans, but they must be handled responsibly. It is our duty to ensure a transition in technology is a true step forward for *all* and that no one is left without a reliable and affordable way to communicate. Launching a national education campaign to inform Americans about the changes afoot with the technology transitions is a crucial component in ensuring the transitions are a step forward for all Americans. The Rural Broadband Policy Group strongly encourages the Broadband Opportunity Council to recommend allocating funding for a national campaign to educate Americans about the transition of our telephone network, and encouraging the various agencies within the council to play a role in educating Americans about the transitions. The next few paragraphs outline detailed ideas that the Broadband Opportunity Council should consider incorporating into an education campaign.

i. A National Tech Transitions Education Campaign Should Reach the Most Vulnerable Consumers.

Sharing information online about the technology transitions will likely have limited success in areas that do not have Internet access. Rural and low-income residents with limited or no Internet access might not be able to check telephone carrier websites to learn about the transition or the FCC's website to report problems with disruption of service resulting from a transition of technology. The national education campaign must include Internet, telephone,

television, radio, postal mail, and local newspapers outreach to educate consumers. In addition, all informational materials should be available in languages other than English.

ii. The Broadband Opportunity Council Should Encourage Carriers to Notify Their Customers About Any Change in Technology.

A carrier who wishes to transition its network must inform its customers about the impact the transition will have on their telephone service. The Broadband Opportunity Council should encourage carriers to develop an education strategy using Internet, telephone, television, radio, postal mail, and local newspapers to notify all their customers before transitioning them to a new service. A comprehensive outreach strategy should:

> 1) Engage a community's local organizations and institutions to properly notify customers of any changes in service. A carrier should collaborate with local organizations, churches, community centers, and anchor institutions to inform customers of the option to transition to a new service and the consequences of switching (especially if adopting a new service means a loss of consumer protections). Because these groups are knowledgeable of the community, they are uniquely positioned to help ensure customers are well informed about any changes in service.
> 2) A carrier should advertise any changes to its service on Public Service Announcements aired in local television channels, radio stations, and newspapers. All educational materials developed by the carrier should be available in languages other than English to ensure the comprehensive outreach to consumers.

iii. Include State Agencies in the National Education Campaign

Over 20 states have chosen to deregulate basic telephone service. In deregulated states, Public Utilities Commissions ("PUC") can no longer track neglect and abusive behavior from telephone carriers. This means that the PUC is not allowed to collect consumer complaints that could result from a change in technology. This a big problem for rural and low-income consumers who relied on the PUC to act as a consumer advocate enforcing consumer protections and investigating complaints. Some of the consumer protections that could fall by the wayside in deregulated states are: affordability, reliability, maintenance and repair of service, reliable 911 and emergency services, battery back-up during commercial electric outages (particularly urgent before, during, and after natural disasters). We fear that there will be no consumer advocate looking out for the interest of the most vulnerable in deregulated states during and after the technology transitions.

The Broadband Opportunity Council should collaborate with state agencies, community

and consumer advocacy organizations, and anchor institutions (community media centers, libraries, universities) to educate the public about the transitions and resolve complaints of harmful behavior from carriers. In deregulated states, it will be vital for the federal agencies of the Council to collaborate with agencies like the state Office of the Consumers' Counsel or any other agency left in charge of accepting consumer complaints. For example, in Florida, USDA was allowed to accept consumer complaints.

D. The Broadband Opportunity Council Should Support Including Broadband Service in the Lifeline Program.

Undoubtedly, the internet is an invaluable tool for everyone, but for people in rural America, it can be a lifeline to education, employment, information, improving our communities, and sharing our stories. The Rural Broadband Policy Group commends the achievements of the Lifeline program in bringing wired and wireless telephone service to low-income rural Americans, and supports upgrading the Lifeline program to also offer broadband service. The internet is a powerful tool to lift people out of poverty and transform our communities, and Lifeline has the potential to help the most vulnerable members of our society access this transformative tool.

The story of Sharell Harmon illustrates the importance of upgrading the Lifeline program to offer broadband service.

Sharell, a young single mother of three from Elkins, West Virginia, is a Lifeline telephone recipient. She uses her Lifeline wireless phone to communicate with her children's daycare, social workers, and employers. She is grateful the program exists because it helps in her daily life and wants the program to also offer broadband service. Currently, Sharell cannot afford Internet access at home because her financial situation requires her to prioritize rent, utilities, and groceries. Cost is Sharell's number one barrier to getting broadband, and she believes a Lifeline Internet program would allow many youth like her to take classes online and pursue their professional goals. Too many low-income youth like Sharell are missing out on opportunities because they cannot afford broadband service.

Sharell was featured on the front page of the New York Times on May 28, where she stated that "she needs the internet to be fully connected and has struggled to pay her broadband bill." She said, "Everything is online these days…I take classes online, do my schoolwork. My

kids play math and phonics games."[4] Sharell recently spoke at a panel before Congressional staff in support of including broadband service in the Lifeline program. For video of her remarks, please go to the following address: https://www.youtube.com/watch?v=cgBYrZcezUY

Lifeline is a critical program that directly helps everyday Americans afford essential telephone service. This successful program is a natural fit to help Americans afford broadband, today's essential service. Including broadband service in the Lifeline program fulfills one of the goals the Broadband Opportunity Council set for itself – "survey existing programs that currently support or could be modified to support broadband competition, deployment or adoption." Too many Americans' cannot afford to pay their broadband bill, and advocating for broadband service to be offered via Lifeline would help them.

The Rural Broadband Policy Group strongly encourages the Broadband Opportunity Council to support modernizing the Lifeline program to include broadband service. We also encourage the agencies within the council to work with each other and the FCC to help Americans learn about and apply to this program. We encourage any agency that already helps low-income Americans and veterans apply to social benefit programs to also help them apply to the Lifeline program.

III. Conclusion

The Rural Broadband Policy Group is grateful for the opportunity to share our recommendations. We respectfully ask the Broadband Opportunity Council to consider our suggestions, and look forward to more opportunities to collaborate with the Council.

Respectfully submitted,

Edyael Casaperalta
Coordinator
RURAL BROADBAND POLICY GROUP

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[4] Ruiz, R.R. (2015, May 28). F.C.C. Chief Seeks Broadband Plan to Aid the Poor. *The New York Times*. Retrieved from http://www.nytimes.com/2015/05/28/business/fcc-chief-seeks-broadband-plan-to-aid-the-poor.html.