
**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)
)
Report on Rural Broadband Strategy) GN Docket No. 09-29
)

COMMENTS OF THE TELECOMMUNICATIONS INDUSTRY ASSOCIATION

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SUMMARY

The Telecommunications Industry Association (“TIA”) welcomes the Federal Communications Commission’s (“Commission”) Public Notice seeking comment on the development of a comprehensive rural broadband strategy Report. TIA suggests a number of proposals to assist the Commission in preparing its Report.

First, the Commission should look expansively at all elements that comprise the rural broadband ecosystem. The Commission should consider broadband availability and adoption across all platforms, at home, at work and when mobile.

Second, the Commission should work with NTIA to expeditiously develop a broadband mapping tool in order to identify served and unserved rural areas. The Commission is well-positioned to take the lead on data collection for this effort.

Third, the Commission should look to utilize or reform existing programs, like the Universal Service High-Cost Program and Rural Health Care Pilot Program (“RHCPP”) as components to the rural broadband strategy. To this end, the Commission should consider reforming the High-Cost Program to provide a broadband fund that can play a role to further broadband opportunities in rural America. The Commission should also consider expanding and making permanent the RHCPP. Finally, in fashioning its Report, the Commission should consider the goals of the American Recovery and Reinvestment Act’s broadband initiatives.



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COMMENTS OF THE TELECOMMUNICATIONS INDUSTRY ASSOCIATION

The Telecommunications Industry Association (“TIA”) hereby submits its comments in response to the Commission’s Public Notice on Congress’s directive in the Food, Conservation, and Energy Act of 2008 (“2008 Farm Bill”)¹ that the Chairman of the Federal Communications Commission (“Commission” or “FCC”), in consultation with the Secretary of the Department of Agriculture (“USDA”), submit a report (the “Report”) to Congress describing a comprehensive rural broadband strategy.² TIA is a leading trade association for the information and communications technology industry, with 600 member companies that manufacture or supply the products and services used in the provision of broadband and broadband-enabled applications.

¹ Food, Conservation and Energy Act of 2008, Pub. L. No. 110-246, 122 Stat. 1651 (2008) (“2008 Farm Bill”).

² See Public Notice, *Comment Date Established For Report On Rural Broadband Strategy*, GN Docket 09-29, DA 09-561 (rel. Mar. 10, 2009) (“Public Notice”).

The rural broadband strategy called for by the Farm Bill offers a welcome opportunity to focus Government attention on the challenge of providing available and affordable high-quality broadband to rural America and improving broadband adoption in these communities. In requesting the Report, Congress has issued an important call to action to the FCC and USDA to provide specific recommendations on improving Government coordination, enhancing Federal programs, and specifying goals and timeframes designed to achieve important Governmental objectives. TIA agrees with the Commission³ that this is an important first step in the development of a national broadband plan.⁴ In furtherance of this important objective, TIA is pleased to submit a series of proposals that it hopes will assist the Commission in preparing its Report and also will constitute an important aspect of future broadband planning efforts by the Commission.

Specifically, TIA urges the Commission to consider all aspects, from adoption to availability, of the rural broadband ecosystem in developing recommendations for the Report. TIA also urges the Commission to take a leading role in developing any broadband mapping tool, making use of its recently expanded FCC Form 477 data collection efforts. In looking at current Government programs, there are existing mechanisms within the Federal Universal Service regime, specifically the High-Cost Program and the Rural Health Care Pilot Program, that are well suited to become key components of a rural broadband strategy. Finally, the Commission should incorporate the goals of the Recovery Act's broadband initiatives into its rural broadband strategy.

³ Public Notice at 1. “[W]e expect that the rural broadband strategy developed in this docket will inform our effort to develop a comprehensive national broadband plan pursuant to the Recovery Act.”

⁴ American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009) (“Recovery Act”).

I. A RURAL BROADBAND STRATEGY REQUIRES A THOROUGH AND COMPREHENSIVE APPROACH TO DEVELOP ALL ASPECTS OF THE RURAL BROADBAND ECOSYSTEM.

In assessing the status of broadband deployment and adoption in rural America, TIA urges the Commission to consider all components of service - at home, at work, and when mobile - that comprise the rural broadband ecosystem. For example, the Commission should not focus solely on the simple question of whether or not broadband is available to residential end-users in a particular community. Instead, the Commission must look to expand broadband availability and adoption across all technology platforms throughout rural America – and it should closely monitor actual subscribership and uptake among the various sectors of rural communities. To do so, the Commission must look at service to residential end-users, schools, hospitals, community anchor institutions, public safety agencies, and all other members of the rural community. To focus on only one element of broadband service may result in an incomplete view of the rural broadband ecosystem. The Commission should heed the advice of Acting Chairman Copps, who remarked earlier this year that the Commission should begin “cataloging and benefiting from all the broadband innovation and experimentation that’s occurring here at home and around the world.”⁵

For example, broadband adoption is one critical component of the rural broadband ecosystem that cannot be overlooked. While the Commission will be well-served in identifying methods for improving coordination of Government programs focused on stimulating broadband deployment, demand-side stimulus – including subsidies for laptops and funding for computer training - is equally important. Broadband adoption is particularly relevant in rural areas, where

⁵ See Commissioner Michael J. Copps, Address at the Broadband Policy Summit IV (June 12, 2008) at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-282890A1.pdf.

residents often do not have the access to computers and computer centers, have not been exposed to computer training, or may not understand the importance of broadband. Various studies demonstrate that the perceived lack of need for broadband and a lack computer ownership are the top barriers to broadband adoption in rural areas. For example, Connected Nation states:

In rural areas, one might expect lack of broadband availability — in other words, the supply side of the problem — to be the top barrier to broadband adoption. Yet, only 19% of rural residents who do not subscribe to broadband service say it is because broadband is not available at their home.... [Rather,] perceived lack of need is the overwhelming barrier to adoption among rural dwellers. Forty-two percent of rural residents without broadband at home say they don't subscribe because they don't need it, and 34% of these residents report lack of a computer as the reason they don't subscribe to broadband.⁶

Further, in its July 2008 report entitled “Home Broadband Adoption 2008,” the Pew Internet and American Life Project found that while broadband adoption has continued to increase in rural America, the overall adoption rate of 38 percent was well below the 57 percent rate in urban areas and 60 percent rate in suburban areas.⁷ The report also raised two other troubling points: growth in broadband adoption among poorer Americans was flat, and a quarter of all Americans remain off-line completely. These are significant findings that should be front and center as the Commission considers a rural broadband strategy.

To address the challenging situation in rural America, TIA offers the following specific solutions.

⁶ “Consumer Insights to America’s Broadband Challenge,” Connected Nation, at 11 (Oct. 13 2008) at http://www.connectednation.com/_documents/ConsumerInsightsBroadbandChallenge_20081013.pdf.

⁷ John B. Horrigan, HOME BROADBAND ADOPTION 2008 (PEW/Internet July 2008) at http://www.pewinternet.org/~media/Files/Reports/2008/PIP_Broadband_2008.pdf.

(1) The Commission should establish specific subscribership and other objective measurements to meet the goal of ensuring that *all* Americans have access to affordable high-quality broadband. Commissioner Adelstein has wisely spoken of the need to “incorporate benchmarks, deployment timetables, and measureable thresholds” to help guide a national broadband strategy.⁸ TIA supports this position and urges the Commission to use the Report to put in place specific measurements by which to track the progress of the Government’s rural broadband strategy efforts. A timely completed broadband mapping tool, as discussed below, would significantly help shape the development of meaningful subscribership and other objective criteria for measuring broadband deployment in rural America.

(2) Both a rural broadband strategy and a national broadband plan must account for development and increased incentives for investment across all technologies, whether on the demand or supply side. TIA has long advocated for a technologically and competitively neutral approach to Government programs that might support broadband deployment and adoption.⁹ The rural broadband strategy Report should be no different. If the Commission truly seeks to promote the development of the broadband ecosystem, it should expressly acknowledge that subscribers and providers, not Government, should be responsible for determining which technologies will best meet the nation’s needs.

⁸ Commissioner Jonathan S. Adelstein, Testimony Before the US Senate Committee on Small Business and Entrepreneurship (Sept. 26, 2007).

⁹ See *e.g.*, Telecommunications Industry Association, Comments, WC Dkt. No. 05-337, CC Dkt. No. 96-45 (Apr. 17, 2008) (“April 2008 Comments”).

II. THE FCC SHOULD WORK WITH NTIA TO QUICKLY DEVELOP A BROADBAND MAPPING TOOL TO IDENTIFY UNSERVED AND UNDERSERVED RURAL AREAS.

The development of a broadband mapping tool is a critical step in formulating a successful national and rural broadband strategy. Indeed, Congress has regularly recognized the value of a broadband mapping effort, most recently in both the Broadband Data Improvement Act¹⁰ and the Recovery Act.¹¹

Section 6112 of the Farm Bill rightly charges the Commission with identifying Federal initiatives that could be improved or streamlined with additional coordination. Broadband mapping is just such an initiative. The Recovery Act directs NTIA to “develop and maintain a comprehensive nationwide inventory map of existing broadband service capability and availability in the United States.” However, if NTIA takes the full two years provided under the Recovery Act, an immediate opportunity to help the Commission, NTIA, and USDA’s Rural Utilities Service (“RUS”) drive broadband deployment and adoption in rural areas would be lost. The Recovery Act funds are available now, and NTIA and RUS need data immediately to maximize the efficiencies that will be realized by the distribution of broadband funds by the two agencies. A broadband mapping tool will best allow public and private sectors to work together to target unserved and underserved areas.

Given its recent efforts to expand broadband data collection with the revised FCC Form 477,¹² the Commission should work with NTIA to ensure that the Commission has sole

¹⁰ Broadband Data Improvement Act, Pub L. No. 110-385, 122 Stat. 4096 (2008).

¹¹ Recovery Act at § 6001(l).

¹² See *Development of Nationwide Broadband Data to Evaluate Reasonable and Timely Deployment of Advanced Services to All Americans*, Report and Order and Further Notice of Proposed Rulemaking, 23 FCC Rcd 9691 (2008). While TIA does not necessarily endorse the specific speed tiers set forth in the FCC Form 477, it does believe that (continued on next page)

responsibility for collecting data that will be used for broadband mapping. The Commission should also take the lead in coordinating with states on similar data collection efforts. Because the Commission already collects broadband data at the Federal level, there is no separate need for NTIA to implement a separate data collection program. This would result in unnecessary inefficiencies and will likely result in a delayed production of a broadband map tool. Of course, NTIA can retain general responsibility for administering the mapping provision of the Recovery Act pursuant to Section 6001(l), provided that the Commission has the sole responsibility of aggregating the data required by the initiative.¹³

III. THE COMMISSION SHOULD UTILIZE EXISTING FEDERAL PROGRAMS FOCUSED ON RURAL AREAS, INCLUDING THE UNIVERSAL SERVICE HIGH-COST PROGRAM AND RURAL HEALTH CARE PILOT PROGRAM, AS KEY COMPONENTS OF THE RURAL BROADBAND STRATEGY.

In the 2008 Farm Bill, Congress clearly intended for the Report to identify existing Federal programs and initiatives that can be used to further broadband development in rural areas of the country.¹⁴ Two programs that TIA believes warrant specific attention are the Universal Service Fund's ("USF's") High-Cost Program and Rural Health Care Pilot Program (the "Pilot Program"). Each of these two programs is uniquely positioned to provide an immediate and noteworthy impact on broadband deployment in rural America, and each should be a key component of the rural broadband strategy.

whatever tiers are used by the FCC Form 477, those tiers should be applied to and used by the broadband mapping tool.

¹³ To this end, it is important to note that the Recovery Act empowers the FCC to be provided "access to data provided to other Government Agencies under the Broadband Data Improvement Act." Recovery Act at § 6001(j)(3). Further, the Recovery Act allows NTIA to transfer funds, as appropriate, to the FCC for carrying out the FCC's functions under the Act, including the development of a national broadband plan. *See id.* at Div. A, Title I.

¹⁴ *See* 2008 Farm Bill at § 6112.

A. The Commission should reform the High-Cost Program to create a broadband fund that would focus on making high-quality, affordable, broadband service available throughout rural America.

TIA continues to urge the FCC to transition high-cost USF support toward next-generation broadband networks, to ensure that the benefits of such networks reach all Americans regardless of where they live and work.¹⁵ TIA strongly believes that the development of a fund aimed at subsidizing the build-out of high-capacity broadband networks (the “Broadband Fund”)¹⁶ will be of great importance to investment in and deployment of next-generation networks, applications, and devices across the United States, particularly in rural America. In developing a rural broadband strategy, the Commission should include a recommendation on the key role a Broadband Fund could play in bringing state-of-the-art broadband services to rural America. In doing so, the government should make every effort to ensure that the subsidized broadband networks that are developed in each rural community have the optimal mix of capabilities, cost, and price advantages sought by the target community.

A Broadband Fund should be technologically and competitively neutral, and should ensure that existing support for narrowband service does not decrease providers’ incentives to deploy next-generation broadband offerings. Therefore, the Broadband Fund should grow over time, targeting support to providers seeking to deploy and operate high-capacity broadband networks in unserved or underserved areas. Section 6112 of the Farm Bill calls for the Commission to develop recommendations that identify how “specific Federal agency programs and resources can best respond to rural broadband requirements and overcome obstacles that

¹⁵ See April 2008 Comments at 3-8.

¹⁶ See *High-Cost Universal Service Support; Federal-State Joint Board on Universal Service*, Recommended Decision, 22 FCC Rcd 20477 (Fed. State Joint. Bd. 2007).

currently impede rural broadband deployment.”¹⁷ The Broadband Fund is just this type of program.

B. The FCC’s Rural Health Care Pilot Program can be an important catalyst to ensuring that state-of-the-art medical and health care services are provided to those Americans living in rural areas.

The Pilot Program is promoting deployment of broadband infrastructure to rural health providers, helping the long-underused rural health care mechanism (the “Rural Health Care Program”) to finally reach its potential. But substantial sums are still left unused. TIA believes that the Pilot Program should be expanded and made permanent to help subsidize the construction of high-speed networks linking public and not-for-profit health care facilities located in rural America to a dedicated broadband backbone.¹⁸

TIA urges the Commission to recommend in the Report three specific actions for the Pilot Program:

(1) The Commission should immediately raise the current cap on funding available to Pilot Program participants. At present, funding for the Pilot Program is capped at \$139 million annually, which is well below the \$400 million-dollar annual cap applicable to the Rural Health Care Program. Even accounting for the Pilot Program, the Rural Health Care Program remains underutilized, meaning that monies allocated to the broader program continue to go unused. As TIA previously has documented, the Pilot Program is starting to make strides with funded programs in states throughout the country, including West Virginia, California, Minnesota, South Dakota, North Dakota, Iowa, Minnesota, Nebraska, Wyoming, and Michigan. Expanding the

¹⁷ See 2008 Farm Bill at § 6112(A)(1)(D)

¹⁸ See Letter From Grant Seiffert, President, Telecommunications Industry Association, to Hon. Michael J. Copps, Acting Chairman, FCC, WC Dkt. No. 02-60 (Jan. 27, 2009).

program will allow for additional funding to benefit rural health care efforts throughout rural America.

(2) TIA urges the Commission to expand the Pilot Program to include remote health care monitoring by providing for healthcare technology solutions that will extend to elderly, disabled and homebound patients, and those with chronic diseases, by enabling independence at home. A recent study of Veterans Administration patients shows that when patients make use of remote monitoring, metrics such as patient satisfaction, comfort, and quality rise while costs are significantly lowered.¹⁹ The possibilities for expanding care to unserved and underserved populations through mobile phones, laptops, and sensory devices are limitless once the market is developed for these innovations. Mobile health care workers, such as visiting nurses, also are a vital part of the healthcare system in rural America. For this reason, TIA believes that the Commission should allow healthcare providers to use Pilot Program funds to purchase wireless broadband-connected devices that improve their productivity and service quality to homebound patients.

(3) TIA asks the Commission to adopt the Pilot Program (subject to the expansion described above) on a permanent basis. A permanent program would be an important building block toward rural deployment, as it would target an important constituency in rural America and create an important test bed for future broadband developments.

Finally, there may be an opportunity for the Commission to coordinate closely with the RUS, particularly with respect to its Distance Learning and Telemedicine (“DLT”) Program,

¹⁹ Adam Darkins et al., *Care Coordination/Home Telehealth: The Systematic Implementation of Health Informatics, Home Telehealth and Disease Management to Support the Care of Veterans Patients with Chronic Conditions*, TELEMEDICINE AND EHEALTH, 1118-1126 (Dec. 2008); Health monitoring can also empower the elderly to live independently, help health care providers to keep track of their patients and provide relief to family members. See John Leland, *Sensors Help Keep the Elderly Safe, and at Home*, NY TIMES, Feb. 13, 2009, at A1.

when developing the parameters of a permanent Pilot Program. The Pilot Program and DLT Program share common goals of bringing telecommunications technologies and health care opportunities to rural America. To that end, the DLT Program provides grants, loans and loan-grant combinations to encourage and improve telemedicine services and distance learning services in rural areas. For many Pilot Program recipients, the DLT Program may be a much-needed complement to the Pilot Program funding that presently is geared toward broadband deployment. DLT Program funds may be used for the purchase of user equipment, including video-conferencing and teleradiology equipment.²⁰ Taken together, the Pilot Program and DLT Program can work to provide both connectivity and equipment to rural health care facilities. In the Report, the Commission should recommend coordination (whether formal or informal) between the Commission and RUS as the Pilot Program is made permanent so as to further help position the programs to overcome the challenges of bringing advanced medical services to those in rural America.²¹

C. The Commission should incorporate the goals of the Recovery Act's broadband initiatives into its rural broadband strategy.

Congress clearly recognized the vital role that broadband will play in revitalizing the nation's economy in allocating \$7.2 billion under the Recovery Act to support broadband initiatives.²² The allocated funds will spur deployment and construction of broadband systems, particularly in rural areas. The NTIA and RUS programs created pursuant to the Recovery Act

²⁰ The DLT Loan, Grant, and Loan-Grant combinations involve varying restrictions on the use of DLT Program funds. Items including equipment purchases, training, operating costs, and the construction of facilities may be eligible expenses depending on the type of funding sought. See 7 C.F.R. Part 1703.

²¹ Acting Chairman Copps has cogently recognized that challenges facing rural health care facilities include the "lack of dollars to develop and deploy rural health communications, lack of partners, lack of sufficient personnel, and lack of a real helping hand from the federal government." See *Separate Statement of Michael J. Copps, Rural Healthcare Support Mechanism*, Order, 22 FCC Rcd 20360 (2007)

²² See Recovery Act at Div. A, Titles I-II.

must consider a wide variety of goals in order to successfully increase broadband deployment in rural areas. In implementing these programs, NTIA and RUS must take into account the important role that broadband plays in education, healthcare, employment, and public safety.²³ In addition, Congress recognized the importance of broadband adoption by providing for a minimum of \$250 million to ensure sustainable broadband adoption and \$200 million to expanding capacity at public computing centers in the Recovery Act.²⁴

While the NTIA and RUS programs do not fall directly under the jurisdiction of the Commission, they should be included in the rural broadband strategy Report. Upon completion, these Government programs could be important models to help inform future broadband strategy by providing examples of successful projects and offering lessons on program implementation, including the appropriate levels of private and public funding. The Recovery Act programs are a crucial step forward in deploying broadband to rural America.

²³ *See id.* at § 6001(b).

²⁴ *See id.* at Div. A, Title II.

CONCLUSION

For the foregoing reasons, TIA encourages the Commission to develop recommendations for the Report that consider all aspects of the broadband ecosystem; acknowledge the Commission's important role in creating a broadband mapping tool; and incorporate the High-Cost and Rural Health Care Program funds and the goals of the Recovery Act into the rural broadband strategy.²⁵

Respectfully submitted,

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²⁵ In fashioning its rural broadband strategy, the Commission should be mindful of Commissioner McDowell's advice that it is "flexible and de-regulatory policies" that "open new windows for opportunity for the construction of new delivery platforms [which] will enable American entrepreneurs to lunge ahead of our international competitors." Regulatory certainty coupled with flexible regulation have positioned America as a leader in broadband. *See* Commissioner Robert M. McDowell, Address at the Broadband Policy Summit III (June 7, 2007) at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-273742A1.pdf