

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Preparation for Update to the	)	GN Docket No. 11-16
	)	
Rural Broadband Report	)	

**COMMENTS OF**

**ACCESS HUMBOLDT  
APPALSHOP  
CALIFORNIA CENTER FOR RURAL POLICY  
CENTER FOR MEDIA JUSTICE  
CENTER FOR RURAL STRATEGIES  
CENTER FOR SOCIAL INCLUSION  
HOUSING ASSISTANCE COUNCIL  
INSTITUTE FOR LOCAL SELF RELIANCE  
MAIN STREET PROJECT  
MEDIA LITERACY PROJECT  
MOUNTAIN AREA INFORMATION NETWORK**

Edyael Casaperalta  
Programs & Research Assoc.  
Center for Rural Strategies  
46 East Main Street  
Whitesburg, KY  
(956) 457-6126

March 2, 2011

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To: The Commission

**COMMENTS OF THE  
RURAL BROADBAND POLICY GROUP**

Access Humboldt, Appalshop, the California Center for Rural Policy, the Center for Media Justice, the Center for Rural Strategies, the Center for Social Inclusion, Housing Assistance Council, Institute for Local Self Reliance, Main Street Project, Media Literacy Project, and Mountain Information Network (collectively The “Rural Broadband Policy Group”) file these comments in the above captioned proceeding.

The attached “RBPG Comments – Update to the Rural Broadband Report” in its present form as submitted, constitutes the comments and recommendations of the above listed organizations. The Rural Broadband Policy Group consists of organizations dedicated to rural broadband, rural development, or are otherwise involved in digital inclusion policies.

Respectfully submitted,

Edyael Casaperalta  
Programs & Research Assoc.  
Center for Rural Strategies  
46 East Main Street  
Whitesburg, KY  
(956) 457-6126

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## **I. Introduction**

As more everyday activities move online, broadband service becomes a necessity. Yet, the Federal Communications Commission estimates that broadband service is completely unavailable to at least 14 million Americans. Out of 3,230 counties in the United States and its territories, 1,024 are unserved by broadband, and these unserved areas are home to 24 million Americans living in 8.9 million households.<sup>1</sup> According to the more optimistic National Broadband Map recently released by the National Telecommunications and Information Administration, five to ten percent of Americans lack access to basic broadband speeds. Rural, poor, and communities of color are particularly disadvantaged by existing divides in broadband deployment.<sup>2</sup>

Since the release of the Rural Broadband Report in 2009, the Obama administration, in collaboration with federal agencies, engaged in various decisions and actions that sought to improve broadband adoption in rural communities. In a historic effort to revitalize the economy, the administration allocated 7.2 billion dollars for the national deployment of broadband infrastructure. Reminiscent of previous efforts to expand necessary public infrastructure like roads and electricity, the Obama administration secured 2.5 billion dollars for rural broadband deployment. The National Telecommunications and Information Administration and the Rural Utilities Service were charged with the responsibility to distribute the funds in a manner that would ensure national growth in broadband deployment and adoption—not an easy task. The Rural Broadband Policy Group commends the monumental efforts of the administration and designated agencies to bring broadband access to rural areas. In 2010, we also witnessed another coordinated feat by the Federal Communications Commission with the publication of its National Broadband Plan. The Plan laid out a national strategy for the telecommunications future of the country—another cumbersome task. The Rural Broadband Policy Group also

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<sup>1</sup> FCC. 2011 “Universal Service Fund NPRM” [http://www.fcc.gov/Daily\\_Releases/Daily\\_Business/2011/db0209/FCC-11-13A1.pdf](http://www.fcc.gov/Daily_Releases/Daily_Business/2011/db0209/FCC-11-13A1.pdf)

<sup>2</sup> Center for Social Inclusion. 2009 “Broadband in the Mississippi Delta: a 21<sup>st</sup> Century Racial Justice Issue” <http://www.centerforsocialinclusion.org/publications/?url=broadband-in-the-mississippi-delta-a-21st-century-racial-justice-issue&pag=0>

commends the arduous work of the FCC in proposing a plan to move the nation to the forefront of technology.

Still, rural areas are more likely to lack broadband access than the rest of the nation. The 2010 study by the Pew Internet & American Life Project shows that only half of rural residents have broadband in the home, compared to the national rate of 66 percent. While NTIA's National Broadband Map shows that despite the broadband adoption increase to 68 percent, only 60 percent of rural households accessed broadband Internet service in 2010.

Although discrepancies in results might leave unclear the accurate percentage of national broadband adoption, it is undeniable that rural communities lag the rest of the nation. Furthermore, of the total stimulus package awarded by the Obama administration, less than 6% went to African-American, Latino and women-owned firms or organizations.<sup>3</sup> That means more rural residents, particularly those living in communities with higher proportions of people of color, are missing out on opportunities for education, telemedicine, economic development, and civic participation. As a result, rural areas are falling further behind. The nation needs broadband policies that acknowledge broadband access as a necessity, not a luxury. It is time we grant all communities the chance to participate in the digital present. As long as there is a digital divide, the United States is not in the forefront of technology.

## **II. Challenges in Rural America**

Rural communities face unique challenges in obtaining broadband service: access, deployment, and affordability. Rural areas are by definition geographically dispersed, making delivery of services more challenging and expensive. This has served as an excuse for powerful telecommunications corporations to deny building broadband infrastructures that provide service to rural areas. Without this investment, rural

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<sup>3</sup> Kirwan Institute. 2010 "ARRA and the Economic Crisis One Year Later: Has Stimulus Helped Communities in Crisis?" [http://fairrecovery.org/docs/ARRAEquityOneYearAnniv\\_Kirwan\\_Institute\\_Feb2010.pdf](http://fairrecovery.org/docs/ARRAEquityOneYearAnniv_Kirwan_Institute_Feb2010.pdf)

communities do not have access to the Internet. Furthermore, lack of deployment—and competition—in rural areas can hike up the price of broadband, making it unaffordable and limiting its adoption. Because rural communities have less access to the online world, this new form of social, cultural, economic, political, and democratic interaction does not accurately represent rural communities, leaving them out of the digital present.

### **III. Recommendations**

The efforts of the Obama administration, NTIA, RUS, and the FCC are commendable, but there is much work left to do. Unfortunately, some of the decisions made during these efforts endangered the ability of rural areas to access broadband service. Thus compromising education, healthcare, social, civic engagement, and economic opportunities for rural residents.

#### **The Rural Broadband Policy Group**

The Rural Broadband Policy Group is a national coalition of rural broadband advocates. The RBPG has two goals: 1) to articulate national broadband policies that provide opportunities for rural communities to participate fully in the nation's democracy, economy, culture, and society, and 2) to spark national collaboration among rural broadband advocates. The Rural Broadband Policy Group upholds the following principles in articulating broadband policies for rural America. We encourage the Federal Communications Commission to incorporate our principles in the update of the Rural Broadband Report.

- Communication is a fundamental human right.
- Rural America is diverse.
- Local ownership and investment in community are priorities.
- Network neutrality and open access are vital.

Based on these principles, we believe the updated Rural Broadband Report must stress four key recommendations in order to increase broadband adoption in rural homes:

1. Focus on local solutions.
2. Establish local job creation and social capital formation benchmarks.

3. Collect accurate data.
4. Reclassify Internet service as a Title II service, and Implement strong Net Neutrality rules.

### **1) Focus on Local Solutions**

Allocating 2.5 billion dollars for rural broadband deployment via the American Recovery and Reinvestment Act was a sound first step in achieving universal broadband access. The Rural Broadband Policy Group participated in the FCC's call for public comments about how best to distribute these funds to create more broadband access in rural areas. Based on our principles of diversity, local ownership and investment in community, our primary message was to focus on local solutions.

As the Rural Broadband Report states, "every rural area presents its own special challenges, and a particular technological solution may be well-suited to one situation and poorly-suited to another." Supporting local solutions means prioritizing unserved populations, compensating for the lack of private investment in rural areas, and investing in local projects that uplift the rural economy. Powerful, absentee-owned telecommunications companies have failed in extending Internet service to rural areas. We are tired of waiting for AT&T, Comcast, or Verizon. Instead of trying to bring in an outside solution, the Obama administration and respective agencies should support local initiatives that determine best broadband strategies and solutions. We are deeply concerned that both the Report and the National Broadband Plan, implicitly favor for-profit business models in providing rural broadband services; inflate doubts and concerns about municipally owned networks; and omit private-sector nonprofit networks as viable rural broadband business models.

We seek a neutral environment where all possible rural broadband business models and solutions are available to help rural communities thrive. We encourage the FCC to carry this principle into its update of the Rural Broadband Report. Now, as in 2009, supporting local solutions will be key in increasing broadband adoption in rural homes.

## **2) Establish Local Job-Creation and Social Capital Formation Benchmarks**

Building sustainable broadband networks is not simply a matter of selecting an appropriate technology and the lowest bidder. Human and social capital matter in rural areas, where lack of access to financial capital has forced communities to rely on self-help initiatives such as barn-raising, purchasing and storage co-ops, and credit unions. The 2009 Report envisions rural networks based on “principles of durability, reliability, openness, scalability, and interoperability...” We urge the Commission to include two additional principles: local job-creation and social capital formation.

In setting benchmarks for local job-creation and social capital formation, the Commission should review the history of rural electric and telephone cooperatives over the last seven decades. The success of these networks is directly tied to non-technological factors such as local accountability and community reinvestment of financial and social capital.

America's rural communities are all too familiar with the phenomenon of a state or federally subsidized project left to atrophy once start-up funding or tax incentives are depleted. The long-term success of rural electric and telephone cooperatives is due in no small measure to the fact that these networks are owned by – and accountable to – the people who live and work in the communities they serve. As the history of these nonprofit, private-sector networks amply demonstrates, local stakeholders are far more likely to be good stewards of federal subsidies over the long-term. At this time of historic deficits and long-term debt, this is a history lesson the nation cannot afford to ignore.

## **3) Collect Accurate Data**

The Rural Broadband Policy Group is pleased to see that federal agencies have sought comments about how to collect data, have tabulated the comments, and have produced an impressive National Broadband Map. These efforts are a step in the right direction, but we still need more **accurate** data in order to increase broadband adoption in rural homes. Data should be collected at the street address level, indicate the cost of service, and the actual-speed available to consumers. Furthermore, because the American Recovery and Reinvestment Act was designed to create jobs, data on the jobs created and demographic

information of the communities securing those jobs should be collected from each RUS recipient.

An example of data accuracy issues is noted by OtraTech, an optimal siting venture of Crile Carvey Consulting, Inc., based in Laramie, Wyoming. OtraTech seeks to assess cell phone tower placement in unserved rural populations throughout the United States and challenges the results of NTIA's National Broadband Map. According to OtraTech, data collected using a "census block" or "census tract" measurement is flawed and creates misleading information. If someone in a 2-mile radius block or tract has broadband service, it is assumed that everyone within that block has access to broadband. In addition, census blocks or census tracts, allow providers to report the highest **advertised** speed, not the **actual** speed.

The National Broadband Map shows that roughly 25 addresses within a 100-squared mile area of OtraTech's main office in Sybille Canyon have access to broadband. However, based on their own investigation, OtraTech claims that not a single of those addresses have access to high-speed Internet, and that only six of those addresses can even get a satellite carrier.

OtraTech's findings exemplify how, without the right methods, even good intentions from agencies seeking to close the digital divide can produce inaccurate data that can in fact leave communities out of vital support. The Rural Broadband Policy Group encourages the FCC to acknowledge in the update to the Rural Broadband Report that:

- Using a zip code, census block, and/or census tract measurement produces flawed data.
- Federal efforts should collect data at the street address level, and include disaggregated data by race/ethnicity and other relevant demographic variables.
- *Accurate* data on the cost of service, actual-speeds available, and the "Average Revenue Per User" is still needed.

- RUS funded projects should provide data on the number of jobs created, the location of those jobs, and demographic indicators of the recipients of those jobs (i.e. race, gender, etc.).

#### **4) Reclassify Internet service as a Title II service, and Implement strong Net Neutrality rules**

Although the Rural Broadband Report explicitly recommended the implementation of Internet Neutrality rules and cautioned the Commission about the detrimental effect lax regulations could have in the wireless market, the FCC made unfortunate decisions that compromised the adoption of broadband in rural homes. In the Report, the Commission warned:

The positive externalities and network effects of ubiquitous broadband will not be realized if consumers are all constrained by careful bundling, packaging, and discriminatory practices that whittle away the end-to-end structure of the public Internet. ‘Openness’ is not just another bromide, but a principle we must tenaciously preserve...the Commission must act to ensure that the genius of the open Internet is not lost. *(Overcoming Challenges to Rural Broadband Deployment, Section B, Network Openness, 61-62)*

In 2010, after much pressure from powerful telecommunications companies, the FCC proposed weak Net Neutrality rules that hardly protect wired Internet service and leave wireless Internet consumers vulnerable to powerful telecommunications corporations. At the same time, the Commission opted to decrease its authority and to maintain lax regulations on Internet Service Providers by not reclassifying Internet service under Title II. This decision was made even after then-acting Chairman Michael Copps pointed out the danger of considering Internet service as an information service:

As broadband networks developed, the few companies that controlled the on-ramps to the Internet could interfere with and distort the development of technology, opportunities for entrepreneurship, and the choices available to consumers. As the Commission re-categorized telecommunications services as information services, this only amplified the potential for interference. *(Overcoming Challenges to Rural Broadband Deployment, Section B, Network Openness, 61-62)*

With a Federal Communications Commission unwilling to step into more authority in order to protect consumers more effectively and to strengthen rules to protect the openness of the Internet, rural communities are left vulnerable to the abusive and discriminatory practices of powerful Telecommunications corporations. As the FCC moves forward in its efforts to reform the Universal Service Fund, and the Obama administration focuses its energies on wireless deployment, strong Net Neutrality rules and the reclassification of Internet service to Title II become urgent steps in protecting the rights of rural consumers and achieving broadband adoption in rural homes.

The Rural Broadband Policy Group respectfully requests that the Federal Communications Commission establish its authority by reclassifying Internet Service under Title II, implement stronger Net Neutrality rules for both wireline and wireless service, prohibit “Paid Prioritization,” and focus on protecting consumers. We encourage the FCC to carry the principle of “nondiscrimination” and “openness” present in the Rural Broadband Report of 2009 to the update of this report. As then-Acting Chairman Michael Copps stated in the report,

I have long advocated adopting a fifth principle of nondiscrimination. The principle would allow for reasonable network management but make crystal clear that the transformative power of the Internet is not to be limited by such techniques...Such a principle is particularly important in a rural context where a citizen may have only one option for broadband Internet access. (*Overcoming Challenges to Rural Broadband Deployment, Section B, Network Openness, 61-62*)

#### **IV. Universal Service Fund Reform**

As opportunities emerge to reform structures that can help deploy broadband infrastructure and increase broadband adoption throughout the country, the Rural Broadband Policy Group encourages the FCC to carry the recommendations we have presented in these comments beyond the Update of the Rural Broadband Report. Specifically, we urge the Commission to focus on local solutions, establish local job creation and social capital formation benchmarks, collect accurate data, reclassify Internet service as a Title II service, and implement strong Net Neutrality rules as part of its vision to reform the Universal Service Fund.

The Rural Broadband Policy Group sincerely thanks the Federal Communications Commission for your tireless efforts in drafting and updating a Rural Broadband Report that reflects our concerns. We look forward to collaborating with you in the efforts to increase broadband adoption in rural homes, close the digital divide, and ensure that our entire nation has the chance to participate in the digital present.