

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Modernizing the FCC Form 477 Data Program)	WC Docket No. 11-10

**COMMENTS
OF
WTA – ADVOCATES FOR RURAL BROADBAND**

WTA – Advocates for Rural Broadband

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Dated: October 10, 2017

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Summary

WTA – Advocates for Rural Broadband (“WTA”) supports the Commission’s re-examination of its FCC Form 477 data collection process. In particular, WTA believes that the adoption of an annual FCC Form 477 filing requirement to replace the current semi-annual filings would wholly satisfy the Commission’s needs for monitoring, reporting and regulating broadband deployment. It would also allow rural local exchange carriers (“RLECs”) and other reporting entities to focus more of their staff and financial resources upon extending and improving their broadband networks and services rather than compiling and filing an unnecessary additional FCC Form 477 each year.

WTA opposes the contemplated change that would make public on a national level the number of each filer’s subscribers at each reported speed. Whereas this may not impact national and regional carriers serving many states and study areas, it will effectively “disaggregate” and make public the proprietary and confidential subscriber information of RLECs and other small service providers that serve only a few states and study areas.

Finally, WTA notes that many of the reporting alternatives more granular than census blocks are not available or practicable in rural areas. Whereas Universal Service Fund (“USF”) support recipients are now reporting geocoded location data for some of their census blocks and locations, the extent of current and prospective USF reporting is limited and constitutes only a fraction of the locations relevant to FCC Form 477 reporting. Due to the current accuracy issues regarding geocoding, the limited scope of existing geocoded location data submissions, and the substantial costs of obtaining geocoded location data for all broadband service areas and locations by all FCC Form 477 filers, WTA urges the Commission to stick with census block level reporting for FCC Form 477 data collections for the present time.

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WTA – Advocates for Rural Broadband (“WTA”) hereby submits its comments with respect to the Commission’s *Further Notice of Proposed Rulemaking*, FCC 17-103, released August 4, 2017 in the referenced proceeding (“*FNPRM*”).

FCC Form 477, Local Telephone Competition and Broadband Reporting, was established by the Commission in 2000 to collect data that would help it better assess the availability of high-speed Internet access and other broadband services, and the development of competition for local telephone service. The Commission’s stated goals were to materially improve its policymaking in these areas, while minimizing the information collection burdens on the broad range of large and small, fixed and mobile, broadband and voice service providers required to complete and file the form. Among other things, the Commission has used FCC Form 477 data to provide periodic reports to Congress, to determine whether areas are served or unserved at various broadband speeds, and to identify areas that may be served by one or more unsubsidized competitors.

WTA applauds the Commission’s effort to conduct a review of the FCC Form 477, and to explore potential ways in which the accuracy, usefulness and cost-effectiveness of the collected data might be improved. As a representative of rural local exchange carriers (“RLECs”) providing fixed voice and broadband services, WTA believes that: (1) a single annual FCC Form

477 submission will more effectively, efficiently and economically provide timely and accurate monitoring of changes in rural service availability and competition; (2) the contemplated release of national-level, fixed broadband subscriber counts would harm many filers serving limited geographic areas by making public their proprietary and confidential broadband subscriber numbers; and (3) the alternatives under consideration for more granular reporting of census block deployment data are not feasible for rural areas and/or are excessively burdensome and expensive to implement at this time.

I

WTA – Advocates for Rural Broadband

WTA is a national trade association representing approximately 340 rural telecommunications providers offering voice and broadband services in Rural America. WTA members are generally RLECs that serve some of the most rugged, remote and/or sparsely populated areas of the United States. They are providers of last resort to many areas and communities that are both very difficult and very expensive to serve. The typical WTA member has 10-to-20 full-time employees, and serves fewer than 3,500 access lines in the aggregate and fewer than 500 access lines per exchange.

Approximately 40 percent of WTA's members elected to receive federal Universal Service Fund ("USF") support for the next ten years pursuant to the Alternative Connect America Cost Model ("ACAM") Path. Except for several Alaska Plan and Price Cap companies, the remainder of WTA's members have remained (and in many cases have been forced by circumstances or eligibility limitations to remain) on the alternative Rate of Return ("RoR") Path.

For well over a decade, WTA members have been engaged in the upgrade of their original voice networks to deploy higher and higher bandwidth broadband facilities and services.

Given the steep costs of serving their rural service areas and their relatively small rural customer bases, WTA members depend significantly upon federal USF support to obtain and repay the loans for these broadband upgrades, and to operate and maintain their networks.

At the same time, the small size of the typical WTA member's customer base and staff limits the economies of scale that can be realized, and means that regulatory reporting and compliance costs impose a significantly more onerous burden per customer and per dollar of revenue on these small carriers than upon their larger counterparts. A useful way of looking at regulations and reporting requirements affecting RLECs is to consider the net amount of federal USF support available to fund broadband deployment, operation and maintenance over and above the reporting and compliance costs associated with the receipt of such support and related regulatory obligations. To the extent that the Commission simplifies, reduces or eliminates its reporting and regulatory requirements, WTA members will be able to use more of their USF support and other revenues to deploy, operate and maintain the broadband facilities and services for which such USF support is now predominately intended.

II

FCC Form 477 Should Be An Annual Filing

Currently, FCC Form 477 must be filed twice each year: on or before March 31 (using data as of December 31 of the previous year) and on or before September 30 (using data as of June 30 of the same year). WTA believes that a single annual FCC Form 477 data collection is more than sufficient for the accurate and timely oversight of the nature, extent and growth of broadband deployment and adoption.

Fixed broadband service deployments and speed upgrades in rural areas occur on timetables that have durations much closer to two years than six months. For most WTA

members, it takes well over a year to plan a significant broadband network extension or upgrade, obtain the requisite permits and rights-of-way, procure Rural Utilities Service (“RUS”) or other financing, and line up the contractor services and equipment necessary for construction and deployment. Moreover, in substantial portions of the Northern, Western and Midwestern states, weather and frozen ground conditions limit the outdoor construction season to the late Spring, Summer and early Fall periods. Hence, a typical broadband deployment project is likely to take approximately eighteen (18) months to two (2) years from planning to service initiation. An annual FCC Form 477 filing is more than sufficient to monitor and report these changes.

WTA does not pretend to speak for cable and fixed wireless broadband providers, but believes that they also require substantially more than six months to construct, extend, upgrade and deploy their broadband facilities and services. WTA and its members know of no rural market where broadband deployment, services and adoption are changing so rapidly and so substantially that semi-annual FCC Form 477 data collections are necessary to keep abreast of and react to such changes.

Over and above the lack of need and usefulness for semi-annual FCC Form 477 reporting, two FCC Form 477 filings per year place an unnecessary and substantial financial and staffing burden upon RLECs and other smaller service providers. The present online FCC Form 477 Instructions estimate the work and time required to complete the form as follows:

The annual reporting burdens for this collection of data, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the required data and completing and reviewing the collection of information, are estimated to be: 2,002 respondents, 387 hours per response, 2 responses per year, for a total annual burden of 1,549,548 [total hours].

WTA understands that the “387 hours per [semi-annual] response” is an average for all respondents, and likely encompasses substantial variances among large, mid-sized and small

service providers. However, the preparation of a single FCC Form 477 submission can take even a small RLEC at least 10-to-100 man-hours for its clerical, plant and sales personnel to collect and confirm the current service data for the census blocks that it serves.¹ Even though broadband deployment and service speeds do not change rapidly in rural areas, the RLEC officers and employees responsible for preparing and certifying the accuracy of the FCC Form 477 still must collect, review and verify the data reported in each filing.

Reducing FCC Form 477 filings from two to one per year will decrease the time commitment and attributed costs of the data collection by approximately half. WTA members report that the per-round burden of FCC Form 477 filings is presently relatively stable. The typical pattern is that it took RLECs significantly more time to complete FCC Form 477 when it was new and unfamiliar, and that the normal learning curve has enabled the staffs of WTA members to become more familiar with the form and the types of data needed to complete it, and to know where to go in their company to get current data. Should the Commission substantially change the format of FCC Form 477 – for example, by requiring the reporting of data on a more granular basis than census blocks – the time burden is likely to increase sharply for the first few filings requiring the new data, and then follow the learning curve down to a new plateau as RLEC employees become familiar with the changed requirements. However, except for the early stages of each learning curve, it takes approximately the same amount of time to collect, review and verify the data reported in each filing.

¹ WTA took an informal poll of its members regarding the time they generally spend on preparing their semi-annual FCC Form 477s. One grouping indicated that they spend up to 10 hours per submission, another grouping estimated 20-to-30 hours per filing, yet a third grouping reported 70-to-80 hours, and a fourth estimated up to 100 hours per filing. These companies varied with respect to many factors that could influence their FCC Form 477 preparation time, including size of service area, numbers of exchanges and study areas, numbers and sizes of census blocks, staff size, terrain, and population density. WTA notes that these preparation times were based upon familiarity with the current FCC Form 477, and could increase significantly for a while (until reduced by a learning curve) if the Commission revises the FCC Form 477 to collect significantly new, different or more granular data.

WTA notes that a single annual filing will eliminate an anomaly that currently occurs with respect to the semi-annual FCC Form 477 filings for RLECs serving vacation and recreational areas. WTA members that serve areas containing significant numbers of summer cottages, weekend cabins, ski lodges and other vacation homes report that their subscriber numbers generally change between the September 30 FCC Form 477 filing (based on June 30 data) and the March 31 filing (based on December 31 data for the prior year). However, these changes do not indicate trends in broadband deployment or adoption; rather they are due to normal seasonal fluctuations as the owners of recreational homes have their voice and broadband service turned on and off during periods of occupancy and vacancy.

Particularly because semi-annual FCC Form 477 filings are not necessary to monitor the current and foreseeable future pace of broadband deployment and adoption, WTA requests that the Commission shift to an annual FCC Form 477. In addition, the time and cost saved by moving to an annual filing will free up the staffs and financial resources of WTA members and many other filers to focus upon increasing and improving their broadband deployment, service and adoption.

III

National-Level Fixed Broadband Subscriber Counts Should Not Be Made Public for Carriers Serving Limited Areas

The Commission has historically not made filer-specific broadband subscriber data collected on FCC Form 477 routinely available to the public. Rather, it has redacted and aggregated subscriber data as necessary to prevent direct or indirect disclosure of proprietary and confidential filer-specific data.

The *FNPRM* proposes to make public on a national level a filer's number of subscribers at each reported speed. For large national and regional service providers serving many states, this aggregated information may well "provide a meaningful metric of the state of broadband adoption in the U.S." without impairing the filer's proprietary, confidential and/or competitive interests in some or all of its service areas. However, for most WTA members and many other small filers whose operations are limited to one or a few states, this "national-level" subscriber information is already "disaggregated," or can be relatively easily disaggregated, into subscriber information for individual states and service areas. Most WTA members and other RLECs do not engage in the public trading of their stock, and do not file their subscriber information as part of public disclosures to the Securities and Exchange Commission ("SEC") and similar agencies. Hence, release of the "national-level" subscriber information of RLECs would place information in the public domain that has never previously been there, and that has long been deemed to be proprietary and confidential.

WTA urges the Commission to continue to keep all filer-specific broadband subscription data proprietary and confidential. In the alternative, the Commission should exempt RLECs and other small filers that operate in only a few states from the filer-specific disclosure of their "national-level" subscriber data. For example, the Commission could exempt from disclosure, retain the confidentiality of, and not make routinely available to the public, the filer-specific, "national-level" broadband customer data of broadband service providers having less than 100,000 broadband customers nationwide. Or it could exempt from disclosure, retain the confidentiality of, and not make routinely available to the public, the filer-specific, "national-level" broadband customer data of filers that serve broadband customers in six (6) or fewer states. If the Commission wants to be able to list and monitor changes in total nationwide

broadband subscriptions at various specified speeds, it can employ an “All Other” category where it could aggregate the broadband customer data of the exempted filers.

IV **More Granular FCC Form 477 Data Requirements Pose Problems Of Unavailability, Collection Burdens and Costs for Rural Filers**

In 2013, the Commission considered the advantages and disadvantages of collecting fixed broadband deployment data at a more granular level than census blocks, and concluded that the administrative and data quality challenges of collecting data below the census block level would make such an endeavor impractical. *FNPRM* at par. 36. Unfortunately, this situation largely remains the case in 2017 as well.

Whereas street addresses may make sense in urban and suburban areas, they are not used or useful in many rural areas. Rather, there are no street addresses in many rural portions of Alaska² and the Lower 48 states, and mail delivery in these areas is generally via post office box. Street segments and road segments also are not very accurate or practicable in many rural areas. A customer may list his or her address as State Road 29, but that road can be five miles long, twenty miles long, or fifty miles long, and may pass through portions of multiple census blocks. The Commission correctly recognizes that street and road segment data does not indicate where subscriber residences are actually located along the street or road. *FNPRM* at para. 41.

The alternative of requiring broadband providers to identify census blocks that they can fully serve may be workable in some rural areas, but would be difficult and expensive in others. For example, in some farming or ranching areas where property lines are well defined and the locations of housing areas are relatively stable, an RLEC may be able to ascertain whether it can serve entire census blocks on a relatively accurate basis. However, in areas where both

² In many Alaskan villages, the “street” is a dirt or gravel path.

permanent and temporary residents may regularly set up or relocate trailers and other mobile homes, RLEC determinations whether they can serve entire census blocks are much more difficult and volatile, and would require substantial investigation within every potentially affected census block before each cut-off date for FCC Form 477 data.

Geocoded location data may appear initially to be an alternative because various types of USF recipients are being required by Section 54.316 of the Rules to begin reporting various geocoded locations to the Universal Service Administrative Company's ("USAC's") High Cost Universal Broadband ("HUBB") portal. However, the geocoded reporting obligation is limited in scope, and it is extremely time consuming and expensive to obtain accurate geocoded location data for locations that are not part of existing construction projects.

A major limitation to the potential use of geocoding for FCC Form 477 purposes is that USF recipients – whether Connect America Fund ("CAF") Phase II, ACAM Path, RoR Path or Alaska Plan – are not required to provide geocoded location data for any census blocks where they do not receive USF due to the presence of unsubsidized competitors or other funding restrictions or limitations. In addition, RoR Path participants have to submit geocoded data to the HUBB portal only for "qualifying" new locations to which they made broadband service available after May 25, 2016 pursuant to their RoR Path build-out obligations (and not for any locations to which they provided broadband before May 25, 2016). RoR Path participants that provide 10/1 broadband service to 80 percent or more of their locations do not have RoR Path build-out obligations or HUBB geocoding reporting requirements. Finally, cable television and fixed wireless service providers are not subject to any HUBB reporting or other geocoded location data filing requirements. In sum, the Section 54.316 HUBB reporting requirement for

USF require the geocoding and reporting of location data for only a fraction of the broadband service locations relevant to FCC Form 477.

A second major limitation to the use of geocoding is the difficulty, time and cost of obtaining accurate geocoded data. WTA understands that there are a variety of geocoding alternatives available at the present time, but that many are not very accurate. WTA is aware of instances where two different locations have ended up with the same geocode. WTA members report that the only current way for them to obtain accurate geocoding for a location is to actually visit the site, determine whether the structure or structures qualify as a service locations (for example, are not barns) and obtain the relevant global positioning system (“GPS”) coordinates. This may or not be a significant undertaking in towns, but in rural areas it means not only driving substantial distances along roads between properties, but also dealing on individual properties with long access roads, fences, locked gates and hostile residents. It is not uncommon for the geocoding of a single rural location to take more than an hour.

WTA notes that geocoding is not a major problem at the time that a filer is deploying new or upgraded broadband facilities at a specific customer location. Personnel are onsite and can bring the necessary equipment and obtain the relevant GPS coordinates. However, for filers to be required to revisit existing rural customer locations for geocoding purposes is an extremely expensive and burdensome undertaking – whether for USF or FCC Form 477 reporting purposes. For example, obtaining and filing geocoded location data for their pre-May 25, 2016 broadband customers would impose an onerous expense upon RoR Path participants that are already experiencing substantial and unpredictable disruptions to their investment planning and operating capabilities due to the skyrocketing “haircuts” imposed by the Section 54.901(f) and 54.1310(d) budget control mechanisms. Likewise, requiring any filer – local exchange carrier, cable

television system or fixed wireless provider – to obtain and report geocoded location data for areas in which it does not receive USF support would require the diversion of substantial resources that could otherwise be available for broadband infrastructure and service improvements.

WTA is willing to work with the Commission to determine whether the limited geocoded data currently being filed in the HUBB can be used to simplify, supplement or reduce FCC Form 477 data collections. However, the limited scope of this geocoded data is not likely to constitute a substantial solution to the granularity question. Because other alternatives such as street addresses are not generally used in many rural areas, it would appear most effective and efficient at this time to stick with census block reporting for FCC Form 477 data collections.

V **Conclusion**

WTA reiterates its support for the Commission’s re-examination of its FCC Form 477 data collection process. In particular, WTA believes that the adoption of an annual filing requirement to replace the current semi-annual filings would wholly satisfy the Commission’s needs for monitoring, reporting and regulating broadband deployment, as well as allowing RLECs and other reporting entities to focus more of their staff and financial resources upon extending and improving their broadband networks and services rather than compiling and filing a second FCC Form 477 each year.

WTA opposes the contemplated change that would make public on a national level the number of each filer’s subscribers at each reported speed. Whereas this may not impact national and regional carriers serving many states and study areas, it will effectively “disaggregate” and

make public the proprietary and confidential subscriber information of filers that serve only a few states and study areas.

Finally, WTA notes that many of the reporting alternatives more granular than census blocks are not available or practicable in rural areas. Whereas some RLECs are now reporting geocoded location data for some of their census blocks and locations, the extent of current and prospective USF reporting constitutes only a fraction of the locations relevant to FCC Form 477 reporting. Due to the accuracy issues regarding geocoding, the limited scope of existing geocoded location data submissions, and the substantial costs of requiring the filing of geocoded location data for all existing broadband service areas and locations by all broadband service providers (including cable operators and WISPs), WTA urges the Commission to stick with census block level reporting for FCC Form 477 data collections for the present time.

Respectfully submitted,
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