

**FCC Brendan Carr to Use “ALEC” 5G Bill for Upcoming FCC Wireless Debacle;
25 Years of AT&T Vaporware to Rural Areas Revealed in Indiana.**



FCC Commissioner Brendan Carr went to [Indianapolis, Indiana](#) on September 4th, 2018 to announce the FCC’s new proposed 5G wireless regulations that are directly tied to “model legislation” most likely created by “ALEC”, the American Legislative Exchange Council. On the floor of the Indiana Senate statehouse, he was joined by the Hoosier politicians, (most, if not all, appear to be getting money from AT&T et al.).

Sadly, 25 years ago, there were other plans to bring advanced telecommunications based on fiber optic services to Indiana. In fact, 150,000 lines of fiber optic-based services were supposed to have been rolled out in just Indianapolis—by the year 2000.

Sadder still, [ALEC has had a continuous, detrimental impact](#) on telecommunications and broadband in America for over a decade, as told by a case study of another AT&T state, Wisconsin, which we did in 2008.

Yet, in 2018, we now have FCC Commissioner Carr delivering a string of over-used buzz words in his [press release](#) and speech, promising 5G will bring next-gen services and create jobs, aid in education and health care—even in rural areas, as long as regulations are removed.

“5G will create jobs, improve education, and promote public safety. But to upgrade our networks, we must upgrade our regulations.”

And,

“Now, we are on the cusp of upgrading to 5G. This next-generation network can create jobs, enable a 21st century education for our kids, and improve access to high-quality, affordable healthcare...”

And, the FCC claims:

“Two million more homes will be reached by small cells as the result of this decision—and 97% of those will be in rural and suburban communities.”

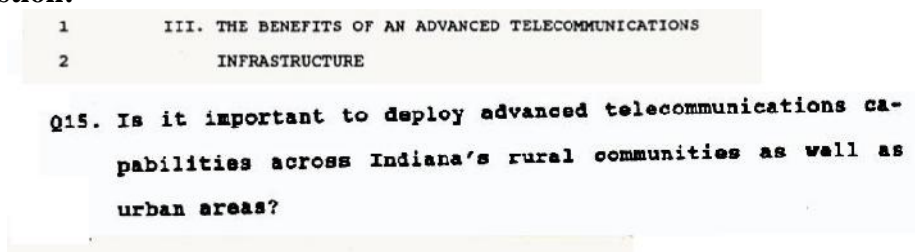
If history is our guide, this is all just another act by AT&T and Verizon et al. to remove regulations and tout wireless vaporware, the new shiny-tech bauble to be used for this bait-and-switch.

25 Years of Rural Broadband Vaporware: “Opportunity Indiana”, June, 1993 –

In 1993, Deloitte & Touche created “Opportunity Indiana”, a million dollar study paid for by AT&T (then Indiana Bell), the incumbent phone utility. It claimed that this plan would deliver advanced telecommunications, including fiber optic-based broadband, to Indiana, including rural areas, if the laws were changed to give the company more money and the state got rid of regulations.

Click to see the actual [excerpts from Deloitte’s Opportunity Indiana.](#)

Question:



Answer (From Excerpts)

- “Without the deployment of advanced services and capabilities rural areas may be less attractive to information incentive businesses.”
- “Rural America is following urban America into the information age, in which a wide variety of are critical factor of production to all businesses.”
- “A significant opportunity exists to advance the public agenda for excellence in education through the adoption and expansion and availability of advanced telecommunications capabilities... the most rural areas...”
- “Telecommunications could be especially useful in rural areas by helping organizations and communities to overcome barriers caused by inadequate information and distance to markets.”

And the testimony laid out benefits of a fiber optic future for health care in Indiana.

Opportunity Indiana's Impact on Health Care

- "Reduce the cost of health care through technology applications that improve hospital, clinical, administrative, and related insurance operations.
- Increase health care access for rural and less mobile citizens.
- Improve the quality and availability of health care education for practitioners.

- Send X-rays to experts real-time via broadband technology.
- Give improved health care for limited resources with **telemedicine** projects."

And there you have it; 25 years of hype and an answer to why rural America was never properly upgraded. This original plan, one quarter of a century ago, never ended up delivering serious advanced network build outs, and what was said to the public vs what would end up as deliverables, much less what would end up being charged to customers via rates—was never in the customers' favor. (In fact, through 1999 Ameritech [was taken to court](#) for its failure to meet basic commitments under Opportunity Indiana.)

NOTE: “The Book of Broken Promises: \$400 Billion Broadband Scandal & Free the Net” (a [free PDF download](#)) highlights the history of broadband in America and covers part of the Deloitte & Touche “Opportunity” broadband studies that were “cookie-cut” and used in multiple states: New Jersey, Pennsylvania, Ohio, Indiana and Illinois.

It is 25 years later, and instead of questioning what happened over the last ¼ of a century—the politicians who joined Brendan Carr just parroted, once again, the soundbytes that have been manufactured by AT&T and Verizon —“advanced telecommunications” to rural areas, to “benefit education” and “health care”, including “telemedicine”.

And for those who want a taste of déjà vu, compare the previous promise to deploy fiber optics to Indiana, including rural areas, from 25 years ago, with the new promise by these Hoosiers; both drenched in the exact same buzz words – even the word “telemedicine”, or the mention of improved health care, or excellence in education.

- **“High-speed connectivity drives jobs – economic growth – education – and improved healthcare outcome,”** said Senator Todd Young. “Behind forward-thinking officials at the state level, Indiana has been a real leader in passing smart, effective regulatory reforms to the state’s siting laws.
- **“As the co-founder and co-chair of the Congressional 5G Caucus, I understand the significant impact 5G is going to have on our communities,”** said Congresswoman Susan W. Brooks. “5G has the potential to unleash the power of emerging technologies such as **telemedicine**, save lives with enhanced critical public safety communications, transform existing industries, and so much more.
- **“Here in Indiana, we believe in minimizing burdensome regulations in order to pave the way for investments of all kinds in our local communities and across the state,”** said State Sen. Jim Merrit”

Change the Laws – I.e., Deregulate to Give the Companies Billions More Profits.

Of course, there are the other important terms; “reform”, “eliminate outmoded and costs regulatory process” and the ever popular “forward looking”.

The goal of the 1993 Indiana Bell proposal was to remove regulations and raise rates, but that wasn't what they told the public. The testimony by Norman L. Cubellis, Vice President-Regulatory and External Affairs, Indiana Bell Telephone Company, put it succinctly.

"Indiana Bell now presents Opportunity Indiana, a progressive plan which is designed to protect the price of Basic Local service through a rate stability index, provide equal freedom to Indiana Bell to respond to competitive actions and as a consequence of reform, **eliminate the outmoded** and costly rate of return regulatory process. In response to approval of the total package of these **forward looking** initiatives by this Commission, Indiana Bell commits to accelerate and increase its infrastructure investment, thereby accelerating the **benefits of technology** to its customer."

In 1993, the discussion was about deploying actual fiber optic services, not some wireless substitute. And there were multiple statements about what was being deployed. This title of Ameritech's FCC Petition for five states outlined the plan and territories.

"Ameritech Operating Companies For Authority pursuant to Section 214 of the Communications Act of 1934, as amended, to construct, operate, own, and maintain **advanced fiber optic facilities** and equipment to provide video dialtone service within geographically defined areas **in Illinois, Indiana, Michigan, Ohio, and Wisconsin.**"

In fact, Indiana Bell (AT&T) was supposed to have upgraded 150,000 homes to fiber optics Indianapolis. (NOTE: "Video dialtone" was a separate, federal plan; Opportunity Indiana, was a specific state plan for regulatory changes, but both plans overlapped each other. Moreover, the company would be touting 'fiber optics' like a mantra, in every annual report, press release, etc.)

We want to re-emphasize one crucial point — the company was supposed to commit funds to build what was then called the Information Superhighway, in 1993.

"Finally, the Opportunity Indiana Plan recognizes the need for Indiana Bell to provide a high level of new investment to achieve and maintain a state-of-the-art telecommunication infrastructure."

But the kicker is—this deregulation established 'price caps', a totally bogus mathematical construct that keeps one service capped and allows the other services' profits to be freed. By 1995, the Ameritech Investor Alert, (the holding company) would add, January 1995:

"Federal and state regulators no longer limit the company's profits."

Most importantly, these plans were to have the state utility be a **broadband utility**, as it was being paid for by the state utility phone customers. Today, the FCC never mentions

that there are state utilities or that the laws they are preempting are for a broadband state utility.

They had 25 Years to Get Indiana, and Indianapolis, and Rural Areas Upgraded to Fiber—and Blew It.

ALEC Bills and the Paying of Politicians

Then we get to the seriously flawed part. Commissioner Carr's statements mention something very troubling—let's just use the ALEC bill as a new federal rule, preempting every state.

“Carr's plan, set to be voted on at the FCC's September 25 Open Meeting, is modeled on the small cell bills enacted in 20 states across the country ... We do not disturb nearly any of the provisions in the 20 state small cell bills that have been enacted.”

First, notice that there is no mention that this is based on “model legislation” created at ALEC.

This bill and its variants, have been shot down in many states, from California to New York. In California they even had some Democrats helping to push through the bill, by funding [their pet projects](#). And in New York, [Governor Cuomo](#) decided to do Verizon a favor, (since his [former economic advisor, Leecia Eve](#), is now a vice president in charge of NY, NJ and parts of CT) and attempted to sneak a piece of proposed 5G legislation in the annual state budget—and the townsfolk revolted.

The Politicians Take Money from AT&T Et Al.

All of the 5G plans we examined have one thing in common – almost all of those pushing the legislation are getting paid by AT&T and/or Verizon in multiple ways. A “follow the money” quick scan shows that the Indiana politicians are just like the other states.

For example, Congresswoman Susan Brooks was outed by [Fight for the Future](#), who detailed that she was against Net Neutrality and got \$168,500 from ISPs, in this case, meaning AT&T as well as the cable companies.

“Rep. Susan Brooks took \$168,500 in ‘campaign donations’ from big ISPs. No wonder this representative opposes net neutrality protections that would prevent companies like Comcast, Charter and AT&T from throttling traffic, blocking access to websites and apps, and imposing unfair fees.”

But this total amount doesn't cover that AT&T has set up a [5G test site in her district](#):

“I represent the northern part of Indianapolis, which is an AT&T test site for 5G evolution build out.”

And, in April, 2018, just to show that [AT&T really cares](#) about Indianapolis, AT&T had its 200th hackathon and included Representative Brooks in the AT&T circle of influence.

“Indiana Civil Leaders Inspire Developers at AT&T’s 200th Hackathon”

Moreover, going through the campaign financing of Susan Brooks, according to [OpenSecrets.org](#) we see that some of her largest contributors are AT&T, Deloitte, (more ironic that not), and the cable companies. In fact, the telecommunications companies are in the “Top Contributors for 2017-2018”.

Susan Brooks Representative (R - IN)			
Contributor	Total	Individuals	PACs
Deloitte LLP	\$20,500	\$500	\$20,000
Cox Enterprises	\$20,000	\$0	\$20,000
Comcast Corp	\$20,000	\$0	\$20,000
AT&T Inc	\$10,000	\$0	\$10,000
Top Industries, 2017 - 2018			
Industry	Total	Individuals	PACs
Telecom Services	\$73,000	\$0	\$73,000

The Punch Line to Screwing Indiana (and America) Over and Over – 5G is a Con.

The FCC writes:

“And yet still too many communities, especially in rural America, feel that they may be left behind. Their elected leaders have called on the FCC to act because they are concerned that, without federal action, they may not see 4G, let alone 5G service. They worry that the billions of dollars of investment needed to deploy next-gen networks will be consumed by high fees and long delays in big, ‘must serve’ cities.”

And the FCC continues and says that nationwide:

“In fact, an economic analysis released last week suggests that this FCC decision would cut about \$2 billion in red tape, stimulate \$2.5 billion in additional investment, and create 27,000 jobs. Moreover, by lowering the

cost of deploying small cells, this decision will flip the business case for building 5G and next-gen networks in rural and less affluent communities. According to the analysis, two million more homes will be reached by small cells as the result of this decision—and 97% of those will be in rural and suburban communities.”

When and if 5G works as advertised, it will require a fiber optic wire and the small cell antenna has an estimated range of 1 to 2 city blocks. That’s it. If these companies and politicians were so concerned, they would know basic facts. There is not one mention of the distance problems with 5G – nor the fact that if they didn’t do the fiber optic wiring before, they certainly have no plans now, especially in rural areas—except for show or for ‘tests’.

This FCC ‘red tape’ and added expenses should make the reader see red. How much money was collected since 1993 in extra fees on actual bills due to the rate increases that were established under price caps? Where is any analysis of the actual costs to offer basic phone service or broadband – and the extra charges that have been added due to ‘price caps’?

And the conflicts of interest should shame us all. Brendan Carr, the FCC Commissioner, [previously worked](#) for the CTIA, the wireless association, and AT&T and Verizon when he was at Wiley Rein. This plan displays blatant favoritism for his old clients, who seem to be in the background like a tragic Greek chorus, and ALEC, though he never mentioned the name.

We ask: How was all this arranged? Did AT&T put together this Indianapolis gathering? Who came up with the idea to use an ALEC bill for this federal agency’s 5G campaign?

Thus, instead of finding out what happened to all of the previous broadband infrastructure plays, or all the money that was collected—and documenting the failure of the incumbent, (now-AT&T and the previous incarnations), to show up, this plan gives the companies carte blanche and removes even more regulations, not to mention takes away controls from the states and cities.

History predicts...we need a new paradigm, not this puppet show.