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

In the Matter of

Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996, as Amended by the Broadband Data Improvement Act	)	GN Docket No. 15-191

COMMENTS BY DAVID B. STEWART
RELATED TO THE ELEVENTH BROADBAND PROGRESS NOTICE OF INQUIRY (NOI)

To Whom it may Concern,

My comments in this proceeding are related more to usage-based pricing and bandwidth caps than to latency and other items for which the Commission is seeking comment.

Recently, the only broadband provider for the southern half of Houston County, Georgia, ComSouth Telesys, began including information on customers' bills indicating they were going to enforce "data allotments" for all their broadband plans, with these allotments varying, based on how much the customer paid for service each month.

They're not alone, as this is becoming the trend with broadband providers across the country. Most of these providers are cable television providers, and with increasing numbers of customers cancelling their cable TV subscriptions in favor of online streaming of news and entertainment programming, those cable providers are seeing the end of the "double dipping" they've enjoyed at the expense of American consumers for a decade or more. To keep that revenue up, these providers seem to have latched on to a model of "if you want to see video, you're going to pay for it, one way or another – either by subscribing to cable TV or by paying exorbitant fees for data consumption."

We all understand there is a cost to providing Internet access, particularly broadband speeds. We understand the providers are in business to make a profit. There is no complaint there. But we also don't believe that consumers should be saddled with making up the revenue from declines in other areas of their business. In short, we believe that companies should be looking at their costs, and a fair profit margin, then set pricing accordingly, just as their cable TV business has always been, without regard to how much you do or do not watch TV.

Additionally, research indicates that data caps and usage-based pricing harm innovation and stifle creativity. The Government Accounting Office, in their November, 2014, report, states "could in general inhibit innovation that results from experimentation and unlimited access to the Internet. Greater

innovation could result in the development of more content and applications that consumers demand and value."[1] This same report also notes that in areas where a broadband provider is essentially a monopoly, due to the absence of competing providers, that effective monopoly could allow providers to use usage-based pricing or data caps as a means to increase profits, "which could result in UBP having negative effects, including increased prices paid by consumers, reductions in content and applications accessed by consumers, and increased threats to network security." [2]

Threats to network security come from reluctance of consumers to update operating system and security software regularly, for fear of "going over the data allotment," leaving computer systems open to attack, theft of data, even identity theft and financial frauds.

An argument for usage-based pricing from the industry suggests that data caps are necessary in order to manage congestion on their networks, yet these operators are unable to say exactly how data caps accomplish this. Some industry officials have even said they don't use them for network management, but rather they are an additional revenue stream.

Businesses, too, suffer from inadequate broadband availability. For example, in areas such as ours, where a major industrial complex (Robins Air Force Base) is located nearby, contractors are forced to spend more on office space in Warner Robins, Georgia, versus lower rents in nearby Perry, Georgia. ComSouth Telesys states that they do not offer any accounts, business or residential, without "data allotments." This means that Air Force contractors can't locate in Perry. Nor can any other business that would need to transfer large amounts of data on a monthly basis.

It's worth noting that these "large amounts of data" aren't being transferred continually, therefore, there's not a network congestion issue. This is more of an "artificial Internet shortage" designed to increase profits, particularly in areas where there is little to no competition among broadband providers.

Limited Internet service also limits economies, keeping companies from locating in new communities, which limits job opportunities, as well. Small towns, especially, are hurt by this.

The Open Technology Institute published a paper in June, 2015, which examines data caps and their effect: "Data caps promote a climate of bandwidth scarcity, which may benefit the ISPs but has a detrimental effect on ordinary users. In particular, data caps can make it harder for consumers to make informed choices; decrease the adoption and use of existing and new online services; and undermine

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[1] Government Accountability Office report, November, 2014, report "Broadband Internet – FCC Should Track The Application of Fixed Internet Usage-Based Pricing And Help Improve Consumer Education," page 26, para 2. http://www.gao.gov/assets/670/667164.pdf

[2] Government Accountability Office report, November, 2014, report "Broadband Internet – FCC Should Track The Application of Fixed Internet Usage-Based Pricing And Help Improve Consumer Education," page 27, para 2. http://www.gao.gov/assets/670/667164.pdf

online security. Moreover, it is increasingly clear that they have a disproportionate impact on low income and minority populations as well as groups like telecommuters and students."[3]

More and more, students in our schools are being encouraged to use the Internet at home as part of their homework assignments. Is it good policy to allow data caps to potentially place some students at a further disadvantage?

The benefits of unlimited Internet usage, which most of us have enjoyed until now, have been obvious. But, please note that there are cases where lower costs, with some generous data cap, can be an economic advantage – for those consumers who don't have a need for more.

We believe that limiting that use now, in the name of new profits for broadband providers, is a serious enough problem, and road block to continued economic prosperity, that it warrants a further FCC rulemaking to make unlimited access available at a fair and equitable price for those who have a need for it. Simply allowing the "free market" to make that choice isn't working, and there's no suggestion it will work in the future.

Thank you for your time and consideration of my comments in this proceeding.

[3] "Artificial Scarcity – How Data Caps Harm Consumers and Innovation," Danielle Kehl and Patrick Lucey for New America and Open Technology Institute, page 9, para 1. https://static.newamerica.org/attachments/3556-artificial-scarcity/DataCaps_Layout_Final.a7ef6b9029da4dd29324757e5710b903.pdf