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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

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In the Matter of Local Competition and Broadband Reporting	CC Docket No. 99-301

COMMENTS
of the
GENERAL SERVICES ADMINISTRATION

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Summary

GSA addresses the Commission's program for obtaining data on the deployment of broadband services and the development of competition for other local telecommunications offerings. GSA urges the Commission to obtain more information by extending reporting requirements to additional providers and by obtaining additional data on broadband offerings.

GSA urges the Commission to continue to use reporting thresholds, so that providers with only a few customers are not required to submit data with relatively little value in describing the overall extent of competition. However, GSA suggests that the existing reporting thresholds for broadband and voice–grade lines and wireless channels be reduced for smaller states. Also, GSA suggests that the Commission employ reporting thresholds set at a percentage of the estimated total number of access lines in the state. This procedure would result in more uniform precision in measuring the development of competition in states that differ widely in size.

GSA also addresses several proposals concerning report changes to obtain additional data on broadband deployment. For example, GSA recommends that the Commission adopt a proposal to separate residential and small business subscribership, but continue to allow carriers to employ estimates if exact counts are difficult to obtain. Also, GSA concurs with reporting by zip code, but only by ranges rather than exact customer counts, and with protections of confidentiality.

In addition, GSA urges the Commission to require reporting of the availability of broadband offerings even where few subscribers have been obtained. This procedure can identify offerings that are not meeting consumers' needs.

Finally, GSA recommends that the Commission continue to employ a semi–annual filing schedule. This regimen reasonably balances the need for more timely information with the burden imposed by more frequent reporting obligations.

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In the Matter of Local Competition and Broadband Reporting	CC Docket No. 99–301

COMMENTS
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GENERAL SERVICES ADMINISTRATION

The General Services Administration ("GSA") submits these Comments on behalf of the customer interests of all Federal Executive Agencies ("FEAs") in response to the Notice of Proposed Rulemaking in CC Docket No. 00–301 ("Notice") released on November 9, 2000. The Notice seeks comments and replies on issues concerning the principal report used by the Commission to obtain information on the deployment of broadband and other telecommunications services.

I. INTRODUCTION

Pursuant to Section 201(a)(4) of the Federal Property and Administrative Services Act of 1949, as amended, 40 U.S.C. 481(a)(4), GSA is vested with the responsibility to represent the customer interests of the FEAs before Federal and state regulatory agencies. From their perspective as end users, the FEAs have consistently supported the Commission's efforts to bring the benefits of competitive markets to consumers of all telecommunications services.

The Telecommunications Act of 1996 ("Telecommunications Act") places obligations on regulators and carriers to foster competition, to ensure universal

service, and to reduce regulatory surveillance when competition has been achieved.[1] Also, Section 706(b) of the Telecommunications Act requires the Commission to monitor the deployment of broadband services.[2] To achieve these objectives, the Commission requires extensive information in addition to the financial data used directly for regulation of the carriers under its jurisdiction.[3]

Initially, the Commission relied primarily on voluntary data collection procedures. However, in 1999 the Commission acknowledged the shortcomings of this process, and released a Notice of Proposed Rulemaking seeking recommendations on procedures to formalize the data collection program.[4]

GSA submitted Comments and Reply Comments in response to that request.[5] In those submissions, GSA urged the Commission to obtain data on the deployment of many telecommunications services by all types of carriers, including large and small incumbent LECs, as well as larger competitive LECs and wireless carriers.[6]

In response to recommendations by many parties, the Commission instituted a formal data collection program.[7] Since the inception of that program, carriers have reported data on two occasions. The Commission issued its *Second Report on*

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1 Notice, para. 2, citing Telecommunications Act of 1996, Pub. L. No. 104–104, 110 Stat. 56, *codified at* 47 U.S.C. §§ 151 *et seq.* ("Telecommunications Act").

2 Notice, para. 2–3.

3 *Id.*

4 *In the Matter of Local Competition and Broadband Reporting,* CC Docket No. 99–301, Notice of Proposed Rulemaking , released October 22, 1999.

5 *Id.*, Comments of GSA, December 3, 1999; and Reply Comments of GSA, December 20, 1999.

6 *Id.*, Comments of GSA, pp. 6–7.

7 Notice, para. 1.

Advanced Telecommunications Capability based in significant part on the data collected through the program.[8]

The Commission believes that it is appropriate to obtain further recommendations on ways to improve data collection in the future.[9] Accordingly, the Notice seeks comments on reporting thresholds, the scope of the information to be reported, frequency of filing, and other reporting issues.

II. REPORTING OBLIGATIONS SHOULD BE EXTENDED TO ADDITIONAL CARRIERS BY USING THRESHOLDS BASED ON THE PERCENTAGE OF TOTAL ACCESS LINES IN A STATE.

Under the present rules, facilities–based providers with 250 broadband lines or wireless channels in a state are required to report information for that jurisdiction.[10] In Part I of Form 477, providers specify the number of lines or channels, categorized by technology (wireline, terrestrial wireless, satellite etc.) at the end–user location.[11] In Part V of the form, providers list the five-digit zip codes in the state in which its subscribers are located. Customer counts by zip code are not required.[12]

The Commission seeks comments on whether the reporting threshold of 250 broadband lines or channels should be eliminated, so that all providers would be required to provide information in Parts I and V of Form 477 for states where they had any revenue–producing customers for broadband services.[13] As an option, the Notice

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8 *Id.*, citing *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*, Second Report, CC Docket No. 98–146, FCC 00–290 ("*Second Report on Advanced Telecommunications Capability*"), released August 21, 2000.

9 Notice, para. 1.

10 *Id.*, para. 12.

11 Form 477, Part II.

12 *Id.*, Part V.

13 Notice, para. 13.

requests comments on whether the Commission should continue to employ a reporting threshold, but change the threshold from the present value.

To address these questions, GSA believes that reports by providers with few subscribers have relatively little utility in describing the extent of competition. Therefore, GSA recommends that the Commission continue to employ reporting thresholds so that providers with only a handful of customers in a state will not be required to submit data. However, GSA believes that the threshold levels should be reduced somewhat for smaller states.

The Notice references data indicating a national penetration rate of about 1.6 percent for residential and small business users.[14] Individual providers would have to achieve a penetration rate that greatly exceeds the national average before they would meet the 250 subscriber limit in most states. By reducing the reporting threshold to 100 subscribers, the Commission would obtain considerably more information.

In addition, GSA recommends that the Commission also reduce the 10,000 line or channel reporting limits for voice–bandwidth services. In less populous states, 10,000 lines is a very sizable penetration for a single competitor. One alternative would be to reduce the threshold to 2,500 lines or channels. However, it would be more efficient to use a reporting threshold set at a percentage of the estimated total number of access links in the state. A percentage–based reporting threshold will result in more uniform precision in measuring the development of competition in states that differ widely in size.

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14 *Id.*, n. 28.

III. ADDITIONAL DATA IS VITAL TO DESCRIBE THE DEPLOYMENT OF BROADBAND SERVICES.

A. Residential and small business subscribership should be differentiated by actual counts or estimates.

The Notice addresses a number of issues concerning data to be collected through Form 477. For example, the Notice asks whether the Commission should alter this form to capture distinctions between deployment of broadband services to residential and business users.[15]

Specifically, the present version asks providers to distinguish — by exact count, where available, or by estimate — between two classes of users: (1) residential and small business users; and (2) large business and institutional users.[16] The Notice seeks comments on whether the Commission should require providers to provide data for three categories: (1) residential users; (2) small business users; and (3) large business and institutional users.[17]

The Staff's analysis of data submitted on Form 477 shows that there are some important distinctions between services provided to residential and small business users that are lost by grouping them together.[18] Therefore, GSA urges the Commission to employ the three categories proposed. By continuing the option to estimate the breakdown if exact data are not available, extension to three categories should not pose a burden on carriers.

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15 *Id.*, para. 17.

16 Form 477, Part I.

17 Notice, para. 17.

18 *Id.*

B. Subscribership by zip code should be reported in ranges, and providers should be granted proprietary protection for these data.

As an additional issue concerning the scope of data obtained, the Notice seeks comments on the geographical disaggregation of data on broadband lines and channels. At the present time, providers list five-digit zip codes in which their subscribers are located, but customer counts by zip code are not required.[19] The Notice seeks comments on whether subscriber counts for various types of access configurations should be required at the zip–code level.[20]

The Notice observes that counts by zip code, rather than a simple statement of the existence of some users, would provide a far more precise description of the deployment of broadband services. GSA concurs with this point, but acknowledges the merit of potential claims that disclosure of information with this level of detail may tread heavily on legitimate proprietary interests of the firms providing services.

To reconcile the concerns, GSA suggests that the Commission consider allowing providers to provide subscriber counts at the zip–code level, possibly transitioning to nine digit zip codes in the future. However, reports on the number of lines and channels that are geographically disaggregated to this level should employ fairly broad ranges, rather than precise customer counts. Also, GSA recommends that the Commission accord considerable weight to claims of carriers concerning the need for protection of geographically disaggregated data.

C. Providers also should identify places where services are offered but few subscribers have yet been obtained.

In addition to refinements of the current data collection procedures, the Notice suggests that the Commission might require providers to report the <u>availability</u> of their

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19 Form 477, Part V.

20 Notice, para. 19.

services, in addition to data on actual subscribership.[21] The Notice seeks comments on this approach, as well as various measures of availability including the number of homes passed by broadband–capable infrastructure, zip codes where service is currently offered, and the number of video service customers that have broadband services available to them.[22]

GSA urges the Commission to require carriers to report all broadband offerings. Reports of service availability, with few actual subscribers, give an earlier indication of additional areas where it is reasonable to expect that services will be provided in the near future. Moreover, persistent patterns of availability with low actual subscribership provide a "flag" that the needs of consumers are not being met for some reason. Less than a year ago, the Commission concluded that several groups of consumers, including low–income persons, minority customers and persons with disabilities, may not be receiving timely access to broadband services through market forces alone.[23] The continued offering of services, with few subscribers, is an indication of a problem of this nature.

With regard to measures of availability, GSA recommends reporting the number and percentage of homes passed by a broadband–capable infrastructure, as well as number and percentage of video services customers that have broadband services available to them. The Commission should encourage reporting of service availability by zip code. Since, by any reasonable standard, the "availability" of a service requires public knowledge of its existence, providers should have no proprietary concerns with release of this information.

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21 *Id.*, para. 20.

22 *Id.*

23 *Second Report on Advanced Telecommunications Capability*, para. 205.

D. Reports on local telephone services should be continued, with the minor changes identified in the Notice.

Parts II and III of FCC Form 477 compile subscribership data on wireline local telephone, fixed wireless local telephone, and mobile local telephone services. For wireline and fixed wireless local telephone services, carriers provide separate line and channel counts for (1) services provided over their own facilities; (2) services provided as a reseller; and (3) services provided by means of unbundled network elements ("UNEs").[24] Providers consolidate data on a statewide basis, except that they are required to list the zip codes with wireline and fixed wireless service subscribers.[25]

The Commission proposes to continue the reporting procedures for other than broadband services, with only a few minor changes in the pertinent parts of the form.[26] These changes are intended to provide clarification and make the reports more consistent among providers.[27]

Ubiquitous access to broadband services is an important goal. It is vital to monitor progress along the path for meeting this goal. As one analyst stated:

> Monitoring of service diffusion is important to ensure that as the Internet weaves its way ever more tightly into the fabric of everyday life, all citizens have access to whatever particular services prove essential, including affordable access to the equipment needed to use such services. Equipment subsidies, however, should only be needed if there is clear evidence that decreasing technological costs will not lead to affordable prices within a reasonable amount of time.[28]

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24 Parts II and II of FCC Form 477.

25 Part V of FCC Form 477.

26 Notice, para. 23.

27 *Id.*

28 Massachusetts Institute of Technology Internet and Telecoms Convergence Consortium, November 1999, *Universal Service: Defining the Policy Goal in the Age of the Internet*, Sharon Eisner Gillett, at www.mit.edu/itel/docs/MISC/Gillett_Universal.html.

GSA also concurs with the decision to continue the reports for the "conventional" telecommunications services. Although broadband often commands the spotlight, it is important to remember that Form 444 is the only nationwide uniform source data on the extent of competition for all services with voice–grade access to the general switched network. This function is important. Ministerial changes should be helpful, but GSA urges the Commission not to dilute the reporting requirements for these services.

IV. A SEMI–ANNUAL FILING SCHEDULE MEETS THE NEED FOR TIMELY DATA ON THE DEVELOPMENT OF COMPETITION.

Under the existing rules, providers submit Form 477 two times a year.[29] The Notice seeks comments on whether the Commission should change this reporting regimen.[30]

GSA recommends that the Commission maintain the requirement for reports twice a year. This is a reasonable balance between the need for more timely information in a changing marketplace, and the burden imposed on carriers by more frequent reporting obligations.

V. THE EXISTING PROCEDURES FOR PROTECTING CONFIDENTIALITY SHOULD BE CONTINUED.

The Commission currently publishes data obtained with Form 477 only after it has been aggregated in a way that does not identify the individual provider, regardless of whether the party requested confidential treatment of the information.[31] The Notice seeks comments on whether this practice should be continued.[32]

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29 Notice, para. 28.

30 *Id.*

31 *Id.*, para. 25.

32 *Id.*

From GSA's perspective, the present system for protecting confidentiality appears to provide a reasonable balance between the needs for information, the legitimate proprietary concerns of carriers, and the privacy rights of end users. Consequently, absent a strong showing in comments submitted by other parties, GSA recommends that the present procedures be continued.

VI. CONCLUSION

As a major user of telecommunications services, GSA urges the Commission to implement the recommendations set forth in these Comments.

Respectfully submitted,

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March 19, 2001

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I, MICHAEL J ETTNER, do hereby certify that copies of the foregoing "Comments of the General Services Administration" were served this 19th day of March, 2001, by hand delivery or postage paid to the following parties.

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