

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

In the Matter of)

Development of Nationwide Broadband Data to)
Evaluate Reasonable and Timely Deployment of)
Advanced Services to All Americans,)
Improvement of Wireless Broadband)
Subscriber Data and Development of Data on)
Interconnected Voice over Internet Protocol)
(VoIP) Subscribership)

WC Docket No. 07-38

To: The Commission

REPLY COMMENTS



I. Introduction

In its Comments in this docket, ACA opposed any increased Form 477 reporting requirements and asked the Commission to not require small and medium-sized operators to:

- Report the number of subscribers on a zip code basis;
- Report based on a nine-digit zip code;
- Provide demographic information; or
- Report VoIP deployments in a manner different than that currently used for broadband deployment.¹

¹ *In the Matter of Development of Nationwide Broadband Data to Evaluate Reasonable and Timely Deployment of Advanced Service to All Americans, Improvement of Wireless Broadband Subscribership Data, and Development of Data on Interconnection Voice over Internet Protocol (VoIP) Subscribership*, WC Docket No. 07-38, Comments of the American Cable Association at 2 (filed June 15, 2007) (“ACA Comments”).

Adopting the increased regulatory reporting obligations proposed in the *NPRM*² will harm the further deployment of broadband services in the rural and hard-to-serve areas served by ACA's members.

ACA files this Reply to highlight the consensus among commenters addressing the smaller and rural telecommunications sectors: Nine-digit zip code reporting would be unjustifiably costly for these sectors and provide no corresponding benefit for the service provider, its subscribers, or the Commission. In this Reply, ACA also supports those proposals that could decrease reporting costs for small and medium-sized cable companies, such as using private sector resources to augment the Commission's data.

About ACA. ACA represents nearly 1,100 small and medium-sized cable companies that serve more than 8 million cable subscribers, primarily in smaller markets and rural areas. ACA member systems are located in all 50 states, and in virtually every congressional district. The companies range from family-run cable businesses serving a single town to multiple system operators that focus on serving smaller markets. More than half of ACA's members serve fewer than 1,000 subscribers. All ACA members face the challenges of upgrading and operating broadband networks in lower-density markets.

² *In the Matter of Development of Nationwide Broadband Data to Evaluate Reasonable and Timely Deployment of Advanced Service to All Americans, Improvement of Wireless Broadband Subscribership Data, and Development of Data on Interconnection Voice over Internet Protocol (VoIP) Subscribership*, WC Docket No. 07-38, Notice of Proposed Rulemaking, WC Docket No. 07-38 (rel. Apr. 16, 2007) ("*Broadband Reporting NPRM*").

II. The Commission should not require small to medium-sized cable operators to report nine-digit zip codes.

What ACA says:

Implementing a nine-digit zip code system would be costly and provide no corresponding benefit for the operator or its customers.³

What other participants say:

Iowa Utilities Board:

The Board believes that the data provided on Form 477 is sufficient to gauge general availability and deployment of broadband services and is uncertain if requiring providers to report more detailed data (either nine-digit zip or geocoding) would be cost effective.⁴

NTCA:

Requiring rural ILECs to collect, maintain and report their broadband deployment using a revised FCC Form 477 that incorporates the nine-digit zip code system will cause a significant economic burden to a substantial number of rural ILECs, thus prompting the FCC to implement mitigation measures under the Regulatory Flexibility Act.⁵

OPASTCO:

Tracking broadband by nine-digit Zip Codes, for example, would require rural ILECs to re-vamp their record keeping operations, since they do not generally utilize the "plus four" digits in their provision of services. This would result in expenditures that could potentially delay the expansion and upgrading of broadband services, in return for highly questionable benefits....It is doubtful that requiring rural ILECs to report broadband data at the nine-digit Zip Code level would provide benefits to the Commission and consumers that are commensurate with the costs.⁶

³ *ACA Comments* at 4. As noted in the *ACA Comments*, a recent survey of ACA members indicates that 75% of those responding do not track nine-digit zip codes. See *ACA Comments* at 4-5.

⁴ *Broadband Reporting NPRM*, Comments of Iowa Utilities Board at 3 (filed June 15, 2007).

⁵ *Broadband Reporting NPRM*, Comments of NTCA at 4 (filed June 15, 2007) ("*NTCA Comments*"). As NTCA further describes, broadband providers serving rural areas do not have the resources to implement nine-digit zip code reporting. *NTCA Comments* at 5-9.

⁶ *Broadband Reporting NPRM*, Comments of OPASTCO at 5 (filed June 15, 2007).

United States Telecom Association:

The zip plus four method is not conducive to analysis of Census household or demographic data, as the boundaries are not compatible. Ultimately, it would create a system that allows for only limited analysis of demographic information in relation to broadband deployment, at an extremely high cost....⁷

Verizon:

[T]he Commission should not force any broadband providers to report customer counts or other data based on 9- digit ZIP Code information.... Obligating broadband providers to report these types of information would be resource-intensive and would require the providers to create and track complex information that they do not currently have available.⁸

The consensus regarding smaller and rural broadband providers is clear: Nine-digit zip code reporting would be economically burdensome and would provide no corresponding benefit to the provider, its customers or the Commission.⁹ In the case of small and medium-sized cable operators, the economic burden of nine-digit zip code reporting could impede the deployment and expansion of broadband and other advanced services in rural and hard-to-serve areas.

⁷ *Broadband Reporting NPRM*, Comments of US Telecom at 13 (filed June 15, 2007).

⁸ *Broadband Reporting NPRM*, Comments of Verizon at 13 (filed June 15, 2007).

⁹ Even though some commenters argue for a nine-digit reporting requirement, *see Broadband Reporting NPRM*, Comments of Communication Workers at 3-4 (filed June 15, 2007); Comments of State of Illinois at 6 (filed June 15, 2007); Comments of The Alliance for Public Technology at 4 (filed June 15, 2007); and Comments of Time Warner at 3-4 (filed June 15, 2007), those commenters addressing rural and hard-to serve areas are in consensus: A nine-digit reporting requirement would have a negative effect on smaller companies and rural consumers. *See supra* notes 4-8.

III. ACA supports proposals to use private resources or public-private partnerships to collect broadband data.

Proposals to use private resources or public-private partnerships to collect broadband data would reduce reporting costs for small and medium-sized cable operators.¹⁰ ACA supports these proposals.

Even without the additional reporting requirements proposed in the *NPRM*, ACA members already face inherent difficulties bringing affordable advanced services their subscribers. ACA's members serve mainly rural and low-density markets, and they must spread the higher cost of upgrading facilities and bringing advanced services over far fewer customers. Sharply rising operational costs further raise the expense of doing business in smaller markets. These costs include rising retransmission consent and programming fees, and costly regulatory burdens such as CableCARD-compatible set-top boxes and TTP fees for CALEA compliance.

By utilizing private resources, or public-private partnerships, the Commission would avoid imposing burdensome additional broadband reporting requirements on small and medium-sized cable operators.

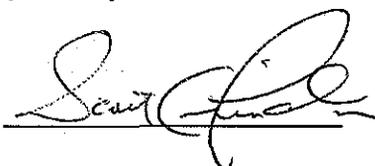
IV. Conclusion

The Commission must consider the burden additional reporting requirements will impose on small and medium-sized cable operators. The consensus among commenters addressing the smaller and rural telecommunications sectors is clear: Nine-digit zip code reporting would be unjustifiably costly and provide no corresponding

¹⁰ *Broadband Reporting NPRM*, Comments of Cincinnati Bell Telephone Company at 2 (filed June 15, 2007); Comments of Connected Nation at 4 (filed June 15, 2007); Verizon Comments at 4.

benefit for the operator, its customers, or the Commission. Further, to minimize any additional reporting burdens on small and medium-sized cable operators, the Commission should use private resources or public-private partnerships to supplement its data on broadband availability and development.

Respectfully submitted,

By: 

Matthew M. Polka
President and CEO
American Cable Association
One Parkway Center
Suite 212
Pittsburgh, Pennsylvania 15220
(412) 922-8300

Ross J. Lieberman
Vice President of Government Affairs
American Cable Association
4103 W Street, N.W., Suite 202
Washington, DC 20007
(202) 494-5661

Bruce E. Beard
Scott C. Friedman
Cinnamon Mueller
307 North Michigan Avenue
Suite 1020
Chicago, Illinois 60601
(312) 372-3930
Attorneys for the American Cable
Association

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