

Broadband for Rural Areas and the Poor? Fuggedaboutit!

Economic development in rural areas depends on broadband access – but the FCC’s current initiatives won’t help.

By Steven S. Ross / *Broadband Communities*

The FCC is seeking to help large national carriers deploy faster broadband networks without requiring those carriers to serve more premises and without providing additional subsidies.

The stakes are enormous. According to the FCC’s 2016 Broadband Progress Report, more than half the 42 million Americans living in rural counties lack reliable broadband, and broadband is unavailable or too expensive for tens of millions more in urban areas. The Obama White House directed almost 30 agencies to streamline their regulations to remedy the situation. That process continued into early 2017. The near-silence on that initiative and the current FCC policy are appalling.

As I have documented over the past three years, at least a quarter of all rural job loss since 2010 – and probably more than half – is due to lack of broadband access. As rural counties lost more than 1 percent of their population, many urban areas were overwhelmed by population growth. This strains public services, such as roads and schools, and raises housing costs. Rising housing costs, in turn, reduce families’ ability to afford broadband service even when it is available.

The FCC’s Broadband Deployment Advisory Committee (BDAC) is due to release its proposals for enhancing broadband access in November. National carriers and the Trump administration also seek to override local rules on what can be attached to utility poles and what rates can be charged. Though pole owners have long delayed access to poles and sought to jack up prices for access in efforts to impede competition, some communities use fees on the poles they own to subsidize or expand digital access. This is particularly critical right now, as the administration considers sending user fees paid into the Universal Service Fund to the Treasury for non-broadband spending.

The most valuable real estate on Earth seems to be the space on utility poles. Carriers that own poles often seek to deny use by competitors. Electric utilities and municipalities that own poles often demand that prospective attachers pay for surveys of the poles’ suitability and structural integrity, and they try to collect as much rent as possible. Tentative steps toward sanity the FCC instituted several years ago

involved bringing data carriers under the umbrella of federal regulation under Title II of the Telecommunications Act.

The FCC is now about to trample on that weak reed and leave states with most of the regulatory task. As 5G wireless deployments loom, major carriers have become nervous about opposition to microcells on poles near homes. Right now, much of the equipment is huge – the size of a small refrigerator or old-style phone booth. In the next few years, as deployments really start to roll out, the electronics will probably shrink to the size of pizza boxes, along with vertical antennas on top of the poles.

Why should carriers argue with locals, who tend to oppose cell towers and rooftop cell sites anyway, when the FCC leans their way and they can lobby state lawmakers? That strategy usually costs less than paying for legal battles, and the process is faster, although the money adds up – about \$25 million in state campaign contributions last year, according to the National Institute on Money in State Politics.

Pole attachment is one issue the BDAC was to address. However, the committee seems to have some internal disagreements. One subcommittee member, Mayor Sam Liccardo (San Jose), signaled his displeasure with what BDAC is likely to announce in November. In an October 3 New York Times opinion piece, he decried the carriers’ pole grab and called for customary fees for attachments, which his city would use to subsidize access in have-not neighborhoods. However, he muddled the issue by confusing poles owned by municipalities (which are rare) with poles owned by “public utilities” (phone and electric companies), which historically have obligations to cover entire service areas but are not necessarily publicly owned.

As important to the economy and job creation as any new BDAC policies might be, the FCC need not fear that the public will be informed. Liccardo’s flawed opinion piece is the first I could find in the New York Times since 2001 that focused on pole attachments. I could find no article on the BDAC at all in the Times, the Washington Post or any other mainstream media outlet. ❖

Contact the Hawk at steve@bbcmag.com.