

## ***3<sup>rd</sup> Quarter 2019 Update from the Public Policy Committee***

By Gary Bolton (ADTRAN) - Chair of Committee, Joanne Hovis (CTC Technology & Energy) - Vice Chair, Tom Cohen (Kelley Drye)

Public Policy Report – 3Q 2019

During the second half of 2019, the FBA policy committee has been heavily focused on the FCC's proceeding for the \$20B Rural Digital Opportunities Fund (aka CAF-3), the proceeding to consider rules to facilitate access multi-tenant environments (MTE) and we supported using proceeds from reallocation of C-Band spectrum for fiber networks. The policy committee also commissioned research to support our policy positions in the areas of the cost of deploying fiber nationwide, the effects of broadband deployment on unemployment and the impact of fiber deployments on GDP. We're also excited about the new FBA regional event that will be held in Fort Collins, CO November 5. Finally, FBA will be holding our Premier Members Meeting in Washington, DC this year on December 9 and 10. Our President and CEO Lisa Youngers has invited leaders from the FCC, NTIA and RUS to address our premier members and outside counsel Tom Cohen has lined up hill meetings for our members while we are in the nation's Capital. We hope to see you there.

Below, you'll find a quick update on our policy activity for 3Q 2019 and our key positions. We hold monthly policy calls and we welcome members to participate and contribute on our committee.

### ***Public Policy Committee Mission***

The Fiber Broadband Association Public Policy Committee seeks to advance the Association's interest in accelerating the deployment of fiber to all Americans by selectively participating in government proceedings where the outcome will "move the needle" on all-fiber deployments and where we can get the most efficient use of our resources.

### ***FBA Advocacy at the FCC***

During the past quarter, FBA made many filings with the FCC on key pending issues. First, in mid-September, we filed comments on the FCC's proposed Rural Digital Opportunity Fund (RDOF), which will award \$20B over ten years to bring broadband to unserved areas throughout the U.S. Our comments focused on the reverse auction mechanism the FCC will use to award funds. Based on an FBA sponsored study by the business consulting firm, Cartesian, we argued that the FCC's proposed methodology by which the different performance tiers are weighted in the auction disfavors fiber and that the FCC should amend its methodology to account fully for the benefits of fiber deployments. Tom Cohen has scheduled meetings to advocate for our research on both the Hill and at the FCC.

Reply comments are due on October 21<sup>st</sup>, and we will use a new broadband performance metric developed by Michael Render to further support our claims. We intend to follow-up these filings with meetings with the FCC staff. We expect the FCC will adopt rules for the RDOF within the next several months with the goal of holding an auction later next year.

Second, in August and September, we filed comments in the FCC's proceeding to consider rules to facilitate access to multi-tenant environments. Our comments recommended that the FCC should be vigilant about and prohibit anticompetitive agreements to access MTEs and it should permit state and local governments to adopt mandated access laws. It is unclear at the moment when the FCC will act in this proceeding.

Third, we sent two letters to the FCC in support of using proceeds from the reallocation of C-Band spectrum from satellite to 5G services to deploy a nationwide fiber network to deliver video programming. Not only will this fiber network support programming delivery, but because it will extend transport links throughout rural areas across the country, it will help bridge the digital divide. The FCC is expected to adopt an order later this year or early next year addressing C-Band reallocation.

FBA also completed a number of research projects over the past several months. In addition to the RDOF "weighting" study discussed above, we asked Cartesian to update a decade-old study about the cost to deploy fiber throughout the country. The new study found:

- Today, we are on a pace to deploy all-fiber networks to about 50% of US households by 2025.
- These accelerated all-fiber builds are driven by increasing consumer demand for higher performance broadband, provider willingness to focus on long-term returns, and government efforts to lower barriers to deployment costs and provide targeted subsidies.
- By 2029, we can pass 90% of US households by increasing current spending on all-fiber networks by approximately an additional \$70B. (Passing 80% of U.S. households with fiber will require spending approximately an additional \$50B.)
- We can achieve this objective and ensure virtually everyone has access to future-proof networks through innovative deployment models, government efforts to lower access to essential infrastructure, and efficiently provided government support.

In addition, FBA asked Professor Bento Lobo of the University of Tennessee at Chattanooga and his colleagues to examine the effects of broadband deployment on unemployment. They found that the jobless rate in counties that have adopted high-speed broadband service is 0.26 percentage points lower than counties without such high-speed Internet, controlling for all other factors.

Finally, we had the Analysis Group update a study about the impact of fiber deployments on GDP. They found that communities in which a significant portion of the population has access to all-fiber broadband with speeds of at least 1,000 Mbps have higher GDP per capita than those communities that do not. They also found that thresholds below 50 percent are generally not associated with higher GDP per capita. Thus, a sufficiently high percentage of the population must have access to fiber broadband before one can detect an effect of fiber deployment on GDP per capita.