

Broadband Progress Issue Brief

SUMMARY

The Utilities Technology Council (UTC) supports the Federal Communications Commission (FCC, the Commission) in its efforts to promote broadband in unserved and underserved areas. These parts of the country are often rural, and in many cases electric utilities are in the best position to bring broadband services to these locations.

As required by law, the FCC releases a regular Broadband Deployment Report, which analyzes the pace and availability of internet services at certain speeds. In its most recent report (dated February 2018), the Commission found that broadband deployment rates started slipping in 2015 in comparison to previous years, though it believes certain new policy directives will improve this pace going forward. The report also concludes that too many Americans still lack access to high-speed internet services. In response, the Commission reiterates its commitment to bring these services to all Americans.

UTC POSITION

UTC agrees with the FCC in its finding that broadband services are not being deployed expeditiously and evenly to all Americans. Rural populaces continue to lack access to fast, reliable, and affordable internet products, as telecommunications providers have not invested in these locations for economic reasons. Instead, many consumer- and publicly owned utilities have filled this gap. Several utilities are providing broadband in rural areas, helping connect many Americans to the Internet.

BACKGROUND

The Telecommunications Act of 1996 (1996 Act) requires the FCC to examine the availability of advanced telecommunications capability to all Americans. It directs the Commission and each state regulatory utility commission to take immediate action to remove barriers to

broadband if the FCC finds that it is not being deployed on a reasonable and timely basis.

Congress later passed the 2008 Broadband Data Improvement Act, which directed the FCC to initiate annual inquiries to “determine whether advanced telecommunications capability is being deployed to all Americans in a reasonable and timely fashion.” Starting in 2010, the Commission has concluded in every report that advanced telecommunications are not being deployed in a reasonable and timely fashion. The FCC reached the same conclusion in 2018, though it hopes new policies will help expedite deployment.

2018 BROADBAND PROGRESS REPORT

In its latest report, the FCC uses the current speed standard for fixed service of 25 Mbps downloads/3 Mbps uploads, and analyzes the mobile wireless speeds for which it has the most comprehensive data: minimum advertised speeds collected by the FCC of 5 Mbps/1 Mbps, and actual median speeds of 10 Mbps/3Mbps. The report concludes that mobile services are not currently full substitutes for fixed services.

Additionally, the report finds that from 2012 to 2014, mobile LTE broadband was newly deployed to 34.2 million people, including 21.5 million rural Americans. But in the following two years, new mobile deployments dropped 83 percent, reaching only 5.8 million more Americans, including 2.3 million in rural areas.

From 2012 to 2014, the number of Americans without access to both fixed terrestrial broadband and mobile broadband fell by more than half—from 72.1 million to 34.5 million. As of year-end 2016, 92.3% of all Americans have access to fixed terrestrial broadband at speeds of 25 Mbps/3 Mbps, up from 89.4% in 2014 and 81.2% in 2012. Nonetheless, over 24 million Americans still lack fixed terrestrial broadband at speeds of 25 Mbps/3 Mbps.

SITUATIONAL AWARENESS

Given the infrastructure owned and operated by electric utilities to power every American home and business, utilities are uniquely situated to provide broadband service, particularly in unserved and underserved areas. Unfortunately, state and local policies in certain locations prohibit utilities from providing such service, and in others the costs are too high and require federal grants or loans to supplement the utility investment. Still, those utilities who are able to provide broadband are doing so, an acknowledgement of their commitment to serve their communities.

UTC agrees with the FCC's finding that advanced telecommunications is not being deployed to all Americans in a reasonable and timely fashion and has recommended that the agency should consider a new broadband speed benchmark of 50 Mbps or higher because of evidence that consumers generally subscribe to such speeds (or higher) if they are available and because the current benchmark of "25 Mbps down/3Mbps up" will quickly become inadequate due to increasing consumer demands. UTC also supports the FCC's inquiry regarding non-speed performance metrics.

For latency (the time that data on the network takes to travel from its source to its destination), UTC suggests that the FCC adopt a benchmark of 100 milliseconds, which is necessary to support certain latency sensitive applications like Voice-over-Internet- Protocol (VoIP) telephony, videoconferences or online games. For the same reasons, UTC also recommends that the FCC adopt a benchmark for jitter (the change in the amount of time it takes for a packet in the network to move from its source to its destination).

On mobile broadband, UTC supports findings that fixed and mobile broadband are not functional equivalents and that they should be considered separately from mobile broadband when assessing the current state of broadband deployment. Finally, UTC believes utilities need reliable broadband communications to support their private, internal communications networks that ensure the safe, reliable and secure delivery of essential electric, gas and water services to the public at large.

As Congress explores infrastructure development legislation, it has been paying particular attention to broadband deployment and how to speed the deployment of broadband to unserved and underserved areas. UTC has been closely monitoring these efforts and communicating utilities' positions on the topic.

ABOUT UTC

The Utilities Technology Council (UTC) is a global trade association dedicated to serving critical infrastructure providers. Through advocacy, education and collaboration, UTC creates a favorable business, regulatory and technological environment for companies that own, manage or provide critical telecommunications systems in support of their core business.

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