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

In the Matter of	)	
	)	
Office of Economics and Analytics Seeks	)	GN Docket No. 20-60
Comment on the State of Competition in the	)	
Communications Marketplace	)	

COMMENTS
of
NTCA–THE RURAL BROADBAND ASSOCIATION

NTCA–The Rural Broadband Association ("NTCA")[1] hereby submits these comments in response to the Public Notice seeking comment on the state of competition in the communications marketplace.[2] As discussed further below, NTCA urges the Commission to assess competition in the broadband Internet access marketplace through the lens of the complementary nature of fixed and mobile services and to carry that view through to any policies it enacts going forward in any proceedings.

I. ANY ASSESSMENT OF COMPETITION IN THE BROADBAND INTERNET ACCESS SERVICES MARKETPLACE, AND COMMISSION POLICY THAT FLOWS FROM THAT ASSESSMENT, SHOULD BE BASED ON THE ANALYTICAL CONSTRUCT THAT FIXED AND MOBILE BROADBAND SERVICES ARE COMPLEMENTS TO, RATHER THAN SUBSTITUTES FOR, ONE ANOTHER.

Any assessment of competition in the broadband Internet access services marketplace inevitably leads to the conclusion that the Commission should view fixed and mobile connections as complementary to each other. As discussed below, mobile services, while highly

[1] NTCA is an industry association composed of nearly 850 rural local exchange carriers ("RLECs"). While these entities were traditional rate-of-return-regulated telecommunications companies and "rural telephone companies" as defined in the Communications Act of 1934, as amended, all of NTCA's members today provide a mix of advanced telecommunications and broadband services, and many also provide video or wireless services to the rural communities they serve.

[2] *Office of Economics and Analytics Seeks Comment on the State of Competition in the Communications Marketplace*, GN Docket No. 20-60, Public Notice, DA 20-199 (rel. Feb. 27, 2020) ("Public Notice").

valuable to consumers, even under the most favorable of circumstances provide users with a very different experience as compared to fixed connections. These differences are particularly pronounced in rural areas, where the reliability of mobile services remains spotty in many cases outside of populated centers or off of interstate highways, and where proposed funding to overcome this may be years away from fruition and may be unable to overcome such limitations in any event. Even then, as Covid-19 induced stay-at-home orders and other social-distancing measures that have shuttered businesses and educational institutions have shown, robust and reliable fixed broadband connections are necessary to enable Americans to continue work and education at home and to stay in contact with medical professionals as well as family and friends. The Commission should acknowledge this reality – and consider as well the "market failure" nature of many rural areas that limits the ability of even one provider to make a business case to serve absent universal service support – and ensure that any policies that may emerge from its assessment of competition in the broadband marketplace lead to investment in complementary fixed and mobile connections for all Americans.

A. Mobile broadband service offers rural consumers a valuable, but very different, experience than fixed alternatives. Recent circumstances have highlighted the value of resilient and robust fixed networks available to every residence in the nation.

While both services are highly valuable to consumers, mobile and fixed broadband services offer end-users a very different experience. For rural consumers, those differences are often stark, and more so than for urban Americans, the differences limit the utility of relying primarily or solely upon a mobile connection. For one, mobile coverage in rural areas often remains spotty, perhaps more reliable on main roads or near small town centers but far less so in outlying areas where many rural consumers reside or work or travel. The experience in most

outlying rural areas is a far cry from that found in well-populated urban/suburban/exurban settings, and most rural Americans would face great difficulty in relying on a mobile connection as their only access to the Internet at home.

Even where available and reliable, a "mobile-only" lifestyle could hinder the ability for rural consumers to participate meaningfully in online commerce and other engagement. While the current trend of "unlimited" data plans by mobile wireless carriers may be a positive for many consumers, such plans can still result in providers limiting actual data usage to maintain sufficient capacity for all users.[3] A broadband connection that limits, for example, the throughput of a student attempting to complete a homework assignment or a user attempting to work or visit with a medical professional remotely (or causes a degraded quality of service once a limit has been reached) is simply not comparable to the fixed connections that do not impose such limits or create such impairments. It cannot also be forgotten that to the extent a consumer seeks to get around this via the use of Wi-Fi, that of course depends on a robust connection in the home (in the absence of sitting in a place of business with a free public hotspot). And, in work-from-home environments where VPN capabilities may be necessary, the lack of a robust, fixed connection makes it difficult, if not impossible, for that worker to be productively engaged with his or her workplace.

While a welcome development, the prospect of "5G Fund"[4] support flowing to rural areas is not likely to alter this reality, even were it not the case that such services are not likely to

---

[3] *See*, "Best unlimited data plans in the US" (September 2019), Android Authority (Sep. 13, 2019) (noting that most nationwide mobile wireless carriers reserve the right to throttle consumer speeds upon reaching a certain amount of data usage per month, often between 50 and 100 GB), available at https://www.androidauthority.com/best-unlimited-data-plans-700314/.

[4] *Establishing a 5G Fund for Rural America*, GN Docket No. 20-32, Notice of Proposed Rulemaking and Order, FCC 20-52 (rel. Apr. 24, 2020).

emerge in rural areas for several years to come. With respect to timing, the effect of this funding may not be felt in most rural areas for some time, as the Commission will either distribute support in 2021 in a highly "targeted" fashion or await completion of mapping efforts that will push fund distribution to 2023 or perhaps later.[5] Moreover, even a targeted approach that could see support distributed in 2021 will likely only be in select portions of rural America. Consumer access to 5G Fund supported mobile networks will also take time even as support flows begin, as those providers successful in the auction build out facilities in rural areas of the nation where construction seasons are short and challenges are immense. In addition, there is no indication that faster 5G services once available will overcome the "shared capacity" concerns inherent to mobile services in general.

Even if faster speeds through mobile services were to become available in rural areas, to the extent that additional consumers were to begin to rely upon and make increasing use of such mobile services, the underlying shared capacity networks will experience additional strain, in turn affecting consumers' ability to utilize the advanced services and applications that many Americans with access to more robust fixed connections already enjoy today. Thus, it is unlikely that the proposed 5G Fund will significantly "move the needle" in terms of the value that rural consumers realize from mobile services in comparison to fixed connections even as such consumers value and utilize both. Indeed, the need for fiber backhaul facilities that only increases for a 5G deployment also cannot be overlooked, and thus a robust underlying wireline network in the rural areas where this funding will be distributed is a prerequisite to these mobile networks benefitting consumers.

---

5 *Id*., ¶¶ 20-36.

Perhaps most important to this discussion is the ways in which consumers use a broadband connection, and the current Covid-19 induced increase in working and learning at home only underscores this point. In even normal circumstance, a mobile broadband connection suitable for social media or similar "on-the-go" uses is not as suitable for many, more involved uses at home, at work, or by students. Indeed, the current crisis is a reminder of the value of resilient and robust fixed networks in every home, as well as a reminder of the limitations of mobile services. As a New York Times study recently found, Americans "have suddenly become reliant on services that allow us to work and learn from home."[6] The study also found that "[n]ow that we are spending our days at home, with computers close at hand, Americans appear to be remembering how unpleasant it can be to squint at those little phone screens."[7] Even with mobile hot spots that take viewing off the "little screen," there is no indication that current mobile networks – or even those that promise higher speeds – will necessarily be capable anytime soon of handling the kinds of capacity demands that are being witnessed presently, or that can be anticipated to increase in the future.

All of this is not to say that mobile services are not valued by urban and rural consumers alike. To the contrary, rural consumers deserve access to both fixed and mobile consumers that urban Americans enjoy – each is important in different ways and the Commission's universal service policies should invest in both. However, the current crisis and the resulting shift in Internet usage should remind the Commission that robust and resilient fixed connections are critical for every American – those at home during this time and without access to a connection

---

6 New York Times, *The Virus Changed the Way We Internet*, Ella Koeze and Nathaniel Popper, April 7, 2020, available at: https://www.nytimes.com/interactive/2020/04/07/technology/coronavirus-internet-use.html?action=click&module=Well&pgtype=Homepage&section=Technology.

7 *Id*.

that enables them to do their job at home are at a disadvantage. Current events should provide notice to all stakeholders that no American should be left unable to do his/her job or attend school simply because they happen to live in an area where their provider has been unable to meet reasonably anticipated connectivity needs.

B. The "market failure" nature of many rural areas – where no provider can make the business case to invest in a broadband network absent universal service support – is an important part of the broadband marketplace discussion that should inevitably lead to investment in resilient and robust fixed networks in these areas.

One important factor in terms of the Commission's understanding of competition – particularly as it influences the agency's universal service policy going forward – is the "market failure" nature of many rural areas. Specifically, in many rural areas including those served by NTCA members, "reasonably comparable" end-user rates are not sufficient, standing alone, to cover the costs of paying loans that make broadband networks possible in the first instance and to maintain and upgrade such networks over the long-term to keep up with consumers' needs. It is only via the sufficient and predicable support made available through the High-Cost Universal Service Fund Program that any operator can make a "business case" to buildout and maintain high-quality communications networks offering services reasonably comparable in terms of quality and price as compared to those found in urban areas.

This is highly relevant to the discussion here, particularly with respect to the complementary nature of mobile and fixed broadband services and the choices that policymakers have going forward with respect to the distribution of USF support. To return to the discussion above, the different ways in which consumers use fixed versus mobile services, the lessons learned from the current pandemic-induced increase in remote working/schooling/medical care, and the nature of serving in rural markets all shine a light on the value of robust and reliable

fixed broadband networks that make these services possible. For those rural consumers lacking access to such a connection today, their ability to continue working, attending school, or visiting with a doctor remotely may be limited or even non-existent. While it should have been evident before, it certainly is now, that rural consumers should not be left behind in terms of access to broadband services that enable them to seamlessly transition to work, school, or telehealth in their homes in a manner urban consumers take for granted. In rural markets where universal service support is needed for even one provider to build and then maintain/upgrade broadband networks, the best use of such resources is to support complementary fixed and mobile networks, consistent with how the Commission approaches such matters today.

Respectfully submitted,

By: /s/ Michael R. Romano
Michael R. Romano
Senior Vice President –
Industry Affairs & Business Development
mromano@ntca.org

By: /s/ Brian Ford
Brian Ford
Director of Industry Affairs
bford@ntca.org

4121 Wilson Boulevard, Suite 1000
Arlington, VA 22203

April 27, 2020