



**CLAYTON C. MILLER**  
DIRECT DIAL: (317) 822-6786  
clayton.miller@skofirm.com

201 NORTH ILLINOIS STREET  
SUITE 1225  
INDIANAPOLIS, IN 46204  
MAIN: (317) 464-1591  
FAX: (317) 464-1592

July 13, 2018

**VIA EMAIL TO [URCCComments@urc.IN.gov](mailto:URCCComments@urc.IN.gov)**

IURC General Counsel  
Indiana Utility Regulatory Commission  
101 W. Washington St., Suite 1500 E  
Indianapolis, IN 46204

Re: IBIG Reply Comments for IUSF-Broadband Study

Dear Ms. <sup>Beth</sup>Heline:

On June 15, 2018, the Indiana Broadband Innovation Group ("IBIG"), formerly known as the Indiana Cable Telecommunications Association, submitted initial comments addressing the issues raised in the Indiana Utility Regulatory Commission's ("IURC") study of the Indiana Universal Service Fund ("IUSF") and broadband deployment in our state. IBIG is an association of large and small communications services providers providing broadband to Hoosiers.<sup>1</sup>

As expected, IBIG was not the only entity to submit initial comments, and we appreciate the opportunity to offer these reply comments.

As the IURC is well aware, broadband has become an increasingly important means for individuals and businesses to access public and other information resources. Several commenters echoed the policy statements of the Federal Communications Commission ("FCC") serving as the basis for that agency's myriad programs, including its Connect America Fund, which are already available to support broadband deployment to more Hoosiers. As noted in IBIG's initial comments on June 15th, some of the state's largest ILECs have been collectively receiving an annual subsidy of over \$51 million since 2015 to support broadband deployment. And the FCC is in the process of expanding its direct support for the extension of broadband service to unserved areas.

---

<sup>1</sup> IBIG's system members are Charter Communications, Citizens Cable, Comcast, Mediacom, NewWave Communications/Cable One and Quality Cablevision. IBIG also has 41 associate members comprising content creators, programmers and vendors to the cable broadband industry.

Since 2011, the FCC has provided or committed to provide more than \$30 billion in high-cost support for the deployment of broadband-capable facilities through the federal Universal Service Fund. This support includes \$1.98 billion to be disbursed over ten years through a reverse auction set to kick-off later this month. In addition, the FCC's Remote Areas Fund will provide funds for broadband deployment in the most costly locations that remain unserved after reverse auction funds have been committed. To the extent the robust market forces already active in expanding broadband service to more parts of the state still leave pockets without any broadband service options, such federal support programs will have a role in increasing access and availability.

While most initial commenters expressed a desire to see greater deployment of broadband service at higher speeds especially in the more rural areas of Indiana, there was no clear consensus as to how such a goal might be achieved. IBIG was interested to note that only those commenters not currently paying into the IUSF advocated for expanding it to subsidize broadband service, which IBIG opposes.

The IUSF is an inappropriate vehicle for subsidizing broadband service for several reasons. First, it was not created, and has never been intended, to function in the context of the broadband marketplace. The detailed mechanisms that are in place, including standards for subsidy eligibility, evolved to support universal telephone service and will not be a logical fit for supporting broadband, which differs from telephone service in technology, cost, deployment and adoption, among other things.

Second, expanding the IUSF to include support for broadband service would be a violation of the current statutory prohibition limiting the IUSF to voice-only services. See Ind. Code § 8-1-2.6-1.1. Even if statutory barriers did not exist, such IUSF mission creep would risk duplicating funding that will be disbursed through multiple federal funding sources. These sources include: 1) the Connect America Fund; (2) RUS broadband programs that provide \$30 million in funds for FY 2018; and (3) the \$600 million allocated for rural broadband loans and grants as part of the federal 2018 omnibus budget bill.

Finally, the IUSF is not the right mechanism for supporting greater levels of broadband deployment because the definition of broadband itself is constantly evolving. Specifically, broadband is defined based on bandwidth-based standards that are constantly increasing, so universal adoption will be an ever-moving target. On the other hand, the goal for universal voice adoption is achieved once every household has telephone service, the features and functionalities of which are relatively static. It would also pervert notions of fairness to require a customer who receives unsubsidized service at minimum bandwidth to subsidize another customer's service that may be provided with higher bandwidth. This is especially possible because Indiana's high-speed connectivity exceeds regional averages, as documented in the

report accompanying the initial comments by the Indiana Broadband and Technology Association.

Several commenters addressed the related issues of competition levels and affordability. Competition is ever-present in broadband markets. Most Hoosiers, even in many rural areas, can choose between at least two wired Internet service providers. Including competition from mobile and satellite broadband providers, much of Indiana is home to multiple ISPs leveraging different and ever-improving technologies competing to meet their customers' needs. This competition has led to rapid progress in the quality of consumer Internet connections.

Over the past decade, Internet speeds provided to Hoosiers by IBIG's members have increased more than 125 times over. In 2007, for instance, it took 45 minutes to download a 5 GB high-definition movie. Today, that same download typically takes just 21 seconds. This increase in speeds reflects our members' investment in expanding and upgrading their networks in just the last ten years. And this growth in speeds has been accompanied by lower average costs: The average price per megabit has decreased 90%, from \$9.01 per megabit per second to \$0.89 per megabit per second.

In response to the comments from electric cooperatives and their association, IBIG notes that no investigation into barriers to rural broadband deployment would be complete without addressing the issue of pole attachment rates. The centrality of pole attachment rates to expanding broadband deployment is reflected in the FCC-mandated formula for capping investor-owned utilities' pole attachment rates. REMCs, however, are not similarly capped, and typically charge much higher rates than other utilities for broadband providers to attach infrastructure to their utility poles. At a minimum, IBIG advocates for pole attachment rate parity, with all broadband providers having access to the same pole attachment rates as are available to providers affiliated, or otherwise in business, with the co-op or municipal utility.


Finally, in addition to working on expanding broadband deployment, IBIG and its members are committed to closing Indiana's digital divide by addressing the challenge of increasing broadband adoption rates. In 2017, IBIG launched the iLink initiative as a platform of resources, existing programs, and partnerships with groups like Connect2Compete, EveryonOn, Comcast's Internet Essentials, Spectrum Internet Assist, and others. These programs, along with other industry initiatives, reflect an investment of over \$200 million in broadband adoption efforts, and IBIG remains actively engaged in efforts to raise awareness of the benefits of being online.

IURC General Counsel  
July 13, 2018  
Page 4

Thank you for your consideration of IBIG's reply comments.

Sincerely,

Stoll Keenon Ogden PLLC

  
Clayton C. Miller

CCM:dlv