

THE BACK PAGE

ANALYSIS AND COMMENTARY
FOR THE INDEPENDENT TELECOMMUNICATIONS INDUSTRY
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COMMON SENSE

The Broadband “Plan” Undermines Universal Service: “Fixing The Problem” Part 3

By Steve Kraskin

I can't argue with Einstein. He's right – find the right questions to ask and you'll find the solution.

So, here's the question. What do we need to do to *fix the problem*?

The simple answer to *fixing the problem* is, of course, advocate successfully. Unfortunately, that's not so simple.

What do we need to do to *advocate successfully*? I think Einstein might agree that this is really the right question. In the first part of this series, I promised that I would provide specific strategic and tactical suggestions for an advocacy process that maximizes the opportunity for success for the Independent industry. That is the focus of this final installment of this Back Page three-part series.

Meeting the challenges of the Broadband “Plan” will require:

1. *A unified effort among the industry associations;*
2. *More effective use of existing industry resources; and*
3. *A commitment from a significant number of rural Independents to enlist additional resources.*

Many voices claim to represent the telecommunications industry offering their views before the FCC and the U.S. Congress on the critical policy issues affecting the industry. Welcome to **The Back Page**, a special newsletter featuring commentary and viewpoints of interest primarily to the independent telecommunications industry. The views and opinions expressed in **The Back Page** are the views of the author.

The Back Page is our attempt to give voice to the policy objectives and goals of the independent telecommunications industry. **The Back Page** includes commentary on legislative and regulatory issues specifically affecting the independent telecommunications industry.

This week's edition of the **Back Page** is intended to simulate industry dialogue and action. You can add your voice on our Blog at: <http://independent-forum.com/> or send your comments to Tom Smith at: tmfsmith@starpower.net or Steve Kraskin at: <mailto:skraskin@independent-tel.com>

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In order to succeed, the Independent industry will require *reinforcements* with high-level strategic and tactical skills to assist in the restoration of the industry's grassroots political support

Mission Accomplished? I Don't Think So.

“Great job!” “They got the message!” “Thank you!”

Those comments summarize the numerous e-mails and phone calls I received last week from many of the Independent company representatives who had read the first two installments of this three-part series on *finding, facing and fixing* the challenges that the FCC's Broadband “Plan” poses to the rural Independent industry.

Each of those who left voice mail and sent e-mail messages wanted me to know that they had received e-mail alerts from their associations that outlined the problems and challenges in the “Plan,” similar to those set out in part one of this series. Equally important, the alerts indicated that the associations plan to work together on a coordinated response.

While I appreciate the messages I received, the announced efforts of the associations are in no way attributable to me or to anything I wrote in the first two parts of this series. The association staffs are very able, and they are independently and appropriately responding to the challenges that were set forth in the notices of the new rulemaking proceedings that have followed the issuance of the “Plan.”

In fact, I have failed in my mission if I left you with the impression that my goal was simply to encourage united efforts by the associations or to make certain that the industry is engaged in meeting the challenges of the “Plan.” United and coordinated Independent industry association efforts are only a starting point.

My goal is far more reaching. My purpose is to contribute to an effort that succeeds in stopping the adoption of the proposals in the “Plan” that undermine the very foundations of universal service and threaten the Independent industry. In order to achieve this, I am convinced that the Independent industry must utilize its existing resources more efficiently and effectively. In addition, we need to supplement those resources to meet the challenge.

I have struggled with how to present this to you because I recognize the diversity of the audience reading this Back Page. At the end of the day, and recognizing that you cannot please all of the people all of the time, I am simply going to set out what I think will be useful.

Several of you have contributed significant time and effort to the industry's advocacy efforts of the past few years. The industry owes each of you respect and gratitude, but I hope you would agree that the lessons of the past few years demonstrate the need for both an improved tactical effort and additional resources.

A very few of you have an automatic negative reaction when anyone suggests that an effort by your association has been less than perfect. My purpose, however, is not to criticize, find fault, or “name names.” That would be silly, a waste of time, and non-productive.

On the other hand, even more of you have written to me expressing your hope that this Back Page installment will recommend the merger of existing rural associations, or call for the establishment of a new association. I am clearly about to disappoint you.

I think that each of the associations plays an important and distinct role that enables both strong united advocacy efforts and individual group efforts and focus. I envision that a successful strategy for the Independent industry to meet the challenges of the Broadband “Plan” begins with a coordinated and united effort led by the industry’s associations.

The announced efforts of the associations to address the challenges of the “Plan” in a coordinated effort are laudable, but that is a beginning and not an end. At the risk of saying what you need to hear instead of what you want to hear, I think that, just as Einstein suggested, we need to consider a difficult but realistic question in order to get to a favorable solution.

Here is the hard question. *Even if we restore and maintain the unity of purpose and effort that once existed among the associations, do the associations have sufficient resources to meet the challenge alone?*

I think that the answer is clear. We need **reinforcements**. This is not a criticism of the associations. It is a reality. Each of the rural associations has excellent and valuable staff resources, but their numbers are few, and are limited by available association resources.

The effort needed to meet the challenges of the Broadband “Plan” will require resources that the associations do not have. In the recent past, the Independent industry and its associations recognized the need for additional resources as reflected in the formation of the Keep America Connected and Rural Alliance efforts. Whatever you may think of those efforts, it is important to recognize that there is a new need for **organized reinforcements** to address the present danger.

The rural Industry, however, does not need a new association or a new advocacy alliance. Instead, we need to utilize the resources we have more effectively including better coordination with state associations and industry consultants and advisers, and the utilization of NECA to develop and provide the data that supports our objectives. And, we need to augment those efforts with additional resources that focus on the restoration of our industry’s grassroots support, working in conjunction with both our national and state associations, and seeking alliances with other parties with mutual interests.

My recommendation is for the members of the Independent industry to create a new strategically crafted entity that will provide the industry and its associations with the additional resources that are needed to meet the challenges that the “Plan” has created for the Independent rural carriers.

“Water The Grass And Wait 300 Years”

That’s the answer to the question, “How do the British manage to grow such beautiful green lawns?” Many years ago, a business mentor observed that, among my many flaws, I lack patience. He drilled this question and answer into me to teach me patience. I have, indeed, learned the value of patience, and understand that it is a virtue that certainly has its place and time

But, the Independent industry does not have 300 years to wait to restore its grassroots.

I am proposing the creation of a new entity - the **Rural Broadband Institute** or “RBI.” The RBI would provide:

1. A think-tank that commissions fact-based data-driven white papers to support rural Independent industry objectives and principles, utilizing the resources of industry consultants, the Rural Alliance, and NECA.

2. A small “special forces” unit of high-level advocates available to work in tandem with industry associations on rural universal service advocacy. I envision a total of four retained advocates, two with a Democratic background and two with a Republican background; each with an understanding and appreciation of the Independent industry; and each known to members of both the FCC and Congress as knowledgeable telecommunications policy experts.

3. A resource that helps rural Independents restore the grassroots political foundation that developed and maintained the foundation of universal service. The RBI would assist the Independents in rebuilding support with Congressional offices, state government, local chambers of commerce and community members, coordinating efforts with state associations and state industry groups.

The Mission Of The RBI

- To advance sensible, evidence-based policies for the deployment and adoption of broadband services for all of the nation’s citizens including consumers and businesses residing in rural, insular and high cost-to-serve areas of the nation.
- To provide a forum to bring together the various constituent groups that share this common objective, including: carriers, consumers, local and regional economic development representatives, equipment manufacturers, and vendors.

Why The RBI Is Needed

Rural Independent carriers have a wealth of information about how to deploy broadband networks that serve these populations based on their own experience doing just that. But regulators, legislators and other constituent interest groups (including consumer advocates, public safety groups, public interest groups and economic development organizations) appear to have little knowledge or awareness of the broadband experience of rural carriers and the communities they serve. The Broadband “Plan” reflects that lack of awareness.

The “Plan” was too little informed by these successes and too much informed by the contrasting, less successful experiences in rural areas served by the nation’s larger incumbent carriers. To avoid the adoption of the “Plan’s” proposals to dismantle the foundations of universal service, we need to provide the FCC with rich data and solid information drawn from the experiences of rural Independent carriers. The track record of the Independent industry can provide the factual data that supports the enactment of programs and actions that truly advance the nation’s broadband objectives in contrast to the “Plan’s” universal service proposals.

The RBI Focus

Overall: Coordination with industry consultants and NECA to facilitate the strategic compilation and analysis of qualitative and quantitative information and data needed to address fundamental issues to fulfill the goals of universal service; to utilize the information and data collection and analysis to develop responses to these issues that are action-oriented, objective focused, rational and expediently implementable.

Education: Coordination of constituent interests in a grass-roots effort to educate decision-makers and advocate adoption of policies and actions by national, state, and local governments needed to advance and ensure the availability of universal broadband service to the consumers served by Independents.

Data Collection: Provide quantitative and qualitative analysis demonstrating broadband development in rural areas served by rural carriers utilizing existing regulatory framework contrasted to the level of broadband development in rural areas served by large incumbents subject to a different regulatory framework. Documentation of the impact of broadband deployment on communities and individuals; economic, education, health care, cultural.

Middle Mile Quantification: Develop quantitative analysis of costs driven by growth of middle-mile transport requirements, and anticipated needs and resulting costs.

Best Practices and Best Solutions: Identify specific prospective policies and actions by national, state and local governments by building on analysis of programs that have worked; develop proposed revisions and enhancements; identifying additional actions to foster deployment, adoption, and economic development.

Building Alliances and Advocacy

Create a Washington, D.C. based “Special Forces” unit to forge alliances with interest groups with common objectives; coordinated education/advocacy effort at FCC and on Capitol Hill.

Coordination of the “Special Forces” effort with grass root constituent effort – augment national association advocacy efforts; coordinate with state associations to promote development of member relations with local, state and national government contacts and with local and regional economic development organizations by providing state associations and groups with support materials, speakers, and advocacy assistance.

Beating Them At Their Own Game

The RBI entity I have described is similar in structure to the type of entity that companies like Verizon and AT&T utilize to promote their policy efforts. For example, to address their concerns with network neutrality, they knew that it would not suffice to advocate simply from within their own company. What did they do? They formulated their concerns in a shroud of public interest and sought out allies with which they formed “Broadband For America.” (<http://www.broadbandforamerica.com/>)

Their “Broadband For America” effort has been very powerful and successful despite the fact that some critics see through the shroud of public interest. The RBI effort I am suggesting for the Independent industry is distinct from efforts like “Broadband For America” in one very important respect. The proposed

RBI effort would be based on unifying universal service objectives and principles that truly serve the public interest.

In part 2 of this series I set out a specific focused objective with supporting principles that can be used to unify and coordinate industry efforts to meet the Broadband “Plan” challenge. I recognized that my proposals might not be perfect.

Regardless of whether or not you agree with my proposal, I urge you to recognize the need for the industry to unite its advocacy effort behind an articulated objective with supporting principles that can ensure a coordinated industry effort that will also find support from potential allies who join with our industry to meet the challenges of the Broadband “Plan.”

Similarly, I recognize that someone may have a better idea than the RBI concept I have set out as a mechanism for the Independent industry to obtain the additional resources required to fix the problems that the “Plan” has created for the Independent industry. But, the clock is running.

I urge anyone with a better idea to come forward with it. And, I ask anyone who does not think the Independent industry needs the reinforcements that I have described to come forward and set out for the industry their plan to meet the challenge ahead.

To fix the problems with the Broadband “Plan,” the rural Independent industry cannot merely retrace the advocacy path of the recent past. We need additional resources to raise the level of our advocacy. We need to develop and provide the data that supports our positions with facts. And, we need to ensure that the Independent industry restores its grassroots political support.

“What’s Past Is Prologue”

William Shakespeare

The history of the Independent industry is driven by the industry’s success in maintaining the foundations of universal service as the telecommunications industry experienced both technological and market evolution. Independents succeeded by gaining grassroots political support for policies that aligned their interests with the interests of their community stakeholders and their representatives. Members of Congress and their staff members knew rural Independent companies. They knew what the companies were doing for their rural constituents. They saw and understood the importance of the Independents to the rural communities.

The Independents historically combined their strong grassroots relationships with good substantive policy advocacy to obtain success after success in meeting the many attacks that have been made on universal service programs. This is hardly the first time that the foundations of universal service have been subject to challenge.

What changed? What is different this time?

Over the past ten years, the once visible rural Independent grassroots support has disintegrated. The industry's adversaries have observed this change and they have taken tactical advantage of the industry's loss of grassroots support.

The FCC team working on the Broadband "Plan" knew the importance of the past political support for the Independents. They understood that it was the force of the Independents' grassroots political support that stood behind the existing universal service policies that they now propose to discard.

The FCC's Broadband Czar, Blair Levin, and his group recognized that the Independent political support had evaporated, and concluded that they could move forward with their plans to dismantle the existing universal service policies without fear of any political pushback. And, they knew exactly what the impact would be on rural Independents when they designed their proposals.

Initially, I only suspected that this is what Mr. Levin and his group thought. A recent publicly reported speech by Mr. Levin confirmed my suspicion.

Levin appeared as a speaker at the American Cable Association's legislative conference outside of Washington, D.C. on April 20 where he was overheard saying privately to one of our industry leaders, "I guess the Plan just about makes your members extinct."

More important than that private conversation is what Levin had the gumption to say publicly in his recorded remarks:

"And across many of the universal service recommendations, there now appears to be general consensus of where we need to go. Consider the recent Senate Commerce Committee meeting, there were numerous, often contentious, issues discussed.

In a classic case of what Sherlock Holmes would refer to as the importance of a dog not barking, no Senator chose to spend his or her time talking about universal service or intercarrier compensation.

I am not claiming that means they all agree.

But I do think it is significant that the recommendations that are probably the most detailed in the plan, that would reallocate the largest amount of money, and that confront a historically-contentious set of issues did not generate the controversy one might have imagined at the beginning of the process."

Blair Levin, April 20, 2010

I am used to Washington "inside the beltway" talk – so, I am not certain whether Levin's remarks require translation. I'll err on the side of caution and translate. Here's what he is saying: *the Congressional hearings on the "Plan" demonstrate that the rural Independent industry no longer has the grassroots political support needed to reverse the universal service proposals in the "Plan."*

This may not be the first time that the foundations of universal service have been subject to challenge. It is, however, the first time where we do not have the grassroots support in place to back the effort that is required to meet the challenge.

If you had any doubt that meeting the challenge from the “Plan” requires restoring the Independent’s grassroots political support, take another look at Mr. Levin’s remarks. We need to draw upon our past to succeed in the future. And, we need **reinforcements**.

“How’s That Been Working For You?”

- Dr. Phil

While the past may be prologue, it is now your choice to determine what part of the past will prevail in the future of the Independent industry. The past history of Independent success that incorporated the nurturing of strong grassroots political support with strong, thoughtful advocacy aligned with the interests of rural consumers? Or, the more recent past marked by industry disunity and lost opportunity?

What can an individual company do?

You can join with other companies in endorsing a common objective with supporting principles that can form the foundation of a unified industry advocacy effort. If you don’t like the objective and principles I proposed, then craft better ones. Insist that your advocates articulate a common objective and common principles to ensure the strong united effort that is required to address the “Plan.” Lewis Carroll was correct – if you don’t know where you want to go, the road you take won’t matter.

You can evaluate for yourself whether the industry requires additional resources to meet the challenge ahead. If you don’t think the Independent industry needs help in the political arena to reinforce the resources we have, take one more look at what Blair Levin said. If you don’t think that my RBI proposal is needed, suggest an alternative to provide the industry with the resources that are required.

But make an informed decision.

I hope that this Back Page series helps you to make that informed decision.

And, if you decide that you don’t need to do anything, that you can leave this to others, and that there is no reason to take a different path than that which the Independent industry has taken in recent years, you might remember Einstein’s advice about asking the right questions to get to the solution, and force yourself to answer this difficult question: “*How’s that been working for you?*”

WHAT DO YOU THINK? LET US KNOW

We always close the Back Page with this note welcoming comments and responses, and we want to encourage continuing response and dialogue. Please feel free not only to respond, but also to let us know if we have your permission to transmit and share your response on our website at <http://independent-forum.com/>.