

**From:** [Pietila, John C.](#)  
**To:** [BOCrfc2015](#)  
**Subject:** Broadband Opportunity Council  
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**Attachments:** [Iowa Communications Alliance - Comments - Broadband Opportunity Council.pdf](#)

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To whom it may concern:

Attached are written comments submitted on behalf of the Iowa Communications Alliance.

Thank you,  
John



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**Before the**  
**DEPARTMENT OF AGRICULTURE**  
**Rural Utilities Service**  
  
**and**  
  
**DEPARTMENT OF COMMERCE**  
**National Telecommunications and Information Administration**  
  
**Washington, D.C. 20250**

In the Matter of	)	
	)	Docket No. 1540414365-5365-01
	)	
Broadband Opportunity Council Notice and	)	RIN 0660-XC019
Request for Comment	)	
	)	
	)	

**COMMENTS OF**  
**IOWA COMMUNICATIONS ALLIANCE**

Iowa Communications Alliance (the “**Iowa Alliance**”)<sup>1</sup> hereby submits these comments in response to the above-captioned Request for Comment (“**RFC**”) concerning the role of Executive Branch agencies in promoting increased broadband competition, deployment and adoption in communities across the United States. As an association representing Iowa’s rural communications industry, the Iowa Alliance shares a common goal with the President, the Broadband Opportunity Council (the “**Council**”) and the Council’s member agencies: that all Iowans (and all Americans) should have access to affordable and robust broadband connections. While these comments focus on certain identified questions included in the RFC, the Iowa

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<sup>1</sup> The Iowa Communications Alliance is the voice of Iowa’s rural communications industry. The Iowa Alliance represents more than 130 community-based telecommunications providers who offer broadband, telephone and digital television service to rural Iowans.

Alliance joins with NTCA-the Rural Broadband Association (“NTCA”), in supporting NTCA’s broader policy recommendations concerning the Administration’s effort to spur the deployment of fast and affordable broadband to rural America.<sup>2</sup>

**A. Questions Addressed**

The Iowa Alliance is filing these comments in order to provide the Council with its overarching perspective concerning the following questions posed in the RFC:

12. How can communities/regions incentivize service providers to offer broadband services, either wired or wireless, in rural and remote areas? What can the federal government do to help encourage providers to serve rural areas?

25. Would spurring competition to offer broadband service in rural areas expand availability and, if so, what specific actions could Executive Branch agencies take in furtherance of this goal?

26. Because the predominant areas with limited or no broadband service tend to be rural, what specific provisions should Executive Branch agencies consider to facilitate broadband deployment and adoption in such rural areas?

**B. Comments**

The Iowa Alliance is supportive of the Council’s efforts to identify and address regulatory barriers, incentivize investment, promote best practices, align funding decisions and otherwise support broadband deployment and adoption, especially as it relates to high-quality wired broadband connections. Both the Iowa Alliance and its member companies are familiar with and appreciate the longstanding and recent efforts of Executive Branch agencies in partnering with private industry and local communities to address the unique challenges associated with expanding broadband access in sparsely populated rural areas. As discussed below, we believe these existing programs provide a useful blueprint in identifying opportunities

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<sup>2</sup> Letter from Shirley Bloomfield, NTCA Chief Executive Officer, to The Honorable Penny S. Pritzker, Secretary, United States Department of Commerce, <http://www.ntca.org/images/stories/Documents/broadbandletter.pdf>

for local, federal and private interests to leverage existing networks and expertise in order to facilitate broadband deployment and expand broadband availability and adoption in rural areas.

For many reasons, it was especially fitting that the President selected Iowa as the location where he announced the creation of the Council and the Administration's commitment to enabling every American to have access to fast, affordable broadband service. Iowa's rural telecommunications providers are leaders in bringing connectivity to rural areas and have become world-class experts in the design, deployment and operation of rural broadband networks. As members of the communities they serve, these locally operated companies not only deploy broadband to rural areas, they do so in a pragmatic and sustainable way, ensuring that service remains fast and affordable for the long term.

While we appreciate the President's renewed focus on expanding broadband in rural America, we are concerned by his emphasis on incentivizing the construction of municipal broadband networks, even where private entities are already delivering fast and affordable service or may be better equipped to do so. While municipal investment in broadband networks may be necessary in certain exceptional circumstances, the Iowa Alliance believes that many rural municipalities are or can be served adequately by private service providers. In most cases, the most immediate and direct route toward more affordable and faster broadband is to leverage existing state and federal programs to incentivize existing service providers to expand or enhance their existing last mile and middle mile networks to meet the identified broadband-related needs of rural communities. Where private industry is either unwilling or unable to meet the broadband-related needs of these communities, the Iowa Alliance supports the development of public-private partnerships, especially if such partnerships are incentivized to leverage existing facilities and expertise while avoiding unnecessary taxpayer risk or duplicative investment.

For many reasons, the federal government should seek to encourage the expansion of municipal broadband only as a last resort. If government-owned networks are incentivized, any such programs should be structured to avoid creating unsustainable competitive networks in sparsely populated rural areas. Rural communications and broadband service providers have a proven track record of being able to successfully build, operate and maintain high quality networks in rural America. However, these providers face significant financial and operational pressure as a result of recent regulatory changes adopted and implemented by the Federal Communications Commission.<sup>3</sup> While the Council is necessarily and appropriately focused on matters within the control of its member agencies, it is important to understand and appreciate the impact of other regulations which affect broadband deployment and adoption in rural service areas. To the extent the financial and operational health of rural communications providers are already at risk, any regulations which would promote ill-conceived public investment in broadband markets is likely to slow or even freeze the pace of private network investment.

Rather than competing directly against private, community-based providers, state and local governments can be and often are valuable partners in expanding broadband networks and broadband services in rural areas. A growing number of our member companies currently partner or are discussing partnership opportunities with local governments, both within their traditional incumbent service areas and in competitive rural service areas. In the context of these public-private partnerships, local providers are able to leverage their existing financial, technical and managerial expertise to assist in the design, deployment and operation of high quality, affordable networks. Building sustainable networks requires both a significant upfront investment and a significant commitment to reinvestment over time to meet consumer demands

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<sup>3</sup> Harlod Furchtgott-Roth and Kathleen Wallman, *An Assessment of the Operational and Financial Health of Rate-of-Return Telecommunications Companies in More Than 700 Study Areas: 2007-2012*, <https://prodnet.www.neca.org/publicationsdocs/wwwpdf/1222rba-1.pdf>.

and keep pace with changing technologies. In the absence of true failure by private providers, state and local governments should not be incentivized to “go it alone” and risk public funds in the development of competitive networks which are likely to erode (rather than enhance) the availability of fast, affordable broadband in hard-to-serve markets. To the extent states or municipalities are incentivized to enter broadband markets, there must be adequate safeguards to ensure that the promoters of such investments are honest and direct with consumers and taxpayers about the costs and challenges associated with building, operating and maintaining these networks over the long haul.<sup>4</sup>

The successful deployment of fast and affordable broadband in high-cost, rural areas requires a carefully coordinated strategy that supports the deployment of networks and the sustainability of those networks over time. As such, the Council should focus its energy and efforts on fine tuning and enhancing programs that support investment by existing service providers with a proven track record of continually investing and reinvesting in rural networks. Such investments are frequently supported and incentivized by federal programs, including NTIA’s Broadband Technology Opportunities Program and Broadband Initiatives Program and USDA’s Telecommunications Infrastructure Loan Program and Broadband Loan Program. Lessons learned by NTIA, USDA and other Executive Branch agencies in the development and administration of these and similar programs may prove especially helpful in identifying opportunities to incentivize or foster meaningful and lasting partnerships between local, federal and private interests. Immediate priority should be given to identifying or developing opportunities for public-private partnerships in hard-to-serve rural areas, with an emphasis on

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<sup>4</sup> See Taylor Soper, *Seattle Officials: Municipal Broadband Too Risky and Expensive for City to Build Alone*, *GeekWire*, June 9, 2015, <http://www.geekwire.com/2015/seattle-officials-municipal-broadband-too-risky-and-expensive-for-city-to-build-alone>.

those partnerships willing and able to capitalize on existing federal incentives while leveraging existing network infrastructure and operational expertise.

Dated: June 10, 2015

Respectfully Submitted,

IOWA COMMUNICATIONS ALLIANCE

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