


RURAL Telecommunications

A portrait of Commissioner Deborah Taylor Tate, a woman with blonde hair, smiling. She is wearing a pink jacket and a light-colored scarf. The background is a blurred indoor setting with windows.

Commissioner
Deborah
Taylor Tate
Balanced
Vision,
Thoughtful
Leadership

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SPECIAL WIRELESS SECTION

FCC COMMISSIONER Deborah Taylor

Balanced VISION, Thoughtful LEADERSHIP

BY CAITLIN COLLIGAN

Confucius philosophized about the importance of balance when he said, “To go beyond is as wrong as to fall short.” Though thousands of years old, the precept aptly fits the guiding regulatory principle of FCC Commissioner Deborah Taylor Tate. For Tate, striking a balance is essential to affecting sound public policy, be it combining the right mix of regulation and free-market operations, finding the appropriate blend of federal and state cooperation, or equalizing the interests of all involved parties.

A native of rural Tennessee and prior chairman and director of the Tennessee Regulatory Authority, Tate comes from a very rare breed of former state commissioners that have ascended to the federal policy-making level. This combination of rural roots and local ties has given her a unique perspective. “I try to bring the rural, small-town American viewpoint to all of our decision making at the FCC,” Tate said.

Tate’s career evolution has bestowed upon her a deep appreciation for federalism and respect for a form of government that underscores the important role of the states—especially when it comes to consumer protection—while attempting to simplify regulations when a national scheme is appropriate.

A staunch advocate for market-based solutions through commercial negotiations, Tate recognizes that when market failures occur, government should step in. Yet she is a firm believer in the concept of regulatory humility, noting that the significant consumer benefits we see in our economy’s communications sector are for the most part related to a modest level of regulation, and the high levels of competition it has encouraged. ▶▶

Tate



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Government’s Role

“I believe the government needs to be a referee in the communications industry, making sure that everyone plays by fair and consistent rules; not the coach, telling everyone how to play the game,” Tate noted. She embraces the importance of enhanced outreach and education efforts to protect consumers when and if the development of competition results in deregulatory policies.

During her tenure as a public utilities regulator, Tate engaged in a broad range of emerging communications and energy issues. “Having dealt with such vast issues as a state commissioner, I don’t look at things narrowly from a telecom viewpoint, I look at the broader public policy issue, and that is ... how are we affecting American families?”

That sentiment is another key to Tate’s regulatory approach. Her passion for crafting public communications policy that benefits all Americans—especially children—is evident in her commitment to issues such as combating childhood obesity, online safety for children and the negative impact of violent programming. Tate has leveraged the commission’s 45-year relationship with children’s television to help lead the effort to educate, inform and engage people in the fight to protect what she calls our most precious natural resource. Noting the increasing number of telcos entering the video market, Tate added it is her hope NTCA members will also join in the effort.

Service to Communities Key

Tate said the greatest fulfillment she gets from her position as FCC commissioner is seeing all the different ways the FCC impacts life in America—the real world, positive results, whether from using the bully pulpit, seeking industry based solutions or taking regulatory steps. “I like to say that it is not about technology for technology’s sake, but about how technology transforms our lives—making them healthier, safer and more productive.”

Asked about the biggest challenge she faces as a commissioner, Tate once again touched on the importance of balance. “Every decision that comes before you is at essence, a balancing of interests,” she said. As the commission moves forward in its efforts to reform universal service—perhaps the most important issue to rural communications providers—Tate said it is important to consider all of the benefits of extending service to rural areas, despite the substantially high cost of doing so.

She said the value of a communications network grows with the number of individuals who connect to it, and that value accrues for those in small towns in Tennessee as well as in midtown Manhattan. Therefore it is incumbent upon all industry players to look for innovative ways to provide communications services, including advanced services, to the nation. “This does not mean costs do not matter; they do, and we should look for innovative ways to control costs and encourage the use of the most efficient technologies as they come online,” Tate said. However, she emphasized, “We always should be mindful of the broad benefits our society as a whole receives from a communications network that is truly national.”

Staying Connected to States

Tate is cognizant of the significant challenges rural carriers face in delivering communications services to consumers. Serving at the state level—where Tate said the rubber hits the road in terms of executing policy—during the implementation of the 1996 Telecom Act helped create a pronounced awareness of how small, rural communications providers are affected by rules that are mandated at the federal level.

“I’ve kept up relationships with the state commissioners, and I’ve stayed connected to those people who are out there in the trenches ... I know the companies involved,” Tate said. “Having ‘been there’ makes me better able to explore how the policies we’re considering in Washington, D.C., will affect the small telcos and small cable operators.”

She credits the dedication of independent rural providers with the substantial progress made in deployment of wireless and broadband services today for many citizens living in rural areas. Yet she is keenly aware of the fact that there remains work to be done in connecting all Americans. “The evolution of technology has been astounding, and certainly we are focused on getting broadband to unserved areas, but we have to remember that we are still trying to get wireless, DSL and even basic dial-up service to these areas well,” she said.

Growing Broadband Access

Among the challenges with that task is the fact that the very definition of “rural” varies from region to region in this country, Tate said. Recalling her first trip to Alaska, she said, “Over two days I saw more caribou than people on that trip ... it really makes ▶▶▶

you think about the life decisions people make and how the FCC can play a role in providing opportunities rural residents would normally never have, such as rural health care and distance learning.”

Such opportunities are dependent on a robust nationwide broadband-capable network, and Tate views the promotion of competition to increase broadband deployment as essential to making that network a reality and ultimately ensuring America remains competitive in the new global economy.

Indeed, Tate names the deployment and increased penetration of broadband as her top priority, noting that the FCC has worked to remove legacy regulations that created disincentives for investment in new infrastructure or distorted competition among broadband platforms. The commission has also worked to help ensure technological and competitive neutrality in communications markets to the extent possible—adopting the same regulatory approach for broadband service provided over cable systems, telephone wires, power lines and wireless platforms, which helps ensure a level playing field among competing platforms. Tate also favors programs—including ConnectKentucky and the recently announced Rural Health Care Pilot Program—that aim to link broadband providers with unserved areas, dedicating more than \$417 million for the construction of 69 statewide or regional broadband telehealth networks in 42 states.

A key component of any plan to stimulate broadband deployment is the Universal Service Fund (USF)—specifically the high-cost fund, which has been greatly affected by the evolution and convergence of new technologies in the marketplace.

Staying True to

Universal Service Principles

“My deep concern is that—as much as broadband is a priority to me and my colleagues—where is this money going to come from? As a steward of this consumer fund (and that is truly what the USF is, as each and every telecom consumer pays into it), we need to consider carefully how the money is spent.”

Tate is also vigilant about ensuring that the USF is being used for its intended purpose, which is to bring affordable communications services to those areas that truly need support. Noting the explosive growth of support to competitive eligible telecommunications carriers (CETCs), she said her overall concern is whether it makes economic sense to provide support for multiple providers that ultimately compete for the same customers in a truly high-cost area.

Thus, she supported a cap on high-cost universal service support payments to CETCs, as well as the elimination of the so-called “identical support” rule, both of which help control the growth in the CETC portion of the high-cost fund.

“No matter what the technology is, we need to be true to the principles of universal service...we must balance the need for updating the networks with the effect of the cost on the consumer.”

Taking the Leadership Reins

As chairman of the FCC Federal-State Joint Board on Universal Service, Tate has led the charge over the past year and a half toward seeking long-term solutions to stabilize and sustain the fund. The recommended decision contained several fundamental reforms, including the creation of separate funds for broadband, mobility and provider of last resort. Ever mindful of the effect of policy on the consumer, Tate warns that the commission must tread carefully regarding the implementation of the new broadband and mobility funds to ensure the final policy yields an efficient, targeted and fiscally responsible method of delivering advanced services like broadband to the entire nation.

Tate also acknowledges that small rural providers are already providing such services to rural Americans, and questions the joint board’s recommendation to place an overall cap on the high-cost portion of the fund. “I question whether it is prudent to penalize these carriers since they are not responsible for the growth in the high-cost fund, and ILEC high-cost support is already capped or subject to a targeted limit,” she said.

Among other aspects of the joint board’s recommended decision was the suggestion that reverse auctions could offer advantages over current high-cost distribution mechanisms. Tate says she is currently keeping an open mind regarding the concept and is carefully reviewing the numerous in-depth comments to determine whether reverse auctions could offer advantages over current high-cost distribution mechanisms. She hopes a consensus can be reached on this important issue, and offers that one option might be to develop a pilot to see how reverse auctions would work in a real world environment. Whatever reforms are adopted by the commission, Tate emphasizes that a transition period will be important to ensuring stability for the industry and that the public interest, ultimately, is served. ▶▶▶

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Video Challenges

The commission is also exploring ways to reform the laws that govern the video industry. Of particular importance to small communications providers is the FCC's September 2007 order addressing access to programming, which, among other things, extended for five years the ban on exclusive deals between cable operators and affiliated programmers. The commission hopes that the elimination of exclusive deals will further open the market for content to small operators.

"We are currently seeking to understand and address the needs of small video operators, whose ability to provide video is critical to increased broadband penetration," Tate said. "When the current policy was originally implemented, small telcos weren't providing video. Now that they are expanding their businesses to offer video service, we need to hear from them as we re-examine the rules. We want to ensure small providers can access the content their consumers demand."

Working Cooperatively for Consumers

Tate said the commission will rely on cooperation from the industry during the upcoming digital television (DTV) transition. This issue gets to the heart of Tate's commitment to protecting consumers as the FCC determines policy. She says that in the next 15 months it will be necessary for the commission to work with Congress, other federal entities, industry and organizations all across the United States to help ensure a smooth digital TV transition, including making sure consumers receive complete information about the upcoming transition. According to Tate, the transition not only will provide incredible fidelity, networking capabilities and enhanced television viewing, but it will also allow more efficient use of the spectrum, making way for even more innovative and exciting new consumer devices.

"We all have a responsibility to protect consumers—especially those with disabilities, those who live in remote areas and our older citizens—and to work together to educate so that no one is left behind as we move together into the digital age," Tate said.

With regard to spectrum, Tate has developed a deep appreciation for the commission's work in terms of domestic and international policy-making, much of which she said will impact what devices and services consumers will utilize in the future. And in what she deems perhaps the FCC's most important area of authority, Tate said the commission will continue to address policies that will help improve the nation's public safety and homeland

security. "We must ensure that the FCC and the industries it regulates are better prepared to respond in the face of natural disasters and other types of incidents, such as pandemic, industrial accident, environmental incident or terrorist attack."

Participate in Policy-Making

Regardless of the issues before the commission, Tate said she cannot validate enough the need for communications providers to get and stay involved in the policy-making process. "Almost every decision that the FCC makes is based on notice and an opportunity to comment, so certainly NTCA, telecommunications providers and consumers play a major role in the process," she said. She also emphasizes that it is a two-way street—while she seeks to understand how certain decisions may impact rural carriers and rural Americans, she hopes NTCA members feel that her office is always accessible and open to their input.

"Given that rural America is home to 49 million—a fifth of America's population—and contains 75% of the nation's landmass, this input is extremely important," Tate said.

When it comes to engaging in the policy process, Tate challenges telcos not to take the easy way out. Rather than merely being critical, she urges telcos to attempt to create solutions whenever possible. "Don't just complain, 'this isn't working.' It's easy to complain, the hard part is coming up with sound public policy—everyone has to work toward consensus."

Tate readily applauds the efforts of small rural carriers to connect the four corners of our nation, and encourages them to continue deploying broadband across America so that no Americans—wherever they choose to live—will be left behind.

"More people are moving to rural areas to retire or for quality of life reasons—something those of us who have lived in rural America have always known about!" Tate said. "That is why it is so important to continue to deploy broadband nationwide to ensure those people can remain connected, keep their jobs, educate their children and be competitive globally. The phrase 'think locally, act globally' is never more true than today." ■

Caitlin Colligan is public affairs manager for NTCA. She can be reached at ccolligan@ntca.org.

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