



Before the

**DEPARTMENT OF COMMERCE  
National Telecommunications and Information Administration**

**DEPARTMENT OF AGRICULTURE  
Rural Utilities Service**

**American Recovery and Reinvestment Act )  
of 2009 Broadband Initiatives )**

**Docket No. 0907141137-91375-05**

**Broadband Initiatives Program )**

**RIN: 0572-ZA01)**

**COMMENTS OF CHARTER COMMUNICATIONS, INC.**

Charter Communications, Inc. submits the following comments in response to the Request for Information (“RFI”) regarding the next round of broadband stimulus awards. As one of the largest broadband providers in rural America, Charter appreciates this opportunity to share its experiences with the first round process.

**Introduction**

Since 1996, Charter has invested more in private capital than the entire amount of the Recovery Act’s broadband stimulus programs to make broadband available to nearly all of the homes within its service areas. Nonetheless, RUS and NTIA received hundreds of proposals to fund additional last-mile broadband infrastructure in areas where Charter already provides service at rates and speeds comparable to those it offers in urban areas. Given that the demand for funding far exceeds its supply, Charter offers several suggested changes that would help the agencies more effectively target funding to where it is most needed. In general, its proposals reflect two principles. First, Charter offers specific suggestions to improve the comment process for existing service providers to reduce the burden on providers and facilitate the provision of a more accurate record for the agencies. Second, infrastructure funding should be prioritized for unserved areas, while underserved areas should be addressed with adoption and public computer center funding.

**I. EXISTING SERVICE PROVIDER RESPONSE PROCESS**

*Responsive to Question II.C*

**A. Recommended Improvements to the Response Process**

The RFI states that some potential applicants may have been discouraged from applying “because of the risk that their applications may be disqualified from funding on the basis of information submitted by existing broadband service providers that they have no means to

substantiate or rebut.” However, for the agencies to accurately determine whether proposed funded service areas are in fact unserved or underserved, it is essential that they retain the opportunity for existing service providers to participate. The Administration has continuously emphasized its objectives of ensuring a clear and transparent process and of making the best possible decisions by relying on facts. It would grossly contravene that policy for the agencies to wall themselves off from the most direct evidence there can be as to whether an area is unserved or underserved. It is not necessary for applicants to be able to “rebut” such facts so long as the agencies conduct the necessary due diligence to ensure their accuracy. In any case, since the agencies received applications requesting several times the amount of funding available, the supposed concern of potential applicants does not appear to be material.

In addition, the agencies should adopt additional measures to improve the response process. Unfortunately, the reliability of the record in the first round was jeopardized by the fact that the response process was so tremendously burdensome, and so rushed, that some existing service providers did not file responses in many service areas where they provide service.

First, it is instructive to highlight some of the reasons that the first round process was so difficult for a large service provider such as Charter:

- Charter had to individually and manually review more than 8000 proposed funded service areas.
- Charter had to continuously re-check the Public Notice database to see if additional applications were added over time, which occurred at least once with little if any meaningful public notice.
- Charter submitted more than 400 responses, each of which required its personnel to use the mapping tool to manually draw maps.
- The agencies permitted only 30 days to file these responses.
- Requiring manual review of and responses to each proposed funded service area consumed an extraordinary amount of time.

Therefore, Charter makes the following recommendations that would make it easier for service providers to respond and therefore enhance the reliability of the record:

1. Allow Existing Service Providers the Option to Submit Their Service Area Data, Rather than Respond to Individual Applications. Upon release of the second NOFA, the agencies should immediately open its portal to permit existing service providers to upload relevant information for any or all census blocks that they serve without reference to any application. The agencies could then match this census block-level data to individual applications. This option would give service providers much longer than 30 days to provide data and would relieve service providers of the need to review every application and continuously monitor the database for the release of additional applications. Existing service providers should also still be allowed to use the existing response process.
2. Downloadable and Uploadable GIS Data Support for Maps. One of the most difficult parts of the response process was that it required Charter to manually review the applicant’s maps to determine how many homes it passed and served within the bounds of its proposed

funded service area, and to manually draw maps of its own service area. This process could have been greatly expedited if the agencies provided a means for existing service providers to download digital maps through Geographical Information System (GIS) technologies, and if Charter could have entered GIS information into the portal to have its maps generated automatically. The ability to both download and upload data would make the response process much less burdensome for the existing broadband data providers.

Many existing service providers use GIS to store plant footprint and billing information. GIS technologies allow for rapid and accurate processing of various spatial datasets such as boundaries (service area boundaries, plant footprint boundaries) and vocational points (geocoded addresses). By contrast, the image overlays as provided by the mapping tool in the initial round made it difficult to accurately determine the actual proposed service area boundaries without significant manual work.

Therefore, Charter proposes that proposed service area maps should be made available to existing service providers as digitized maps in a GIS vector format, such as ESRI Shapefile, MapInfo TAB file, or Autodesk Spatial Data File. If existing service providers could download such information, it would eliminate the manual work to determine the actual service area boundaries and would enable GIS spatial processing to quickly and accurately determine the relationships (overlaps, no overlaps) between the service area boundaries and the existing service provider's footprint. Digitized vector maps would also result in the most accurate response reporting in terms of homes passed and subscribers for a given service area.

3. Solicit Public Input only for Applications Selected for Additional Review. Charter likely spent hundreds of hours preparing responses to applications that will not be selected by the agencies for second-level review. The agencies should not issue Public Notice for applications that can be eliminated from consideration prior to receipt of existing service provider data. Reducing the number of responses a service provider needs to deliver would increase the likelihood that responses are filed and are accurate, which would improve the quality of the record on which the agencies will make their decisions.

4. Do Not Require Service Providers to Report Subscribership for Each Tier of Service. The existing Public Notice response form asks the service provider to identify separately its number of subscribers for each tier of service that it offered. This requirement complicated Charter's data collection effort, and unnecessarily so given that the test for unserved and underserved do not depend on this information. If Charter's proposed change to the definition of "underserved" is adopted, as described below, it would be appropriate to ask existing providers to identify each service tier that they offer, but even then it should not be necessary to report how many subscribes the operator has for each of those offerings.

5. Census Block Identifier. Every census tract in the country has its own unique 11-digit numerical identifier. The Public Notice database included the final six digits of these codes, but not first five digitals, which are comprised of the Federal Information Processing Standard (FIPS) Codes that identify the state and county. Charter's processing of application responses would have been expedited if the full 11-digit code had been provided in the Public Notice.

## **B. Other Comments on the Response Process**

The RFI asks whether the public notice process be superseded where data becomes available through the State Broadband Data and Development Grant Program. The answer is that the agencies should continue to permit the participation of existing providers as an additional means of verifying the accuracy of the record. In most cases, one would hope that the service provider data would be consistent with those obtained from the mapping program, but to the extent that it revealed a material inconsistency, the public would be better served by the agencies having access to more, rather than less, information.

Any change that would make existing service provider subscribership data available to applicants, even under a non-disclosure agreement, would threaten the quality of the record because it would discourage service providers from submitting this highly-sensitive information. It is possible that an entity eager to obtain this information would abuse the system by creating an application solely for the purpose of learning this information about the existing service providers. Instead, the agency should conduct its own due diligence to verify the accuracy of the information. This is no more unfair to applicants than the fact that the agencies make their own determinations with respect to the information provided by the applicant, without necessarily giving the applicant an opportunity to rebut those determinations.

## **II. SPECIFICATION OF SERVICE AREAS**

*Responsive to Question 1.A.3*

The broadband infrastructure application required applicants to submit data on a census block level in order to delineate the proposed funded service areas. The RFI notes that “Some applicants found this requirement burdensome” and asks whether it should be changed. Charter opposes any such change. For a multi-billion dollar program to be fairly, effectively and rapidly administered on a nationwide basis, it is essential that there be a commonly-understood, easily verifiable standard building block for defining a service area. It would be even far more difficult, if not impossible, for existing service providers to deliver relevant data to the agencies if the thousands of proposed service areas were each individually designed using parameters that are not already measured by the existing service providers’ records systems. Finally, for the reasons stated in Section I above, the agencies should require applicants to upload their maps using GIS vector formats rather than drawing their maps manually, in order to improve accuracy and facilitate more efficient review by the agencies and existing service providers.

## **III. FUNDING FOR UNDERSERVED AREAS**

*Responsive to Funding Priorities and Objectives (Question II.A) and Program Definitions (Question II.B)*

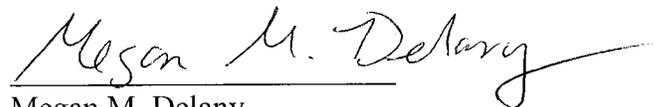
The RFI asks whether the definition of underserved is “overly restrictive” and kept “worthy projects, particularly those in urban areas, from being eligible for support.” The Agencies should only expand the definition of underserved as part of a larger change to reserve infrastructure funding for unserved areas and target underserved areas with sustainable adoption and public computer center programs and not more infrastructure.

Areas should not be deemed in need of additional infrastructure simply because fewer than 40% of homes currently subscribe to broadband. If broadband is already available to a large number of those homes and yet they choose not to subscribe, then low adoption is caused by factors other than insufficient infrastructure, such as affordability and/or a high population of consumers not familiar with or interested in using the service. Low-adoption communities are already especially challenging for existing service providers because their revenue per home passed is much lower than in higher adoption communities. The subsidization of additional broadband services in these communities therefore could actually backfire by causing existing service providers to lose subscribers and make it even more difficult for them to attract additional private investment to upgrade and expand services in these already-challenging communities.

While Congress authorized NTIA to award of funds to “underserved” areas, it did not direct that such funding must be made for more of the same kinds of infrastructure that the area’s residents have not adopted. Many of households that do not subscribe to broadband have access to broadband but do not even own a computer. Such areas that have low penetration despite the availability of low-cost broadband services are more likely to benefit from adoption programs more than from additional redundant infrastructure.

In the first round, NTIA’s adoption and public computer center programs were significantly more oversubscribed than infrastructure. These programs might have been even more oversubscribed and received even more quality applications had it not been known from the outset, through the NOFA, that such programs would receive only a small fraction of the available funding. NTIA should consider allocating a greater percentage of second round funding to these programs as the most effective way to increase penetration rates in already-served areas.

Respectfully submitted,



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