

**Preliminary Report**  
**FCC Broadband Deployment Advisory Committee**  
**Rates & Fees Ad Hoc Committee**

**Introduction:**

The BDAC Rates & Fees Ad Hoc Committee was formed out of a collective understanding that all of the BDAC Workgroups were working on Rates and Fees and there seemed to be a lack of consensus among and between the workgroups. The BDAC determined there was a desire to coordinate efforts around rates and fees and thus the charge to the Ad Hoc Committee was to do a deeper dive on Rates & Fees in order to promote broadband deployment and create a list of options and methodologies that would help to guide the BDAC and the BDAC Workgroups in their recommendations. The Ad Hoc Committee is also working to identify rates and fees methodologies that are fair and balance the equities of all stakeholders involved. Supporting these efforts, data collection and analysis is in process to understand the rates, fees and methodologies in use.

The committee consists of the following members:

Andy Huckaba – Chair, City of Lenexa, KS  
Scott Bergmann – Vice Chair, CTIA  
Richard Bennett  
Kara Graves, CTIA (alternate)  
Larry Hanson, Georgia Municipal Association  
Angie Dickison, State of Wisconsin  
Ken Simon, Crown Castle  
Allen Bell, Georgia Power  
Jonathan Adelstein, WIA  
Sade Oshinubi, WIA (alternate)  
Shirley Bloomfield, NTCA  
Clark Harris, T-Mobile  
Christi Barnhart, Charter  
Tanessa Cabe, City of New York  
Elizabeth Bowles, Aristotle  
Christopher Yoo, University of Pennsylvania  
Paul D’Ari - FCC  
Brian Hurley – FCC

The committee chose to work based on an outline. Outline topics were addressed by subcommittees resulting in preliminary documents that have yet to be fully vetted by the larger Ad Hoc Committee.

**Outline:**

- I. Introduction
- II. Background
- III. Current Methods
- IV. What Really Matters
- V. New Methods

In parallel, Christopher Yoo and his team have collected approximately 1000 submissions on rates, fees and methods from around the country. Their task is to collect, aggregate, analyze and develop a data driven process to allow the BDAC and the FCC to better understand the current approaches to rates and fees. It was determined by the BDAC Leadership and FCC that this work was very important and needed additional time to do a credible job. It is understood by the committee that the data analysis may inform the key deliverables listed below.

**Purpose of the Ad Hoc Committee**

To create fair and balanced options regarding rates and fees methodologies to supplement and inform the recommendations of the BDAC and its Workgroups

**Key Deliverables**

- Deliver an analysis of current methodologies, their pros and cons, and the perspectives of the factions involved.
- Deliver data driven analysis of rates, fees and methods currently in use
- Deliver new options and methods that may be considered

**Outline of our process**

*(Note: each topic below includes unvetted work in process documents by the different subcommittees)*

- a. Background – Where we are now including summaries from BDAC Workgroups mentions on Rates & Fees.
- b. Current Methods (definitions, pros, cons, differing perspectives, application)
  - i. Cost
  - ii. Market
  - iii. Revenue Sharing
  - iv. Negotiated, including in-kind
  - v. Other
- c. What Really Matters – Robust and affordable broadband should be available and accessible to all citizens, both urban and rural, throughout the United States.

- i. Main principles and themes
  - 1. Fair partnership among all parties
  - 2. Transparent
  - 3. Public Rights-of-Way for the use and benefit of the greater community
  - 4. Nondiscriminatory and competitively neutral
  - 5. Future proof
  - 6. Sense of Urgency
- d. New Methods explored and discussed
- e. Data Gathering, High Level Analysis and preliminary comments

## **Appendix – Data Gathering in Support of Rates & Fees Ad Hoc Committee**

To support the deliberations of the Ad Hoc Committee on Rates & Fees and the BDAC as a whole, a team of researchers under the supervision of Professor Christopher Yoo of the University of Pennsylvania has been collecting information about current practices with respect to rates and fees reflected in actual agreements.

The leadership of the BDAC committees and subcommittees transmitted requests for information to the BDAC membership and to other parties who have been actively participating in the BDAC process. The self-selection nature of the data gathering technique necessarily means that the resulting sample will not necessarily be representative of nationwide practices.

To date, the data gathering process has yielded roughly 1000 submissions of rates embodied in actual agreements. Most of the data are for pole attachments, but the data also includes rates for access to rights of way, street light pole attachments, duct attachments, and other types. The dataset also includes the type of facility owner (municipality, cooperative, investor owned utility, or private company), the type of attacher (telephone company, cable company, or state government), and when appropriate whether the attachment is regulated by the FCC or the state.

The predominant rate structure is a fixed fee. Alternative rate structures include a fixed fee plus a percentage of revenue and state-wide fees established by state legislation.

Regarding information that has not yet been submitted that might prove helpful, the submissions have provided little information about the methodology used to generate particular rate levels for particular rate agreements. Data about both regulated and unregulated rates in circumstances that are similarly situated enough to permit comparisons would also provide useful information.