

**Statement by**

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**Before the**

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Committee on Commerce, Science, and Transportation**

***Broadband Mapping: Challenges and Solutions***

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## **INTRODUCTION**

Chairman Wicker, Ranking Member Cantwell and members of the Committee, thank you for the opportunity to testify on the importance of rural broadband mapping.

I am Mike Oblizalo, Vice President and General Manager of Hood Canal Communications (HCC) in Shelton, Washington. I am a third-generation employee of HCC, a community-based, family-owned business. I have worked for the company for 33 years; and in that time, I have worked in every position throughout the company, including construction, splicing traditional cables, and identifying and engineering new buildout areas. I have overseen all aspects of HCC's grant projects, including writing applications, creating budget projections, and the engineering and deployment of networks. I attended Clover Park Technical College and Michigan State University, and I am certified in engineering and telecommunication technologies.

Hood Canal Telephone Company (now known as Hood Canal Communications) was founded over 85 years ago as a traditional local exchange telephone company in Union, Washington. Union is located in Mason County, a sparsely populated rural county. HCC has been owned and operated by the Buechel family since 1956, when there were only 123 phone customers in the exchange. The family's commitment to the local community led to the addition of cable television service in 1971, and the company started offering dial-up internet service in the 1990's. To respond to customer demand, we migrated quickly to higher speed broadband service starting in 2000. HCC currently employs 40 members of our community, and we are frequently recognized for both our community involvement and broadband deployment efforts within Mason County. Within the last five years, HCC has won several awards from the Mason County Chamber of Commerce and North Mason Chamber of Commerce, including business of the year and volunteer of the year several times.

In 2002, HCC was awarded a U.S. Department of Agriculture (USDA) Rural Utilities Service (RUS) Community Connect broadband grant to deploy broadband service on the Squaxin Island Indian Reservation. This project was extremely successful and brought broadband, cable TV, and telephone service to the residents and businesses of the Squaxin Island Indian Tribe. In 2004, we received a RUS loan for \$1.77 million to upgrade our network for better broadband deployment. In 2010, HCC received another funding award in the amount of \$3.6 million from the USDA Broadband Initiatives Program to expand broadband, telephone, and cable TV service into unserved and underserved parts of Mason County. In 2017, HCC received another Community Connect grant for \$2.3 million with a 15% matching contribution. This grant allowed us to reach 551 homes and many more areas where growth is anticipated – with broadband playing a key factor in stimulating that growth. This project is currently under construction with an estimated completion time of 3<sup>rd</sup> quarter of 2019.

While HCC continues to extend its facilities into rural Mason County, limited resources and a tight financial market make deployment difficult without financing available from a partner like USDA. One of HCC's goals is to serve the unserved or underserved in our local community outside of our traditional incumbent serving area. We continue to strive to meet these goals by looking for public/private partnerships to deploy facilities.

At the same time, predictable and sufficient support from the universal service fund (USF) overseen by the Federal Communications Commission (FCC) is essential within our traditional incumbent local exchange carrier (ILEC) service area to make the business case for investment and to ensure that consumers can obtain services at affordable rates in these deeply rural areas. Today, HCC's ILEC serves nearly 1000 broadband subscribers and over 700 telephone subscribers, while our expanded operation serves nearly 5000 broadband subscribers and over 3000 telephone subscribers, plus an additional 3000 cable TV subscribers. All told, HCC's service territory contains 1.45 subscribers per route mile. HCC takes great pride in serving these rural residents of Mason County with essential broadband, telephone, and cable TV services.

### **HCC's EXPERIENCE WITH BROADBAND MAPS**

Broadband mapping is significant for companies like HCC that need to leverage public-private partnerships to deploy networks and deliver services in very rural areas. The FCC's broadband map and the mapping tool maintained by RUS are the primary starting points in determining where services are lacking and where resources from those agencies might be leveraged to enable private network investment in rural areas. But the lack of accurate maps and the need to refer to two different mapping tools makes for a challenging process to determine potential areas for broadband deployment and the availability of funding to enable such deployment.

In fact, we find it is not unusual for "conditions on the ground" to look very different from those depicted on national maps. As a recent example, HCC was evaluating offers of model-based USF support from the FCC for its traditional ILEC service area – a movement away from traditional cost-based support to incentive-based support under the FCC's Alternative Connect America Model (ACAM). At the start of that process a few years ago, the original ACAM support offer based upon the FCC's map reflected what appeared to be 39 locations in three census blocks that were alleged to be served by a competitive provider other than HCC. We expect that the ACAM offer we will see soon now reflects what we believe to be a total of 247 competitively overlapped locations in three census blocks. One might think this is simply the product of greater broadband deployment over time by that competitor but based upon reviews of the other company's public information and substantial familiarity with the physical serving area in question, we estimate that only 62 of these locations in two census blocks are in fact served by that competitor.

These concerns are not limited to just our incumbent service area; we are seeing that imprecise data feeding into imprecise maps also affects our ability to reach and serve other unserved rural communities. For example, we have been looking at building in areas in the northern portion of Mason County outside our traditional service area. These locations are deeply rural and in very forested terrain. But, according to the FCC's map, most of this area is currently served by two different satellite providers that purport to offer speeds of 25 Mbps downstream and 3 Mbps upstream. One of these satellite providers was just awarded USF support through the FCC's Connect America Fund auction for this tract, which will keep anyone else from being able to obtain funding to serve that area. But given the limitations of satellite service – including lines of sight that are a significant problem in forested areas, latency, and susceptibility to poor weather conditions – the likely result is that consumers will lack meaningful broadband access even

though the map will now preclude anyone else from obtaining funding or financing to deploy better networks and serve there.

Accurate mapping data is therefore critical to the ability to deliver and sustain service in rural America – and bad mapping data risks leaving rural consumers stranded without broadband for years to come at the very least. Without any validation process or the ability to challenge the “FCC Form 477” reports submitted by providers that are translated into the FCC’s maps, the result is that ACAM and other USF support is denied in areas where that support is in fact very much needed – which then translates into rural consumers not getting served. And that is perhaps the most important part of this problem. While improving the maps on the front end is undoubtedly important, without any ability to validate or correct on the back end the self-reported data that gets populated into these maps and then used by the agencies to decide where funding should go, the end user is ultimately the one who suffers.

### **WHAT DRIVES INACCURATE BROADBAND MAPS?**

The accuracy of broadband availability maps is often in question, as maps show services as available where consumers cannot get them at all, and in other places these maps show speeds available at levels that cannot consistently be delivered. The examples above illustrate these common problems. There are several reasons that these issues arise.

First, current broadband maps are based mostly, if not entirely, on information received from providers. While providers certify the accuracy of their reports, the processes used to verify the information can vary greatly at the state level and are nonexistent at the federal level. Therefore, the maps essentially say whatever the providers who populate them say. Moreover, the standards for reporting this data vary and make it very challenging to verify – there is, for example, no specific standard to ensure a wireless provider is reflecting reasonable propagation of its coverage.

Second, on the Form 477 form that feeds into the FCC’s broadband map, a census block is reported as served simply because one location in that block could be served by a provider. In rural census blocks that can stretch large distances, this means that the delivery of service to just *one* customer in a census block can result in the denial of funding for voice and broadband to *another* customer located miles away, yet still in the same census block, who literally has no choices for such services. This disparity results in many unserved homes and businesses looking served, especially in rural areas where census blocks can be large. This issue contributed to the significant decline in our potential ACAM USF support, despite the fact that we know not all of the locations in those census blocks are served.

There has already been a lot of concern expressed – especially from among members of this Committee – about whether the Form 477 data accurately capture coverage in the *mobile* context. This focus is understandable given the efforts to implement the Mobility Fund and the visceral feeling of having no cell phone coverage in an area where provider maps say one should. But, as HCC’s experience indicates, these concerns are just as prevalent in the context of *fixed* voice and broadband services, too.

Third, the current standard for reporting an area as served depends upon advertised rather than actual speeds, and also allows an area to show as served if a provider believes it could deliver service there at some point soon, rather than having the actual capability to do so in the near term. In other words, there may be no service actually installed in a census block, or the speeds actually delivered in that block may not be equal to what is advertised – and, yet, that area can show as served.

Finally, the current map does not capture buildout in progress that is occurring pursuant to governmental initiatives like the FCC's USF or RUS lending/grant programs. This means that there is the potential for two governmental programs to in effect "overbuild each other," allowing duplicative and competing networks to be built through two different federal programs.

### **WHAT IS THE SOLUTION?**

My testimony above describes how the "rubber meets the road" in terms of what bad mapping data means when it affects the ability to serve specific rural areas. "False positives" – locations shown as served when they are not – can result in a denial of financing or funding needed for a small, local committed company like HCC to deploy and operate a broadband network, especially in rural areas where the business case for doing so is so difficult. On the other hand, "false negatives" – locations appearing as unserved when they are already served or are in the process of having networks built to them – can result in a waste of financing and funding resources on duplicative networks.

The reality is that any map will practically be outdated by the time it is published. It is also the case that no one is going to validate independently each piece of data and claimed coverage submitted by a service provider the moment it is submitted. We recognize too that there is a balance to be struck in terms of obtaining more accurate and granular data while trying not to impose burdens that have providers spending more time reporting coverage than advancing coverage through network deployment. However, all this does not mean we should not strive to improve this process.

Many different proposals are being presented to the FCC, and each of them holds some promise to make the maps much better than they are today. These proposals warrant significant consideration, and they may provide a much-needed path forward toward better maps. But, at the end of the day, as long as any map is based upon self-reported data from providers and as long as that data is not vetted thoroughly by an independent source, there will be a need for a challenge process prior to relying upon the map to make decisions about where funding or support should either go or be withdrawn. A more granular map can certainly help identify more accurately where broadband is available, but a meaningful and robust challenge process will remain critical to validate both fixed and mobile data prior to any map being used by the FCC or RUS (or any other governmental agency) to make final decisions on funding or financing.

For many years, agencies like the FCC and RUS have developed and used such challenge processes that treat service coverage information like Form 477 data as *informative* but not

*dispositive*. When these processes are used, the maps become a “baseline” for determining where support should or should not go, but the challenge process is then used to confirm whether the maps are correct and to adjust them when they are not.

Certainly, the recent experiences with the Mobility Fund show the value and wisdom of continuing to use a challenge process. Without such a process, the concerns that have been raised about overstated mobile coverage would never have been identified. At the same time then, it has been disappointing to see the FCC moving away from challenge processes in the fixed service context. Specifically, the FCC has refused recently to permit any meaningful challenge process at all in the context of ACAM support, and it is now proposing to eliminate the existing challenge process to validate Form 477 data in the context of cost-based USF support – meaning that it would now instead default to the self-reported Form 477 data effectively as gospel.

If HCC’s own experience in rural Washington and the Mobility Fund experience more broadly provide any lesson, it is that a meaningful challenge process is a necessity in determining where funding should go or where it should be denied. We therefore are hopeful that the FCC will reverse course on its suggestion to eliminate a challenge process in the context of distributing USF to support fixed networks, and that it will commit to a data-driven process that ensures rural consumers are not left on the wrong side of a digital divide due to inaccurate information. We hope that an evidence-based challenge process will be used in all contexts going forward to make sure even any improved maps are as accurate as possible prior to funding or financing decisions being made by agencies like the FCC or RUS.

## **CONCLUSION**

HCC continues to strive to provide great service to its customers in rural Mason County. However, as long as the federal broadband maps remain unreliable and riddled with erroneous, overly broad coverage claims, we will not be able to maximize our efforts to reach all unserved areas or to sustain services in areas where funding is needed to do so.

Only a meaningful validation process, including the ability to challenge data on the baseline map as inaccurate, will provide for the granularity and reliability that is necessary to ensure these maps contribute to the ultimate goal of connecting every American and keeping every American connected.