



Policy Brief

FCC 2019 Broadband Deployment Report

June 7, 2019

Last week, the FCC voted along party lines to approve a controversial [2019 Broadband Deployment Report](#), which showed the nation's Digital Divide narrowing. This is the second consecutive year that the FCC's annual report has deemed broadband deployment to be occurring on a "reasonable and timely basis," implying that the FCC's work to expand broadband access to more Americans is working. With that conclusion came robust criticism calling out both the large gaps in service still present in rural and tribal areas as well as the methods and data used by the FCC to determine "served and unserved" areas.

Background

Section 706(b) of the Telecommunications Act of 1996 charged the FCC with releasing an annual report on whether broadband is being deployed on both a reasonable and timely basis. If that determination is negative, the FCC is required to then "take immediate action to accelerate deployment of such capability by removing barriers to infrastructure investment and by promoting competition in the telecommunications market." With a positive determination, however, the FCC's latest report cites improvements to a number of factors, including access, speeds, and fiber deployment.

What is in the Report?

To begin, the report analyzed both fixed and mobile deployment with a fixed service benchmark of 25/3 Mbps. Data analyzed largely relied on Form 477 filings through the end of 2017. Key takeaways include:

Deployment of Fixed Terrestrial Broadband

- By the end of 2017, 93.5% of Americans had access at speeds of 25/3 Mbps, up from 91.9% in 2016.
- In terms of population, 26.1 million Americans lacked access at the end of 2016 compared to 21.3 million Americans at the end of 2017. The majority of those gaining access to such connections, approximately 4.3 million, are in rural America.
- The gap in rural and Tribal America still remains notable: Over 26% of Americans in rural areas and 32% of Americans in tribal lands lack coverage, as compared to only 1.7% of Americans in urban areas.
- When reviewing deployment of higher speeds, Americans with access to at least 250/25 Mbps grew in 2017 by more than 36% to 191.5 million. The number of rural Americans with access to such broadband increased by 85.1% in 2017.
- Fiber deployment also grew—broadband providers large and small deployed fiber networks to 5.9 million new homes in 2018.
- Capital expenditures by broadband providers increased in 2017, reversing the declines of both 2015 and 2016.

Deployment of Mobile LTE

- As of year-end 2017, approximately 99.8% of Americans lived in areas covered by mobile LTE with a minimum advertised speed of 5 Mbps/1 Mbps, while approximately 98% had such coverage in 2013.
- Between 2013 and 2017, the percentage of Americans living in rural areas with coverage of LTE at 5 Mbps/1 Mbps increased from approximately 90% to approximately 99%.
- The percentage of Americans living in tribal lands with coverage of mobile LTE rose from approximately 87% in 2013, to 97% in 2017.

Broadband Adoption

- The report calculated adoption rates as the ratio of residential Form 477 data subscriptions to fixed terrestrial services divided by the total number of households in the area where Form 477 deployment data indicated that fixed terrestrial services are deployed.
- At speeds of 25/3 Mbps, adoption rates are listed in the report as 60.2% for all Americans with 55.1% subscribing to service in rural areas and 64.0% in urban areas.
- In tribal lands, the adoption rates are significantly lower—38.0%.

FCC Efforts to Combat the Digital Divide

Finally, the FCC cites its work to close the Digital Divide, specifically recognizing efforts to reduce barriers to investment in broadband, deployment of Universal Service Funds, increased access to spectrum, and the work of the Broadband Deployment Advisory Committee (BDAC).

Why is it Controversial?

The FCC's report clearly shows improvement in broadband access and adoption, so why is it controversial that they claim "reasonable and timely" deployment of broadband? A major concern lies in the root of the data used to measure the access figures—Form 477.

As a large number of leaders on both sides of the political aisle have frequently argued, Form 477 data is inaccurate and lacks proper granularity to be useful for measuring the Digital Divide. First, Form 477 requires providers to report census blocks where they provide service. Unfortunately, if even one household in a given block is served, the entire block is considered as having service, resulting in a significant overstatement of availability. This is particularly problematic in rural areas, where census blocks can be very large—some being larger than the entire state of Connecticut. Yet these are the areas where broadband availability is most lacking and needs to be most accurately defined. Additionally, some providers rely on third-party vendors to compile Form 477 data, and the filings are primarily in ".csv" (comma-separated values) format; providers that do not have GIS capabilities have no way of visualizing their service territories to ensure accuracy, resulting in overstated and understated reporting. On top of these challenges and others, Form 477 data is not validated or verified, which opens the door to massive misrepresentation of broadband coverage.

In the Report, the FCC states that “[w]hile many commenters offer criticism of the Form 477 data, as well as recommendations for how to improve the Commission’s data, this Report is not an appropriate vehicle for the Commission to make such changes to the data collection.”

Commissioner Jessica Rosenworcel, in her [dissenting statement](#), however, stated “we need to stop relying on data we know is wrong. Putting aside the embarrassing fumble of the FCC blindly accepting incorrect data for the original version of this report, there are serious problems with its basic methodology. Time and again this agency has acknowledged the grave limitations of the data we collect to assess broadband deployment.” Commissioner Geoffrey Starks similarly [said](#) “[a]s of now, I don’t believe that we know what the state of broadband deployment is in the U.S. with sufficient accuracy.”

Despite controversy over the 2019 Broadband Deployment Report and the differing opinions on the state of broadband in the country, it appears that both sides of the aisle recognize the need for continued efforts to expand broadband, especially in rural and tribal areas. Connected Nation continues to work with the FCC, providers, and communities on enhancing coverage in unserved and underserved communities.

For more information about broadband policy developments, please contact Connected Nation at policy@connectednation.org, and [Subscribe via RSS](#) to Connected Nation’s Policy Briefs.