



June 1, 2022

Honorable Tricia Pridemore
Chairman
Georgia Public Service Commission
244 Washington Street
Atlanta, Georgia 30334

Re: Docket No. 43453, Order Implementing House Bill 244
Comments on Impact of Decision

Dear Chairman Pridemore and Commissioners:

On December 30, 2020, the Georgia Public Service Commission (“Commission”) issued its Order Implementing House Bill 244 (the “Order”) establishing new rates, terms, and conditions for attachments to poles owned by Georgia’s Electric Membership Cooperatives (“EMCs”). The Order included a provision stating that the Commission would review its decision within two years of the effective date for purposes of evaluating the impact of the Order on broadband deployment across the state. Specifically, the Order states “[i]f the Order has not been effective in promoting the deployment of broadband services in Georgia, the Commission may make such modifications as appropriate.” Order, Section IV., p. 23. In determining whether to make appropriate modifications, the Commission requested that each participating communications service provider (“CSP”) file by June 1, 2022 “its total new broadband investment in EMC territory and a total number of broadband customers in EMC territory, broken out by served and unserved areas pursuant to the Georgia Broadband Map for the prior two years.” Order, p. 27.

The Georgia Cable Association (“GCA”) hereby responds to this request on behalf of its five member companies—Comcast Cable Communications, Charter Communications, MediaCom, Cox Communications, and Vyve Broadband—which combined serve approximately 2 million Georgia homes and businesses with broadband. Letters from GCA members are also attached that provide additional information on their broadband investments in the state.

While GCA members have access to the Georgia Department of Community Affairs GIS shape files identifying served versus unserved areas of the state, they do not have access to the shape files of the EMCs’ territories and are therefore unable to respond in specific terms to the questions as set forth in the Order. However, GCA believes the question the Commission seeks to answer is whether the two-tiered rate system established under the Order has had a positive or negative impact on broadband deployment in unserved areas.

Hunter Hopkins
Executive Director

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As you know, basic economic principles hold that the more a good or service is taxed, consumers consume less of it. Rather than doing no harm by setting pole rates at or lower than the 2020 average pole rate of \$20.34, the Commission imposed a 36% increase, raising rates to \$27.71, while temporarily lowering the rate, for six years, to \$1 only for new attachments in unserved areas (the “One-Buck Deal”). In contrast, Commission Staff had recommended a weighted average of \$18.67 in served areas and \$7.54 in unserved areas.

Unfortunately, GCA members are unable to report that the two-tiered rate system has led to more broadband investment in unserved areas. In fact, as of this filing date, GCA members are unaware of a single pole permit that has been issued under the One-Buck Deal. This is most likely the result of two factors. First, GCA members report that collectively only fifteen (15) of more than sixty (60) pole agreements with EMCs have been renewed since the passage of the Order. Second, none of the GCA members has sought to terminate their current agreements early in favor of moving to the two-tiered rate system, given that it is uneconomic to do so. Any temporary savings garnered from the temporary One-Buck Deal would be disproportionately offset by the 36% rate increase the Commission levied on what could be tens of thousands of existing pole attachments in an individual EMC territory.

To illustrate this point, if all of the pole agreements of the GCA members were to be renewed all at once under the rates adopted in the Order, the annual deployment costs would be \$3.4 million higher than in 2020 (using the 2020 attachment counts). This two-tiered pole rate policy obviously has a negative impact on advancing broadband deployment statewide, not just in EMC territories, as cable networks may cross multiple electric utilities/providers in order to serve a given community.

GCA’s position has not changed from the hearings held in the fall of 2020 and is accurately captured on page 6 of the Order:

GCA stated that pole attachment rates factor into a cable company’s decision as to where to deploy broadband service, and that this is especially true in rural areas, where more poles must be passed to reach potential customers. As a result, even if the costs were small, any marginally higher costs or risk of higher costs in the future, would, all else equal, skew deployment decisions away from such areas. This is because the higher the pole attachment rates, the higher the capital costs per mile, and the lower the expected profits from deploying that extra mile. As such, higher than competitively justifiable pole attachment rates would negatively impact overall broadband deployment, and this would be exacerbated in rural areas where more poles are needed to reach the average consumer. Consequently, GCA argued, the fact that the EMCs’ current and proposed pole attachment rates are, on average, over three times and over five times more per year, respectively, than the attachment rates for poles owned by Georgia Power and AT&T would be a deterrent to expanding broadband.

Based on these circumstances, to the extent a CSP reports significant deployment in unserved areas, it is likelier a result of the program requirements for accepting federal subsidies from the Rural Digital Opportunity Fund (“RDOF”) and American Rescue Plan Act (“ARPA”), or perhaps the organic, incremental extension of our members’ existing broadband footprints. Specifically, the RDOF targets census blocks that lack broadband speeds of 25 Mbps or greater and 3 Mbps upstream. Similarly, ARPA funds must be used by the states in areas that lack broadband speeds of 100 Mbps reliable broadband. In the case of GCA’s members, increased broadband deployment is not in any manner related to the implementation of the One-Buck Deal and its higher rates on existing poles.

In sum, because so few pole agreements with EMCs have been renewed by GCA members since the Order, the full ramifications of the Order’s rates, terms, and conditions are not fully known. However, just as the FCC National Broadband Plan recommended in 2010, it stands to reason and evidence in states with lower rates shows that lowering, not raising, deployment cost results in greater capital investment in broadband infrastructure. As our members’ pole attachment agreements are renewed, GCA members will seek to ensure that our companies are not discriminated against by EMCs that could potentially negotiate rates, terms, and conditions with other CSPs, including their own broadband affiliates or partners, that may be more favorable than the Order but then not offered to GCA members (*see* O.C.G.A. § 46-3-200 (5)).

Today, fewer than 20 of the state’s 41 EMCs have entered the broadband business or have otherwise expressed interest, leaving large swaths of unserved areas in this state that could be served by any number of existing telecommunications providers under the right incentives. Should the Commission initiate a review to consider improvements to the Order, it should examine the following question: What policy changes should the Commission adopt to incent more investment not only statewide, but specifically in areas where no broadband deployment is currently planned?

We appreciate the opportunity to respond to the Commission’s inquiry and look forward to participating in this review with the Commission.

Sincerely,

A handwritten signature in blue ink, appearing to read "Hunter Hopkins", written over a light blue circular stamp.

Hunter Hopkins
Executive Director



June 1, 2022

Hunter Hopkins
Executive Director
Georgia Cable Association
Post Office Box 813127
Smyrna, Georgia 30081

Re: Comments on Order Implementing House Bill 244
Georgia Public Service Commission Docket No. 43453

Dear Hunter:

Thank you for the opportunity to provide an update regarding Comcast's broadband activity in Georgia, as requested in the Public Service Commission's December 30, 2020 Order Implementing House Bill 244 (the "Order").

Comcast Cable Communications, LLC, on behalf of its affiliates (collectively, "Comcast"), is proud to operate the largest Gigabit network nationwide. Comcast and its predecessors have served Georgia for more than 25 years. The company currently employs more than 4,000 Georgians, not including contractors, and in 2021, we invested more than \$1.2 billion in payroll, benefits, and training for our Georgia workforce. The Comcast team has constructed and maintains nearly 55,000 miles of plant in the state, and nearly all of the three million homes and businesses in our Georgia service areas can access our ultra-fast Xfinity Gigabit Internet and Comcast Business Gigabit services. Comcast has increased internet speeds twenty times in the past twenty years and has been doubling the traffic capacity of its network, on average, every eighteen months. Comcast has invested over \$960 million in building, maintaining, and enhancing its technology and infrastructure in the last three years in Georgia alone.

In response to the Order's request regarding the company's broadband investments in Georgia, Comcast reports the following:¹

- Between July 2020 and April 2022, Comcast invested over \$128 million in private, at-risk capital to extend broadband services to more than 90,000 homes and businesses statewide. Of these new addresses, nearly 2,700 are located in census blocks that were identified as "unserved" on the 2020 Georgia Broadband Map. (\$95 million of this investment was made after January 2021 to bring broadband services to 67,000 homes and businesses, more than 1,400 of which are located in "unserved" census blocks.)

¹ Because Comcast does not have access to GIS shape files outlining the service areas of Georgia's Electric Membership Cooperatives ("EMCs"), we are unable to provide a direct response to the Order's request regarding the company's broadband investments in EMC territory.

- Comcast invested nearly \$13 million to upgrade five of its “one-way” (video-only) systems, bringing Gigabit broadband to more than 10,000 homes and businesses in Tallapoosa (Haralson County), Mount Zion and Whitesburg (Carroll County), Folkston (Charlton County), and Woodbine (Camden County).
- Work is already underway on four additional one-way-system upgrades, where Comcast has committed nearly \$12 million of its own private capital to provide broadband services to more than 7,800 homes and businesses in Louisville (Jefferson County), Glennville (Tattnall County), Grantville (Coweta County), and Hogansville (Troup County). These projects are expected to be completed and broadband made available by the end of 2022.
- Finally, Comcast is partnering with local governments and the State of Georgia, with the help of funding provided by the American Rescue Plan Act (“ARPA”) to complete the following projects:
 - Upgrade our one-way system in Warrenton (Warren County), with a total project cost of \$2.3 million and connecting more than 1,300 locations to Gigabit broadband by the end of 2022;
 - Extend our network in Gordon County to reach more than 3,800 unserved locations countywide at a total of project cost of \$13.9 million by the end of 2024; and
 - Extend our network in McDuffie County to reach more than 2,400 unserved locations countywide at a total project cost of \$10.5 million by the end of 2024.

As these numbers demonstrate, Comcast is committed to serving Georgians. But three of these projects were only made possible with the intervention of federal funding and critical partnerships with state and local government agencies. It is well established that deploying broadband infrastructure into unserved areas of our state is challenging as the cost-per-home of rural broadband deployment increases dramatically. Every budget line item for such a project—not only the initial construction but the annual operational cost—is magnified.

Since the PSC’s Order was issued in December 2020, Comcast negotiated and entered new pole attachment agreements with fourteen EMCs, all of which became effective on July 1, 2021, and mirror the rates, terms, and conditions set forth in the Order. Together, these agreements comprise approximately 76 percent of Comcast’s attachments to EMC poles in Georgia, but less than 20 percent of the company’s total pole attachments in Georgia.

Because these agreements were only recently executed, it is too early to assess the incremental financial impact of the operational terms and conditions prescribed by the Order, including additional permit-application and make-ready requirements. But the new agreements have not improved permit turnaround times, and Comcast often waits many months for some of our EMC partners to approve permits or propose any necessary make-ready work.

Hunter Hopkins

June 1, 2022

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Moreover, Comcast's annual recurring pole attachment rent has increased by \$1.44 million under these new agreements alone, compared to 2020. When all of Comcast's EMC agreements have been renewed and converted to the Order's \$27.71 rate, Comcast's annual cost to maintain its existing network will be \$2.03 million higher than it was in 2020.

Each of these new agreements provides for a rate of \$1 on new pole attachments needed to provide broadband service to previously unserved areas (the "One Buck Deal"); however, Comcast has not yet been eligible to avail itself of that promotional rate. Comcast continues to extend its network into unserved areas in Georgia, but to date, as noted above, much of this work has been to upgrade existing one-way facilities. Although these significant investments have brought much-needed broadband service to unserved Georgians, the Order and the new agreements preclude application of the One Buck Deal because these types of projects make use of existing, not new, Comcast pole attachments, to which the \$27.71 rate applies.

While Comcast maintains that the six-year One Buck Deal is inadequate to incentivize investment in unserved areas when the annual cost of maintaining existing infrastructure statewide increases dramatically, the company nevertheless intends to pursue the temporary \$1 rate where it is available. As Comcast moves forward with the projects listed above and with new expansion opportunities across Georgia, we will engage in discussions with the applicable EMCs regarding possible arrangements to facilitate faster, more economical deployment. For example, one EMC has agreed to assist Comcast with a planned expansion into an unserved community by reducing make-ready costs, particularly regarding the allocation of replacement costs for poles that are near or at end-of-life.

Comcast welcomes the opportunity to engage in further dialogue with the EMCs and the Commission regarding the deployment of broadband in Georgia, and we look forward to offering cutting-edge solutions to meet the state's broadband needs, today and well into the future.

Sincerely,

A handwritten signature in blue ink, appearing to read "Amy K. Averill".

Amy K. Averill
Vice President, Regulatory Affairs



June 1, 2022

Mr. Hunter Hopkins
Executive Director
Georgia Cable Association
P.O. Box 813127
Smyrna, GA 30081

Re: **Docket No. 43453, Order Adopting House Bill 244
Comments on Impact of Decision**

Dear Mr. Hopkins:

Spectrum Southeast, LLC ("Charter") respectfully submits these comments in support of the letter that the Georgia Cable Association ("GCA") will file in the referenced docket.

As one of the nation's leading broadband providers, over the last three years, Charter has invested more than \$20 billion on infrastructure and technology across its national footprint. This includes expanding our networks to reach more than 2.5 million new homes and small businesses, about one-third of which are located in rural areas. In 2021 alone, Charter extended its network to reach an additional 23,000 homes and small businesses in this state.

Charter is proud of our major presence here in Georgia, where we employ more than 650 employees and serve more than 445,00 customers in 146 communities. That is the snapshot today. But we are well on our way to a dramatic expansion into rural America, including areas of rural Georgia that currently have no access to high-speed broadband.

Nationally, Charter plans to invest approximately \$5 billion, with approximately \$1.2 billion coming from federal grants under the FCC's Rural Digital Opportunity Fund ("RDOF"). In Georgia we have received approximately \$30 million in RDOF funds that will support our network expansion across (30) different counties. The FCC estimates that Charter's Georgia RDOF awards will bring broadband to nearly 24,000 new homes and businesses. In addition to our participation in RDOF, Charter is also actively involved in state and county-level broadband expansion initiatives including:

- **Georgia State Broadband Initiative**: (6) counties— Chattahoochee, Clarke, Greene, Hall, Newton and Polk; total award amount- \$12.19 million and 7,435 locations.
- **Charter- County-Level Agreements**: (3) counties— Coweta, Morgan and Oconee; total award amount- \$2.74 million and 3,297 locations.

Please let me know if you have any questions or require additional information.

Sincerely,

A handwritten signature in black ink that reads "Catherine Fleming". The signature is written in a cursive, flowing style.

Catherine Fleming
Director, State Government Affairs

CERTIFICATE OF SERVICE

This is to certify that on this day I served the enclosed upon the following persons via email

as follows:

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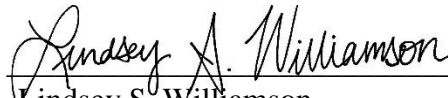
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This 1st day of June, 2022.



Lindsey S. Williamson
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