

Speed Matters

03/05/07

Congress & Session: 110 - 2

Bill Status:

The United States – the country that invented the Internet – has fallen to 16th in the world in high-speed Internet penetration, behind Canada, Japan, and Sweden. The deployment of advanced networks is uneven, leaving some parts of the country and population unable to participate in the information economy.

The U.S. must act now to implement policies that will guarantee every American access to all the promises of the information age.

Universal, affordable access to high-speed communications networks is as essential today as access to voice communications. New, high-speed Internet applications create jobs and opportunities for innovation, growth, and e-commerce. Technology allows businesses based in rural and remote communities to compete in the global economy.

High-speed Internet allows instantaneous, interactive contact between health professionals and patients.

Broadband technology can help senior citizens and people with disabilities live independently, improve their quality of life, and reduce costs of care.

Two-way high-speed communication and videoconferencing allow distance learning through simultaneous voice, data, and video sharing. Advanced communications networks create opportunities to improve public service delivery, civic participation, and public safety.

Speed determines what is possible on the Internet. Speed determines the amount of information that can be transmitted in a given time, and the quality and timeliness of the transmission.

In Japan, almost 80 percent of the population has access to networks at speeds of 100 megabits (mbps) per second. In contrast, where "high-speed" connections are available in the U.S., speeds often range

from 1 to 3 mbps download and less than 384 kbps upload. At those speeds, downloading a movie would take an hour; in Japan, it would take 5 minutes. Yet, people in Japan pay less for more capacity than Americans pay for Internet access.

The U.S. Must Establish a National High-Speed Broadband Policy

Japan and almost every other developed country have a national strategy to stimulate the deployment of high-speed networks. But the United States has no systematic plan. This policy vacuum threatens America's economic strength and ability to maintain global leadership.

CWA supports Congressional action to stimulate the creation of universal high-speed broadband networks through the following policies.

Establish a National High-Speed Internet for All Policy with Realistic Goals. The U.S. should not only adopt policies for affordable universal access, but also set specific timetables to ensure that an infrastructure with adequate capacity is deployed to everyone. A reasonable national goal would be networks with capacity for 10 mbps download and 1 mbps upload speeds by 2010, with benchmarks increased periodically to reflect technological progress and the public's need for greater capacity.

Develop a High-Speed Broadband Map of America. The U.S. needs a reliable database to focus on the gaps in broadband penetration and adoption, and to accurately report on available speeds and prices. Today, we have none. The FCC's methodology – which collects data on the number of providers serving at least one subscriber in a zip code – is deeply flawed. The agency should ask providers to report the actual number of subscribers at a more detailed level. Congress should also establish either a federal program or provide funding to states to develop an accurate report of broadband deployment and adoption. The ConnectKentucky program provides a model of a public-private collaboration to produce a comprehensive county-by-county inventory of broadband infrastructure in that state.

Add a More Realistic Definition of High-Speed Broadband. The FCC defines "high speed" as just 200 kilobits per second (kbps) in one

direction. This inadequate measure undermines any realistic assessment concerning the actual deployment and adoption of "high-speed" Internet. Instead, government should immediately set "high speed" at 2 mbps downstream and 1 mbps upstream.

Require Public Reporting of Actual Speed and

Reliability. Currently, consumers do not know exactly what broadband speed they are getting. The government should develop a standard and a reporting mechanism that consumers can use to evaluate the speed and reliability of the broadband services provided in the market. The Environmental Protection Agency (EPA) estimated mileage standards represent a similar effort to inform customers.

Create a ConnectAmerica Program – A Private-Public Partnership to Promote Deployment and Demand at the Local

Level. This joint federal, state and local government, community, labor and private sector initiative would identify areas with and without high-speed broadband and work together to stimulate investment and demand. This model has a proven track record in Kentucky, having increased residential broadband availability by 17 percentage points and home computer use by 12 percentage points in just two years.

Stimulate Investment. Japan built its high-speed network by providing companies with accelerated depreciation, low-interest loans, and subsidies on those loans. Congress should create a temporary tax incentive program of accelerated depreciation and/or tax credits for investment in high-speed infrastructure and equipment capable of delivering 10 mbps upstream and 1 downstream. Congress could also provide a "bonus" credit for investment in high-speed networks serving rural or low-income underserved communities. Congress should also continue low-interest loans for rural broadband deployment through the Rural Utilities Service.

Universal Service Reform. Congress created the Universal Service Fund (USF) to make sure that all communities and households could afford telephone service. It is now time to upgrade that program to support high-speed broadband service. To ensure USF funding is adequate, all providers should contribute based on phone numbers, connections, and capacity.

The USF distribution mechanism must be changed. Under current FCC rules, the "non-rural" carriers such as AT&T, Verizon, and Qwest serve twice as many rural customers as the smaller "rural" carriers, yet receive only one-sixth the support. These rules create perverse incentives. Verizon is shedding its lines in the rural states of Vermont, New Hampshire, and Maine to the "rural" carrier Fairpoint that currently receives far more USF support in those states than Verizon. All carriers should be eligible to receive universal service support based on the cost of serving its high-cost customers, not the type of carrier.

Ensure Affordable Access. Increased broadband deployment will create scale economies to reduce prices. In addition, the low-income universal service programs should be expanded so that consumers can obtain assistance in purchasing broadband in addition to voice service.

Stimulate Demand by subsidizing computer and high-speed broadband for schools, libraries, and community centers through the E-rate program. Congress should fund demonstration grants for innovative uses of network technologies, similar to the Technologies Opportunity Program (TOP) which provided 610 matching grants to state, local, and tribal governments, health care providers, schools, libraries, police departments, and community-based organizations.

Preserve an Open Internet and Require Cable a la Carte. High-speed, high-capacity networks will eliminate bandwidth scarcity and will promote an open Internet.

Consumers are entitled to an open Internet allowing them to go where they want, upload what they want, when they want. Nothing should be done to degrade or block access to any websites. Reserving proprietary video bandwidth is essential to finance the build-out of high-speed networks.

Safeguard Consumer and Workers Protections. All residential and business customers should be protected by basic consumer and service quality protections. Quality service depends primarily on sufficient investment in telecommunications infrastructure and adequate staffing provided by trained, well-compensated career employees. Public policies should support growth of good career jobs as a key to quality service and strong communities.

Media Ownership. Since the foundation of a strong democracy rests on media diversity, we must protect and strengthen media ownership rules. There must be limits on how much one media company can own in a single market, and we must maintain the prohibition against common ownership of a newspaper and TV station in the same community.

CWA has begun to sensitize Members of Congress to the need to enact telecommunications reform legislation that would enable Americans to participate more effectively in the 21st century economy. We must continue this effort in order to ensure that our nation's citizens can realize the vibrant future the information age offers.