



# NEWS

Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D. C. 20554

News Media Information 202 / 418-0500  
Internet: <http://www.fcc.gov>  
TTY: 1-888-835-5322

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See *MCI v. FCC*, 515 F.2d 385 (D.C. Cir. 1974).

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**NEWS MEDIA CONTACT:**  
Mark Wigfield  
(202) 418-0253  
Email: [mark.wigfield@fcc.gov](mailto:mark.wigfield@fcc.gov)

## **BROADBAND TASK FORCE DELIVERS STATUS REPORT ON FEB. 17 NATIONAL BROADBAND PLAN**

### *Staff Details State of U.S. Broadband, Outlines Path Forward*

Washington – With 141 days remaining before the Federal Communications Commission must deliver a National Broadband Plan to Congress, the task force developing the plan provided a status report to the Commission during its monthly meeting Tuesday.

The presentation includes an initial report on the current state of broadband in the U.S., and describes the framework the team will use to both analyze gaps in broadband's reach and find solutions to close those gaps. Comprehensive in scope, the presentation is designed to give Commissioners the information they need to question staff, provide feedback, and recommend any mid-course corrections that may be needed. The public is also encouraged to comment on the findings.

The American Recovery and Reinvestment Act of 2009 directed the FCC to submit a National Broadband Plan to Congress by February 17, 2010 that addresses broadband deployment, adoption, affordability, and the use of broadband to advance solutions to national priorities, including health care, education, energy, public safety, job creation, investment, and others.

The plan will provide concrete recommendations on how to successfully deliver on the infrastructure challenge of our time: provision and adoption of universal broadband.

To date, the broadband task force's efforts have focused on gathering the facts and data needed to develop the plan. Its efforts have included 26 workshops and hearings on key topics, with another six scheduled. About 230 witnesses have testified during these sessions. At the same time, nearly 41,000 pages of written comments have been filed with the FCC in response to its National Broadband Plan Notice of Inquiry, with another 143 response to Public Notices requesting more focused information. Nearly 40 blogs have been posted on the FCC's new Blogband page, which have prompted over 300 comments to date, all of which will be included in the official record.

Following are some of the key areas outlined in the presentation:

**The Framework:** Congress required the Commission to craft a strategy for delivery of universal, affordable, widely adopted broadband to serve vital national purposes. Capturing all the external benefits of broadband to society and the economy is key to the analysis of the costs and benefits of universality. Benefits include consumer savings, health care improvements, educational and employment opportunities, and more. Subsidy mechanisms must also be considered as a means to universal adoption, but current mechanisms, such as Universal Service and stimulus grants, are insufficient to achieve national purposes. On the other side of the ledger, reducing the cost of key inputs, such as spectrum, rights of way, backhaul, and fiber, can extend the reach and performance of broadband.

**Applications:** Most broadband applications focus on browsing, communication and entertainment. Increasingly, these uses are evolving to education, job training, business and other productive purposes. Different applications require different broadband speeds, with the most demanding being high-definition streamed video. But actual broadband speeds lag advertised speeds by at least 50% and possibly more during the busy hours. Peak usage hours, typically 7 p.m. to 10 p.m., create network congestion and speed degradation. About 1% of users drive 20% of traffic, while 20% of users drive up to 80% of traffic. A constrained network dictates investment needs in infrastructure.

**Deployment:** Preliminary analysis indicates that approximately three to six million people are unserved by basic broadband (speeds of 768 Kbps or less). The number of unserved increases as the definition of minimum broadband speed increases. The incremental cost to universal availability varies significantly depending on the speed of service, with preliminary estimates showing that the total investment required ranging from \$20 billion for 768 Mbps-3 Mbps service to \$350 billion for 100 Mbps or faster. The cost of providing consumers with a choice of infrastructure providers, and/or ensuring that all consumers have access to both fixed and mobile broadband would be significantly higher than these initial estimates. The cost to provide service in rural areas is significantly higher than in urban areas, and is driven not only by higher capital expenditures, but also significantly higher recurring operating expenses largely driven by transport and transit. Universal Service Fund recipients have made progress bringing broadband to rural America, but the fund faces systemic and structural problems. The task force continues to gather additional data and analysis and refine the above estimates.

**Adoption:** Nearly 2/3 of Americans have adopted broadband at home, while 33% have access but have not adopted it, and another 4% say they have no access where they live. But large segments of the population have much lower penetration rates, and adoption levels vary across demographic groups. The cost of digital exclusion is large and growing for non-adopters, as resources for employment, education, news, healthcare and shopping for goods and services increasingly move on line. The task force has commissioned its own survey to learn how three key factors affect adoption: attitudes toward broadband and technology, affordability and personal context (home environment, access to libraries, disabilities, etc.). Results are expected in November.

**Spectrum:** Wireless is increasingly moving to broadband, with smartphone sales projected to overtake sales of standard phones by 2011. However, these bandwidth-hungry devices, applications and users are buffeting existing network capacity and driving many to cite the need for additional spectrum. The task force is actively assessing the long-term spectrum needs of the country for mobile broadband services.

**International Broadband Plans:** The driving force behind national broadband plans in other nations has been competitiveness, job creation and innovation. Successful plans need four or more years of continuous effort and consistent funding sources.

**National Purposes:** Broadband can be part of the solution to many of the nation's challenges, creating economic and social benefits, which include:

- **Healthcare:** Electronic health records, telemedicine, and mobile monitoring result in better, more affordable health care, but the record shows a need for higher connectivity in many locations to capture those benefits
- **Energy and the environment:** Enabled by broadband, smart grids, smart homes and smart transportation will be a critical part of our clean energy future
- **Government operations and civic engagement:** Delivery of services, civic engagement, transparency in public policy can all be improved by broadband access and adoption
- **Education:** Over 70 percent of all high school students use the Internet as a primary source for homework. Digital textbooks, online learning, teacher support and communications, digital student records can improve weak U.S. educational outcomes. While the E-rate program has connected schools, faster speeds are needed
- **Disabilities:** Internet use among people with disabilities is less than half that of the general population. Networks, equipment, services, devices and software are not designed to be accessible to people with disabilities. Accessibility is also lacking in Internet content, interfaces, programming guides and menus, and tech support
- **Consumer welfare:** Consumers say online purchases save time and money. Yet 39% have strong worries about giving out personal or credit card information. These worries are heightened among low-income users, only 29% of whom have made purchases online, compared to 82% of upper income users. More transparency in billing and the on-line environment could ease security concerns, as could education and consumer workshops on privacy and security
- **Public Safety:** Public safety entities only have access to commercial broadband services. There are no mobile, wireless broadband communications services that meet the public safety community's specialized needs. These services should be provided over time
- **Economic Opportunity:** As of 2005, over 77 percent of Fortune 500 companies posted jobs and accepted applications solely online. An ever-increasing majority of employees are required to use the Internet in their daily work.

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More about the Federal Communications Commission's development of the National Broadband Plan can be found at [www.broadband.gov](http://www.broadband.gov)