

**Written Statement of
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**“Reviewing the National Broadband Plan”
Hearing before the
Senate Commerce Committee
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Chairman Rockefeller, Ranking Member Hutchison, Members of the Committee, thank you for the opportunity to testify today on the National Broadband Plan.

The Plan, as you know, stems from a Congressional directive that the FCC prepare a “national broadband plan” that “shall seek to ensure that all people of the United States have access to broadband capability,” include a strategy for affordability and adoption of broadband communications, and also recommend ways that broadband can be harnessed to tackle important “national purposes.”

The Plan addresses each aspect of these Congressional requirements in a way that reflects a strong conviction that, as our nation rebuilds its economy, broadband communications can and must serve as a foundation for long-term economic growth, ongoing investment, and enduring job creation.

Broadband is the indispensable infrastructure of the digital age – the 21st Century equivalent of what canals, railroads, highways, the telephone, and electricity were for previous generations.

Multiple studies tell us the same thing – even modest increases in broadband adoption can yield hundreds of thousands of new jobs.

Broadband communications increase the velocity of information, and the velocity of commerce.

A broad array of people throughout the ecosystem – investors, entrepreneurs, business leaders, labor leaders, consumer advocates and others – agree that if the United States has world-leading broadband networks, we will see a powerful new wave of innovation, and business and job creation here at home.

The title of one recent op-ed written by the CEO of a major American technology company said it well: “Fix the bridges, but don’t forget broadband.”

We have work to do to seize the opportunities of broadband. The status quo is not good enough to maintain our global competitiveness in this rapidly changing world.

First, studies place the U.S. as low as 18th when it comes to important attributes of broadband adoption and speeds. Our record shows roughly 65% adoption in the U.S. compared to

significantly higher adoption percentages – up to 90% or more -- for some countries in Asia and Western Europe.

One study ranks the U.S. 6th out of 40 industrial countries in innovative competitiveness – and 40th out of the 40 in “the rate of change in innovative capacity.” The first of those rankings is enough of a concern. That last-place statistic is the true red flag.

It shows that we will not succeed by standing still, or even moving at our current pace.

Second, certain communities *within* the U.S. are lagging – rural Americans, low-income Americans, minorities, seniors, Tribal communities, and Americans with disabilities. For these groups, adoption rates are much lower than 65%.

Altogether, 93 million Americans are not connected to broadband at home, including 13 million children. And 14 million Americans do not have access to broadband where they live, even if they want it.

Finally, the work of the FCC staff on the broadband plan showed that the costs of digital exclusion grow higher every day. Several years ago, not having broadband could have been thought by some to simply be an inconvenience. Now, broadband access and digital literacy are essential to participation in our economy and our democracy.

- For example, more and more companies are posting job openings *exclusively* online. If someone is unemployed and does not have access to broadband, opportunities are passing them by.
- Children are increasingly given homework and research assignments that require online access. Studies show that combining in-person instruction with online learning can significantly improve educational results. Children are at a disadvantage if they can't connect to broadband at home, or are in schools with inadequate broadband connections.

As I believe Congress anticipated when it directed the FCC to prepare a National Broadband Plan, the plan that the FCC has submitted is a plan for action, and a call to action, that these times demand.

The staff has produced a plan that is as strong as it is non-ideological and non-partisan. It was the outcome of an extraordinary process that has been unprecedented in many respects: unprecedented in its openness and transparency; in the breadth and depth of public participation; in its professionalism; and in its focus on data and its analytical rigor.

The Plan sets ambitious goals for the country, including:

- Access for every American to robust and affordable broadband service and to the skills to subscribe.
- Broadband speed of at least 1 gigabit to at least one library, school, or other public anchor institution in every community in the country.
- Affordable 100 megabits per second to 100 million households.

- World leading mobile innovation, with the fastest and most extensive wireless networks of any nation.
- Access for every first-responder to a nationwide, interoperable broadband public safety network.

In addition to these and other goals, the Plan lays out a robust, sensible and efficient roadmap for achieving them:

- It proposes a once-in-a-generation transformation of the Universal Service Fund from yesterday's technology to tomorrow's.
- It proposes recovering and unleashing licensed and unlicensed spectrum so that we can lead the world in mobile.
- It proposes ways to cut red tape, lower the cost of private investment, and accelerate deployment of wired and wireless networks.
- It proposes initiatives to foster vibrant and competitive free markets and empower consumers.
- It proposes a roadmap to tackle vital inclusion challenges, so that everyone, everywhere can enjoy the benefits of broadband.
- And it proposes ways in which broadband can be deployed to help solve many of our nation's major challenges: including education, health care, energy, and public safety.

On public safety, America's first responders are on the front lines every day protecting our families and communities. The National Broadband Plan lays out a multi-part gameplan designed to finally deliver on the recommendation of the 9/11 Commission that we have interoperable communications for our first responders.

I am pleased that several bi-partisan members of the 9/11 Commission – including Chair and Vice Chair Thomas Kean and Lee Hamilton – have praised the Plan's public safety provisions as “a clear roadmap for finally reaching th[e] goal” of interoperability.

I am similarly heartened that a broad array of companies – including companies that often disagree on key communications policies – as well as non-profits, consumer and public interest groups have voiced strong support for the Plan and for moving expeditiously toward implementation.

If I may pull out one quote, from the CEO of a major technology company in Business Week:

“The vital communications systems that make our economy work and serve as a platform for business innovation and social interactions are second-class. Sadly, many of us have accepted that. It's time to overcome our broadband complacency. The national broadband plan sent to Congress by the Federal Communications Commission is critical to our economic and national security. Without a plan, we simply cannot compete.”

I believe the Plan will deliver extremely significant economic and fiscal benefits over time, as broadband is harnessed for job creation and new investment.

And cognizant of the challenging economic times we now confront, the Plan is fiscally prudent. The Plan recognizes the overwhelming primacy of private investment in achieving our national broadband goals. And it identifies opportunities for new spectrum auctions that could generate billions in revenue, exceeding any funding or investments that the Plan suggests for Congressional consideration.

As we move forward, working with this Committee and all stakeholders, the same principles that guided the creation of this plan will guide its implementation, including:

- Processes that are open, participatory, fact-based, and analytically rigorous.
- A recognition of the transformative power of high-speed Internet.
- The essential role of private investment in extending broadband networks across our Nation.
- The profound importance of vibrant competition to bring consumers the best services at the best prices, and to spur world-leading innovation and ongoing investment.
- The necessity of tackling vital inclusion challenges and promoting universal digital literacy, so that everyone, everywhere can enjoy the benefits of a broadband internet that is open, safe, and trusted.
- And a recognition that government has a crucial, but restrained, role to play, focusing with laser-like precision on efficient and effective solutions.

The important point is to act on the challenges and opportunities of broadband. Other countries are doing so; they are developing infrastructure to attract technology innovators. A recent New York Times article reported that, for the first time, the Chief Technology Officer of a major American tech company, has moved to China. In a report from China, the newspaper wrote: “Companies – and their engineers – are being drawn here more and more as China develops a high-tech economy that increasingly competes directly with the United States.”

Against this backdrop, last week we started the essential transition from planning to implementation, releasing a detailed agenda laying out a schedule for Commission proceedings and actions over the next year, driving forward on the broadband plan. This is an unprecedented step in both planning and transparency. It reflects both the importance as well as the magnitude of the workload ahead.

Notwithstanding the decision last week in the *Comcast* case, I am confident that the Commission has the authority it needs to implement the broadband plan. Whatever flaws may have existed in the specific actions and reasoning before the court in that case, I believe that the Communications Act – as amended in 1996 – enables the Commission to, for example, reform universal service to connect everyone to broadband communications, including in rural areas and Native American communities; help connect schools and rural health clinics to broadband; take steps to ensure that we lead the world in mobile; promote competition; support robust use of broadband by small businesses to drive productivity, growth, job creation and ongoing

innovation; protect and empower all consumers of broadband communications, including thorough transparency and disclosure to help make the market work; safeguard consumer privacy; work to increase broadband adoption in all communities and ensure fair access for people with disabilities; help protect broadband communications networks against cyber attack and other disasters; and ensure that all broadband users can reach 911 in an emergency.

I believe it is vitally important that the Commission act on the broadband plan's roadmap to protect America's global competitiveness and help deliver the extraordinary benefits of broadband to all Americans. I believe this essential mission is completely consistent with the Communications Act, and I can assure the Committee that our actions will be rooted in a sound legal foundation, designed to promote investment, innovation, competition, and consumer interests.

Thank you.

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