Prepared Remarks of Chairman Julius Genachowski Federal Communications Commission

Release of Communications Workers of America's "Speed Matters" Report

National Press Club Washington, D.C. December 15, 2010

CWA was one of the very first organizations to question whether America's broadband networks are where they need to be if we hope to realize the full potential of this transformational technology.

Slowly but surely, others have come to recognize the strategic importance of having world-leading broadband networks, but, as today's report makes clear, we still have a lot of work to do.

The FCC has been working hard to address the key challenges CWA has spotlighted in this report.

The economy and jobs are at the core of our work. We're focused on seizing the opportunities of communications technologies to catalyze private investment, foster job creation, compete globally, and create broad opportunity in the United States. In our digital economy, to have an engine for ongoing job creation and innovation, America needs to build a world-leading innovation infrastructure.

I agree with CWA that the great infrastructure challenge of our generation is high-speed broadband Internet. Robust broadband networks create all kinds of jobs, all across the country -- everything from construction jobs, to urban planners and architects, engineers and scientists, sales people and IT professionals.

Broadband enables businesses to start and grow, and jobs to be created, anywhere in America, from the biggest urban city to the smallest rural town. Broadband opens new markets, allowing businesses -- small and large -- to reach customers in the next neighborhood, the next city, the next state, and even overseas. And broadband allows the smallest business to have cutting edge products and services that increase productivity and efficiency, reduce costs, and boost revenue.

Lower cost, more revenue -- more jobs.

By the way, broadband also saves people money. A recent Internet Innovation Alliance study found that consumers can save almost \$8,000 a year by having access to and using high-speed broadband Internet.

Broadband is not only vital economic infrastructure, it is critical to education, health care, energy, creating tremendous opportunities for innovation, investment, job creation, and improved quality of life.

But as I mentioned earlier, today's report reveals cracks in our innovation infrastructure. For one, other countries have faster wired networks. We're used to hearing about fast networks in South Korea, Japan and Sweden, but according to CWA's numbers, broadband subscribers in Romania enjoy broadband speeds significantly faster than the average American.

Speed matters, because if we want the job-creating Internet services and applications of the future developed in America, we are going to have to do better.

That's why our National Broadband Plan sets a goal or 100 megabits per second broadband to 100 million homes. This would make the U.S. the world's largest market for very high-speed broadband services and applications -- unleashing American ingenuity and ensuring that businesses and jobs are created here, and stay here.

Because speed matters, we set a goal of at least 1 gigabit-per-second service to at least one anchor institution in every community in the country. These ultra-fast testbeds will help ensure that America has the infrastructure to host the boldest innovations that can be imagined.

In September, the Commission approved an order giving schools and libraries the flexibility to buy low-cost fiber through our Universal Service Fund, moving us one step closer to achieving this goal. And, as the National Broadband Plan recommends, we're also working with the military to make military bases one-gig centers.

Speed matters in the aggregate, and it also matters for individual consumers.

The National Broadband Plan found evidence that consumers' connections are much slower than advertised. That's why, as part of the FCC push to promote fact-based and data-driven policies, we've launched a serious effort to give us our most accurate measurements yet of actual broadband connection speeds to the home. When completed, we'll make this data publicly available, empowering consumers when it comes to broadband speeds.

Now, speed is not the *only* thing that matters. As CWA's report states, to spur innovation, the Internet must not only be fast, it must remain open. That's why the FCC is also moving to preserve the freedom and openness of the Internet.

It's a vital part of what we need to do unleash innovation and protect free speech, to foster broadband investment and promote a vibrant economy – to create jobs in the United States. And that's why it's essential that we move forward next week with our strong and balanced proposal to adopt the first enforceable rules of the road to protect Internet freedom.

CWA has said that our open Internet initiative will "jumpstart broadband buildout" and drive private investment. I completely agree. I welcome CWA's support, and I'm pleased that the FCC's efforts enjoy additional broad support from across the spectrum, including the tech community, leading venture and other investors, carriers, and civil rights organizations.

As the Speed Matters report emphasizes, two key challenges facing the U.S. are broadband availability and adoption.

Up to 24 million Americans couldn't even get broadband if they wanted it. And even where broadband is available, too many Americans are not adopting. Roughly 1 in 3 Americans has not adopted broadband, nearly 100 million people. The adoption rate is even lower among certain communities -- low-income Americans, rural areas, minorities, people with disabilities.

We are behind other countries when it comes broadband, and moving more slowly than other countries. That is seriously dangerous to our global competitiveness, and our ability to generate the jobs we need in a digital economy.

To ensure that all Americans enjoy the benefits of high-speed Internet, we are working at the FCC to modernize our Universal Service Fund from supporting yesterday's telephone service to tomorrow's broadband access service. Through public-private partnerships, USF helped bring phone service to all corners of the country. But the program has become outdated, inefficient, and poorly targeted.

We've proposed transforming USF by creating a Connect America Fund to focus on broadband in a way that is fiscally responsible, that demands accountability, and works -- that is targeted and effective.

The new Connect America Fund will be market-driven and incentive-based. That means using smart policies that deliver the most bang for the universal service buck, that provide real and material encouragement for companies to pick the technologies and services that provide maximum value to consumers at the lowest possible cost, and that allows the program to align scarce resources with real need -- and get the job done.

To spur broadband buildout, the FCC is also focused on removing roadblocks to network investment and deployment. What do I mean by that?

To connect all Americans to high-speed broadband will require many billions of dollars in private investment -- for example, to lay fiber and cable and to erect towers to transmit wireless communications.

As our National Broadband Plan recognized, there are various obstacles and impediments to building infrastructure as fast and efficiently as possible. The more we can streamline the rules and eliminate unnecessary roadblocks, the more we can reduce the cost of building out networks and speed up the time to connect people.

In fact, our Broadband team estimated that efforts to cut red tape can reduce broadband deployment costs approximately 40 percent. That's potentially billions of dollars that could be going toward building out networks, and not sacrificed to the inefficiency of the process.

On this agenda, we've already established a shot-clock for tower-siting for our wireless networks. We're taking steps to improve pole attachment practices. The Commission will also be working with states, local governments, and all interested parties on the important subject of access to rights-of-way.

As the National Broadband Plan recommended, we ought to have a "dig once" policy in the United States, so that whenever, for example, a road is being repaired or built, fiber is laid at the same time. These nuts-and-bolts issues tend to be more arcane than sexy -- well at least to people outside this room -- but they matter.

In closing, I want to commend CWA once again for drawing attention to the critically important issue of broadband.

We've got out work cut out for us, but with the help of the organizations here, I'm confident we'll get the job done.

Thank you.