

FCC CHAIRMAN JULIUS GENACHOWSKI
REMARKS ON “MEASURING BROADBAND AMERICA” REPORT

BEST BUY
WASHINGTON, DC
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Good morning and welcome to Best Buy. Some people think of the FCC as the government’s “geek squad,” so I feel very much at home here.

What we’re focused on at the FCC is policies that will unleash innovation in communications and information technology, so we can grow our economy, bring benefits to all Americans – and enjoy the cool stuff around here.

Sometimes people think of Best Buy and other stores with gadgets as toy stores for grown-ups. They’re a lot more than that. Consumer electronics is a \$190 billion industry that supports hundreds of thousands of jobs.

The new generation of broadband-powered consumer electronics devices provides entertainment – and much more. You can use a new tablet to watch movies on Netflix, and also to watch great lectures from MIT. A tablet can be a digital textbook empowering every student to learn at their own pace, with personalized lessons. You can use your laptop to check your Facebook or Google+ page, and also to have quality video-conferencing for business. You can use your smartphone to run applications like Twitter and Pandora, and also to run your business when you’re on the go.

Broadband is also fueling innovative devices specifically designed to take advantage of the capabilities of broadband. Cutting-edge medical devices – wired and wireless – use broadband to monitor conditions like heart disease or diabetes around the clock, identifying symptoms before they become big problems. Broadband powers smart grid technologies that save consumers money on their energy bills and help us achieve energy independence.

Bottom line, broadband and these devices are changing almost every aspect of our lives.

And that’s why it’s so important that we free up more spectrum – the public’s airwaves – to meet exploding consumer demand for wireless broadband.

One of the most effective ways to do that is a market-based solution known as voluntary incentive auctions. This solution, which I’m optimistic about – and which has broad, bipartisan support on the Hill, throughout the broadband economy, and from a cross-section of the nation’s leading economists – will bring new spectrum to the market, money to the Treasury, and will help solve growing challenges like data congestion and dropped connections.

The spectrum gap isn’t the only gap we need to close. We need to tackle the broadband deployment gap. While the overwhelming majority of Americans can get broadband if they want it, more than 20 million Americans still can’t. The Commission is now in the home stretch of a major overhaul of our Universal Service policies to do just that – to modernize and fix a broken multi-billion dollar program so that it efficiently and meaningfully benefits consumers throughout the country.

While broadband is physically available to most Americans, roughly one-third of Americans still are unconnected. That's nearly 100 million Americans who are being bypassed by the benefits of broadband. This is the broadband adoption gap. The FCC is working with a broad array of stakeholders to help these Americans subscribe to broadband.

While there's a flood of information to help consumers pick the right computer or gadget, when it comes to picking the service that brings those devices to life, consumers are largely flying blind. 80% of consumers don't know what speed they subscribe to. If you check your monthly broadband bill for specifics about the speed of your service, there's a good chance you won't find that information there. And if you did, it might not be in a language you can understand. How many people know what a megabit is?

And then there are questions about whether or not consumers get what they pay for. During the FCC's development of the National Broadband Plan, we reported evidence from 2009 that *actual* broadband speeds significantly lagged *advertised* speeds. That's why – as part of the FCC's Consumer Empowerment Agenda – we've been working to arm consumers with information to help them make smart choices about the broadband service that's right for them.

One thing we did was develop a broadband speed test, which allows consumers to click a button on their computers or smartphones and get a sense of how fast their wired or wireless broadband service is. American consumers have run more than a million of these speed tests, which shows the demand for consumer information about broadband service quality.

Working with NTIA, an agency within the Department of Commerce, we helped create a National Broadband Map, which consumers can use to find out what services are available in their communities at what speeds. The map is still in beta, but we've gotten feedback from more than 37,000 visitors, which will help update and improve the map.

We're promoting greater transparency about communications services – both for broadband and for telephone, where we're exposing the problem of mystery fees, as well as giving consumers tools to avoid overage charges, what is commonly called bill shock.

Today, we take another important step to empower broadband consumers. I am proud to announce the release of the most comprehensive and rigorous assessment ever of broadband performance in the United States. Thirteen of the nation's largest Internet Service Providers representing more than 86% of all wireline broadband subscribers took part. Researchers from MIT and Georgia Tech, and leading consumer groups, were also key contributors.

What did we find?

First, we found that most major ISPs are providing service close to what they're advertising. This represents a significant improvement over the findings from two years ago, when we first shone a light on this issue. We also found that, while there are some differences between technologies, DSL, cable, and fiber-to-the-home are all delivering quality service generally consistent with what they advertise.

Another finding was that during peak hours—7 to 11 pm—broadband performance generally decreases somewhat. But most services still provide actual speeds that are 80% to 90% of advertised speeds, or better.

The survey also revealed that while speed matters, it's not the only thing that matters.

Latency is the amount of time it takes for a particular packet of information to travel from one point on the Internet to another—for example, from a search engine’s server to your computer. One might suspect that the higher the speed or bandwidth of your connection, the lower the latency. But the study found that for basic Internet applications like web browsing, at a certain point, higher speeds do not mean lower latency and therefore do not mean improved performance.

So why does this report matter?

It’s informed consumers that make the market work. The more consumers know about broadband speeds and the more they know about the speeds they receive, the more able they are to let providers know what they really want. Information for consumers enhances competition among providers of broadband Internet access services, and increases the likelihood that consumers will be better served and receive greater value.

I expect broadband providers will look closely at the data we’re releasing today and ensure they’re providing accurate, relevant, and easily understandable information to consumers about their services. Providers should be aware that this survey isn’t intended as a one-time thing.

I’m pleased by the results of the survey – it says positive things about the process and the industry, all in the service of consumers and innovation. It’s a strong step.

We’re making the underlying data public and accessible so that third parties can make good use of it.

I expect providers will continue to improve disclosures for consumers, for example, including easy-to-understand information about the actual performance of different broadband offerings.

To help empower consumers and ensure a healthy broadband market, in addition to this report, the FCC is today releasing a step-by-step online guide to choosing home broadband service. The guide walks consumers through the steps they should take when choosing the service that’s best for them. We also encourage current subscribers to check their bills and ask their providers what service they have, and make sure it matches with what they need.

The guide translates this stuff into plain English. For example, if you read the guide you’ll know that megabits per second measures how much data your connection can download or upload per second. And that for email, web-browsing, VoIP calls, or streaming standard definition movies, thanks to innovations in compression technology, you can generally do all those things with a 4 megabit per second service. But if you want to stream movies in HD while other people in your house are video chatting or streaming other video over the Internet, you might need a service providing 10 megabits per second or more of actual download speeds.

And many consumers may require even greater bandwidth. For example, you may be a graduate student or scientist or have a job working on intensively collaborative projects with a number of others and very large amounts of data. And as the past decade has taught us, if you give America’s incredible app developers more bandwidth, they will harness it to create valuable – and indeed unimaginable – new services that will create demand for faster connections.

In fact, I expect developers to use the unprecedented information we release today about broadband network performance to create new applications and online services.

For consumers, choosing the right broadband service can be a daunting task. Today, it gets a little bit easier.

I look forward to working with consumer groups, application developers, and broadband providers to make sure all Americans are informed and empowered to fully enjoy the benefits of broadband.