

REMARKS OF GIGI B. SOHN,  
COUNSELOR TO FCC CHAIRMAN WHEELER:  
'MOVING TOWARDS A GIGABIT STATE'

NEW HAVEN, CT

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Thank you Senator Bye for that wonderful introduction. I'd also like to express my deepest appreciation to State of Connecticut Consumer Counsel Elin Katz and State Broadband Policy Coordinator Bill Vallee for inviting me to speak to this august group. One of the best parts of my job is meeting people like Beth, Elin and Bill who are passionate about the ability of communications networks to improve the lives of Americans.

Before I begin, I have a few questions I need to ask to get a better sense of the room.

First, Sally's or Pepe's? Let me see the Sally's people ... Now, Pepe's. Thanks. The correct answer is that both can only dream of being as good as New York pizza.

Next question: Red Sox or Yankees? First, Red Sox. Now, Yankees. Ok. The correct answer was New York Mets. New York Mets.

If you haven't guessed by now, I'm not only horrible at picking baseball teams, I'm not one to pander to an audience. So, when I tell you that the CTgig Project is one of the most exciting and important initiatives in the country, you know I mean it.

Today, I want to talk to you about why the leadership at the FCC – America's broadband agency – is watching the CTgig Project closely and pulling for its success.

CTgig is a big deal because expanding broadband is about expanding opportunity.

Start with opportunities for our economy. Already, high-speed connectivity has enabled entirely new industries to bloom, seemingly overnight.

Think of the mobile apps economy, which didn't even exist less than a decade ago. Today, it's already created more than 600,000 new U.S. jobs.

There's the sharing economy, epitomized by companies like AirBnB and Uber, which takes idle resources and puts them to use, creating enormous value for consumers.

Consider the latest high-profile IPO – Etsy. This website has created a platform for more than a million entrepreneurs to sell their handmade goods to a global audience of nearly 20 million active buyers.

But broadband creates new opportunities not only for our economy, but for almost every facet of our lives and society.

Broadband creates opportunities for education. Interactive digital learning tools can tailor personalized lessons to match each student's strength and weaknesses.

Broadband creates opportunities for health care. Ubiquitous connectivity enables remote monitoring tools that can identify health risks before they become a crisis.

Broadband creates opportunities for energy. Smart grids and smart homes will help consumers save money, while helping to save the environment.

Broadband creates opportunities for better government. Individuals can come together and influence elected officials in new and powerful ways. The nearly 4 million Americans who commented on and helped improve the FCC's new Net Neutrality rules can back me up on that.

To seize these opportunities and fully realize the potential of broadband to improve the lives of the American people, broadband networks need to be fast, fair, and open. On those measures, we face significant challenges.

Start with fast networks.

The good news is that our mobile broadband networks are the envy of the world. Not long ago we had as many 4G LTE subscribers as the rest of the world combined.

On the fixed broadband side, it's another story. International rankings consistently score the U.S. outside the top 10 in broadband speeds. Last I checked, most Americans aren't content with being outside the top 10 in anything that matters – certainly not anything as important as the quality of our digital infrastructure.

According to Akamai, the average fixed broadband connection in America is about 12 megabits per second. That's fine if you live alone, and all you're doing online is minimal browsing each night while streaming a movie on Netflix. But broadband can enable so much more.

We want to see average speeds grow to 50 Megabits per second, 100, and eventually even 1 Gigabit per second. When you achieve those speeds – the speeds you are talking about with the CTgig project – you remove bandwidth as a constraint on innovation. That's when American ingenuity takes over and anything is possible.

Now, let me talk about fair networks. There are two keys to fair networks: universal access and competitive choice so consumers are getting a fair shake. This is where we face the toughest challenges.

About 10 million Americans can't get wired broadband *at any speed* if they wanted it. The infrastructure just isn't there. And it doesn't make economic sense for private ISPs to build in these areas.

The costs of digital exclusion are staggering. If you live in these communities, you simply can't be a full participant in our modern economy and democracy. Job applications are increasingly online only. If you can't get online, you can't get a job.

I hear anecdotal evidence all the time about how young people in towns that are offline feel compelled to move elsewhere for fear that there's no future for them in a town without broadband.

Broadband Communities magazine had an article last month looking at this issue and found that these are not just isolated stories. Looking at counties lacking access to 25 megabit broadband

located in states where there are restrictions on community broadband, they found that population growth in these broadband have-not counties was lagging.

The most effective tool for driving investment and improvements in our broadband networks is competition. The simple truth is that meaningful competition for high-speed wired broadband is lacking.

It used to be that most Americans had at least two choices for fixed Internet service: the cable company and the local telco offering DSL. The problem is that traditional DSL has not kept pace with the needs of today's consumers and is no longer a real alternative to faster cable and fiber networks. At 25 megabits per second, just under 75 percent of U.S. homes can choose from only one or fewer fixed wired providers – and that includes almost 20 percent who have no option at all at that speed.

Lack of competition typically means lesser service and higher prices for consumers. It also increases the risks that broadband providers could use their market power in a way that threatens Internet openness.

So what can we do to overcome these challenges and seize the opportunities of fast, fair, and open broadband networks?

The FCC is working hard to do its part.

This February, the FCC adopted the strongest open Internet protections ever proposed by the Commission. These rules will assure the rights of consumers and innovators to use the Internet without interference from gatekeepers.

We adopted these rules by reclassifying broadband internet access as a “telecommunications service” and modernizing our authority under Title II of the Communications Act. This light-touch approach forbears from outdated, burdensome rules and preserves the economic underpinnings for competitive infrastructure investment.

However, I would note that we declined to forbear from Section 224 of Title II, which governs pole attachments. We want to ensure broadband providers can access poles at just and reasonable rates. To a layperson, this might be the most boring thing they have ever heard. But this audience knows that pole access is a big deal and helps lower the costs of broadband deployment. Senator Byrd is a legend for her savvy legislative move to ensure that cities and towns can use the “gain” (or the flat part) on poles for any purpose, including broadband.

But that is not all the FCC has done to remove barriers to broadband build out. As many of you know, 19 states have adopted laws to restrict community broadband efforts, often passed due to heavy lobbying support by incumbent broadband providers.

Two cities, Chattanooga, Tennessee and Wilson, North Carolina, recently decided to fight back. Both have successfully deployed community broadband networks, but state laws prevented them from expanding their networks to surrounding areas.

They petitioned the FCC to pre-empt the restrictive provisions of these state laws that functioned as barriers to investment and deployment in their communities. In February, the Commission did just that.

The Commission respects the important role of state governments in our federal system, and we do not take the matter of preempting state laws lightly. But when state laws directly conflict with Federal laws and policy, we will not be afraid to act. By preempting restrictive provisions of state law, we sent a clear message that we believe the American people, through their elected local officials, have the right to make their own decisions about their broadband future.

Moreover, the Commission continues to move forward with our existing programs to promote broadband deployment. Over the next six years, the FCC will disburse \$11 billion through the Connect America Fund to support infrastructure build-out in unserved rural areas. We have modernized our E-rate program to support fiber deployment to and Wi-Fi within the nation's schools and libraries. And we recently asked for public comment on additional ways to bring faster broadband to all Americans.

That brings me to the main point I want to make today. No matter what the Commission does to spur broadband investment and deployment, there will be communities that are underserved, or even unserved, by the private market.

When commercial providers don't step up to serve a community's needs, we should embrace the great American tradition of citizens stepping up to take action collectively.

Across America, communities have concluded that existing private sector broadband offerings are not meeting their needs and the only solution is to become directly involved in broadband deployment.

Some communities have worked with private sector providers to facilitate improved broadband service. Others have entered into various forms of public private partnerships. Still other communities have decided to deploy broadband networks themselves.

These efforts are reaping dividends for the communities that take these steps.

Just look at Chattanooga, where large companies like Amazon and Volkswagen have invested in new facilities, citing the city's world-leading network as a reason why. And Chattanooga is emerging as an incubator for tech start-ups.

Or look at The Dalles, a tiny Oregon town of about 12,000 residents with a 17 mile fiber network that enticed Google to buy a large industrial site where they house high-tech equipment that connects to the rest of its network.

Contrast these examples with the Nutmeg State, where companies like Aetna, ESPN and Priceline are demanding, yet lacking, greater broadband capacity at reasonable rates for their companies and their communities. I understand that some businesses have even considered moving or reducing their operations in the state because of the price of broadband.

That's what's so exciting about the CTgig project. We've seen how ultra-high-speed networks can invigorate a city's economy. But we've never seen what could happen if we had a Gigabit State.

We talk about fast, fair, and open broadband. CTgig could deliver universal access to ultra-fast networks at costs lower than what people pay for basic service today.

The possibilities are limitless.

Imagine a pervasive mindset of bandwidth abundance, not scarcity, which encourages experimentation and what that could mean.

Imagine the young entrepreneur in Ridgefield launching her online startup in her hometown rather than moving away to a bigger city.

Imagine a distance learner in Bridgeport taking a full course load online.

Imagine a senior with diabetes in Danbury taking advantage of treatments that use online video for regular consultations and wireless monitoring that requires high-data transmissions.

But it hasn't happened yet. 46 communities representing more than half of the state's population have bought in, which is remarkable. But there are 169 municipalities. So there's still room for growth. And, of course, there are still the challenges of execution.

But I think this group is up to it.

I may be from New York, but I'll be the first to admit that Connecticut has historically done great things that have moved this nation forward.

Connecticut is the first state to adopt a constitution, establishing a representative government.

The first publicly funded library in the country was opened in Connecticut.

Connecticut was the home to world-changing inventors like Eli Whitney and Igor Sikorsky.

Heck, the first hamburger was sold right here in New Haven. That's about as all-American as it gets.

Across the country, we see community after community stepping up to write their broadband future. But Connecticut has a unique opportunity to set the pace for the nation. Chairman Wheeler and I applaud your ambition and look forward to working with you to deliver the benefits of broadband to the American people.

Thank you.