

**STATEMENT OF  
CHAIRMAN KEVIN J. MARTIN**

*Re: Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable And Timely Fashion, and Possible Steps To Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996 (GN Docket No. 07-45)*

The United States is the largest broadband market in the world with over 56 million broadband subscribers according to the Organization for Economic Cooperation and Development (OECD). Encouraging the deployment of affordable broadband services to all Americans is a top priority of mine and of the Commission. I am proud of the progress we have made in broadband deployment by creating an environment that better facilitates infrastructure investment.

Since I arrived at the Commission in July 2001, high speed lines in the U.S. have gone from 9 million to nearly 65 million. According to the Commission's most recent data, high-speed connections increased by 26% in the first half of 2006 and by 52% from June 2005 to June 2006.

A recent independent study by Pew confirmed this trend, finding that from March 2005 to March 2006, overall broadband adoption increased by 40% – from 60 to 84 million – twice the growth rate of the year before. The study found that, although overall penetration rates in rural areas still lags behind urban areas, broadband adoption in rural America also grew at approximately the same rate (39%). Perhaps most importantly, the Pew study found that the significant increase in broadband adoption was widespread and cut across all demographics. For example, broadband adoption grew by more than 120% among African Americans and grew by almost 70% among middle-income households (those with incomes between \$40,000 and \$50,000 per year).

The Pew data also confirms that the price of broadband service has dropped in the past two years. Specifically, the Pew Report found that between February 2004 and December 2005, the average price for high-speed service declined from \$39 per month to \$36 per month. Currently, Verizon and Comcast each offer promotional broadband packages for \$19.99 per month, for example, and AT&T has committed to providing new retail broadband customers a \$10 a month broadband Internet access service throughout the combined region.

While we have made progress recently, as I have said before, there is more we can do. For example, the Commission is committed to obtaining the best information possible about the deployment, access, and affordability of broadband services nationwide. Last year for instance, for the first time we began reporting information regarding different speeds of broadband connections (e.g., about services offered at speeds in excess of 200 kbps).

The Broadband Data NPRM we adopt today will allow the Commission to gain an even better picture of broadband deployment in this country. The Notice asks questions about how we can obtain more specific information about broadband deployment and consumer acceptance in specific geographic areas and how we can combine our data with those collected at the state level or by other public sources. By improving our data collection, we will be able to identify more precisely those areas of the country where additional broadband deployment is needed.

We also launch today our fifth inquiry into “whether advanced telecommunications capability is being deployed to all Americans in a reasonable and timely fashion.” 47 U.S.C. §157 nt. In this Notice, we seek comment on all aspects of broadband availability, including price and bandwidth speeds. In particular, we seek comment on whether, given the evolution of technology and the marketplace, we should redefine the term “advanced services” to require higher minimum speeds.

Between these two proceedings, it is my hope that the Commission will solicit the information necessary to better assess the competitive progress in the broadband market. We have already taken some steps to improve the information we collect and report, but the items we adopt today will provide additional important progress towards our goal of universal affordable broadband access for Americans.