

**STATEMENT OF
COMMISSIONER JONATHAN S. ADELSTEIN**

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, Notice of Inquiry (2007).

Today we take the first step toward a long-awaited and much-needed review of the broadband marketplace, focusing the spotlight on deployment, availability, affordability, and competitiveness. In the three years since the Commission commenced its last Section 706 Report, affordable and high quality broadband services have only become more critical to our economy and quality of life. Yet, even as we see the importance of these services increasing, we have witnessed a precipitous decline in our international standing, with the U.S. falling further behind our global competitors not just in broadband penetration but in broadband value. So, in order to develop a comprehensive strategy for moving ourselves back into a leadership position for the digital age, it is critical that we engage in a candid assessment of the availability and affordability of broadband for *all* Americans.

One of America's central challenges is promoting the widespread deployment of higher-bandwidth broadband facilities to carry the vast array of new innovative services that are transforming virtually every aspect of the way we communicate, and to make sure that these facilities are affordable for consumers. We stand at the forefront of a revolution in the applications that will ride over this infrastructure. They are reshaping the way we work, educate our children, provide health care to our citizens, govern, practice democracy, and interact with one another. These are tools that can play a crucial role in driving our economy, enhancing public safety, and revitalizing our communities. Recognizing the importance of these tools, Congress directed this Commission, in Section 706 of the 1996 Act, to ensure that all Americans have reasonable and timely access to broadband services and to issue regular reports on its deployment.

This is the second such inquiry since I have been at the Commission. I have long called for a more comprehensive, detailed, and accurate assessment of where we stand. Good and instructive stories abound, and I am optimistic that this Commission can take a greater role documenting these successes and helping other communities and providers work together to meet their challenges. At the same time, we must confront head-on the uncomfortable reality that every year we slip further down the rankings of broadband penetration, according to the leading international reports. More troubling, there is growing evidence that citizens of other countries are getting a much greater broadband value, in the form of more megabits for less money. According to the ITU, the digital opportunity afforded to U.S. citizens is not even near the top, it is 21st in the world. Right now, it appears that U.S. consumers pay nearly twice as much as Japanese customers for connections that are twenty times as slow. This is more than a public relations problem, it's a productivity problem. We need an honest picture of how we have fallen to best learn how to pick ourselves up again.

It has become increasingly apparent that an issue of this importance to the economy and the success of our communities demands a coherent, cohesive, and comprehensive strategy -- one that seriously addresses our successes and failures, and strives to improve our broadband status. The first step in addressing this challenge is to collect better data about the state of the marketplace and to perform a realistic assessment of our success and failures. Our efforts in this proceeding can be tremendously valuable. We can either assess carefully our current strengths and weakness and develop responsive solutions as a foundation for success, or don an emperor's robe.

So, I am grateful to my colleagues that this *Notice* asks so many of the right questions. Most importantly, it asks whether broadband services are being made to *all* Americans, as the statute directs. The Notice asks important questions about how we should assess our progress on this front. In that respect, we must find ways to move beyond our current methodology for assessing broadband availability

and competition, which are now recognized almost universally as flawed and broken beyond the point of usefulness. In our companion item, also released today, we seek comment once again on proposals for revising our formal broadband data gathering program. Unfortunately, the timing of these items is less than optimal. Given that the Commission has typically completed its Section 706 Reports within 180 days, it will take a Herculean effort to derive any benefit from any changes we might make to our formal data gathering program.

I am pleased, nevertheless, that this *Notice* asks fundamental questions about broadband deployment to consumers in rural areas, persons with disabilities, and Native Americans. The record we develop in this proceeding can improve our understanding of the challenges of providing broadband to these consumers, and on the unique opportunities that broadband services can bring. In many ways, these customers stand to benefit most from the services that broadband enables. Broadband gives businesses in rural and Native American communities the tools they need to compete across the globe. By giving these citizens access to telemedicine and distance learning, not to mention the vast array and ever growing resources available through the Internet, we give rural residents and their children the same opportunities that others enjoy. We have also seen so many success stories in providing broadband to consumers with disabilities, and I encourage commenters to help us understand the secrets of their successes.

This *Notice* also explores what lessons we can learn from those nations that may be deploying broadband more quickly, and seeks critical information on the prices and speeds available in the U.S. and other markets. We need to put a spotlight on the cost per megabit of broadband, the telecom equivalent of what you pay at the pump for a gallon of gas. I am also pleased that this *Notice* explicitly seeks comment on the *competitiveness* of the broadband market, by launching an inquiry that we committed to do as part of our review of the major BOC-IXC mergers in late 2005. Consumers won't be well-served if we let the U.S. broadband market stagnate into duopoly, so I hope that our assessment of the state of competition for broadband services will be analytically-sound and rigorous.

As we shoot for real high-bandwidth broadband deployment, we must set ambitious goals but we must also take stock, in a honest and comprehensive manner, of where we stand today. I commend the Chairman, my colleagues, and the Bureau for their efforts to improve both this *Notice* and the *Broadband Data Gathering Notice*, over the course of our review. I look forward to working with all my colleagues here and the many interested outside parties – including Members of Congress, state and local policymakers, providers, consumers, and academics -- as we take on this critical task. Working together, we must develop a comprehensive and honest report that gives us a roadmap back to the top of the mountain, not to somewhere in the valley.