

**STATEMENT OF  
CHAIRMAN JULIUS GENACHOWSKI**

*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, as Amended by the Broadband Data Improvement Act, GN Docket No. 10-159, Seventh Broadband Progress Report and Order on Reconsideration*

Today the Commission issues its latest Broadband Progress Report, fulfilling our Congressionally-mandated duty to conduct an “inquiry concerning the availability of advanced telecommunications capability to all Americans,” and to “determine whether advanced telecommunications capability is being deployed to all Americans in a reasonable and timely fashion.” This year’s Report shows that our country has more work to do to increase broadband availability for all Americans.

We have reached this conclusion using the best data available, including for the first time data from the National Broadband Map. Combined with other sources, it has given us the clearest picture we have ever had of the state of broadband deployment in the United States.

That picture shows that more than 20 million Americans live in areas where they still can’t get basic broadband. And most of these areas face no prospect of being served in the near future. That’s not reasonable or timely, and it’s far short of “all” Americans.

In addition, approximately one third of Americans – more than 100 million people – don’t subscribe to broadband. America’s broadband adoption rate is approximately 67 percent – compared with over 90 percent in South Korea and Singapore. Mobile broadband adoption has accelerated since 2009. However, Pew’s Internet and American Life Project pointed out last year that home adoption of broadband Internet access service appears to have “slowed dramatically” in recent years.

These gaps in broadband deployment and adoption are such important national challenges in part because the costs of being shut out of our broadband economy are so high, and rising. More and more every day, not having broadband is a major barrier to finding and applying for a job, getting a world-class education, or obtaining access to health care. Today, lack of access to broadband is a much bigger obstacle to the opportunities that are essential for consumer welfare and America’s economic growth and global competitiveness than it was even a few years ago.

Some may believe these facts show that we’re doing well enough. I don’t.

Because making broadband available to all Americans matters. It matters to our economy. It matters to driving massive private investment and innovation in the U.S., it matters to growing our exports and competing globally, and it matters to addressing major national challenges like improving education, health care, energy, transportation, and public safety.

Our conclusion that broadband is not being deployed in a reasonable and timely fashion in no way shortchanges the significant progress that has been made, in both the private and public sectors, over the past several years. The private sector continues to invest tens of billions of dollars in broadband infrastructure each year – more than \$60 billion in capital expenditures in 2010 alone – expanding capacity, increasing speeds on fixed networks, and rolling out next-generation mobile services like 4G.

Implementing recommendations of the National Broadband Plan, the FCC has unleashed

additional spectrum for mobile broadband; launched the Broadband Acceleration Initiative to reduce the costs and time required to deploy broadband by reforming infrastructure policies; reduced the cost of utility pole attachments; promoted greater utilization of spectrum over Tribal lands; and improved and modernized our E-rate program, which helps provide broadband for schools and libraries. And our partners at NTIA and RUS have invested billions to spur private sector broadband deployment through the BTOP and BIP programs.

Two years ago, few were talking actively about the importance of broadband for our country. Today, there is broad agreement – among business leaders throughout the economy; consumer advocates; academics and other experts; and local, state, Tribal, and federal policymakers from across the political spectrum – that increasing broadband deployment, adoption, and use is a top national priority.

But too many Americans are still being left behind. This is particularly concerning as data suggests that other developed countries like South Korea and Germany are doing better than America on some key broadband metrics. To ensure America's continued global competitiveness, our pace of improvement must quicken.

Under Section 706 of the Telecommunications Act, the Commission has a statutory mandate to “remove barriers to infrastructure investment and promote competition in the telecommunications market,” which we’re taking seriously. We’re reforming our Universal Service Fund and the related intercarrier compensation system, transforming it from an inefficient 20<sup>th</sup> century telephone program to an accountable, effective, fiscally responsible 21<sup>st</sup> century broadband program. We’re unleashing spectrum for mobile broadband. And we’re focused on reducing barriers to broadband deployment, including through our Technological Advisory Council, and reducing barriers to broadband adoption. These steps will help achieve our shared goals and advance and accelerate the private sector’s work to increase broadband deployment and adoption.

I thank the staff of the FCC, particularly the Wireline Competition Bureau, for their hard work on this item.