

**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. 11-121

Today, we deliver our annual Broadband Progress Report to Congress. It is the most accurate and comprehensive Report since its inception. The data in this Report paint the clearest picture yet about the progress we have made on broadband—and the urgent challenges that remain.

The U.S. has now regained global leadership in key areas of the broadband economy, including mobile, where we lead in mobile apps and 4G deployment; but, in this flat, competitive global economy, we need to keep driving toward faster broadband and universal access.

The Report's conclusions only reaffirm what I hear all too often from small business owners, parents, educators and others across the country—we can't let up on our efforts to unleash the benefits of broadband for every American. Increasing broadband deployment, increasing adoption, increasing speeds and capacity are vital throughout our country; they're essential to growing our innovation economy and driving our global competitiveness.

I heard this message just last month when I visited three rural communities in Nevada and California that either recently received new broadband, or will be getting it in the near future as a result of our new Connect America Fund.

These meetings were a vivid reminder of why Congress directed the FCC, each year, 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.” As we've refocused the FCC on broadband, we've significantly improved and expanded this Report. It's become a critical annual check-in on where we stand and what we still have to do.

This year's Report reflects the huge strides that both the private and public sector have made to extend broadband, while also explaining that there's more work to do. Fixed providers are offering higher speeds, including through the deployment of fiber and new technologies like DOCSIS 3.0. Mobile providers continue to expand their coverage and deploy new faster network technologies like LTE. In fact, we're leading the world in deploying 4G mobile broadband at scale.

At the Commission, we've adopted landmark reforms to our universal service programs, particularly those targeted at increasing broadband deployment and affordability to all Americans. We've created the new Connect America Fund, and just a few weeks ago, the Commission announced that nearly 400,000 residents and small business owners in 37 states will gain access to high-speed Internet within three years as a result of the new Fund. And we've made universal access to mobile service and express universal service goal for the first time ever—the first Mobility Fund auction in September will provide funding to extend mobile broadband to thousands of unserved road miles where Americans live, work, and travel.

We have also continued to push forward with our Broadband Acceleration Initiative to

lower the costs and increase the speed of broadband build-out. We have adopted major reforms to facilitate access to utility poles and faster tower siting, and our National Broadband Plan recommended key initiatives in the President's recent Executive Order on accelerating broadband infrastructure deployment, including the "Dig Once" initiative. We've laid out clear rules of the road to protect the openness of the Internet, promoting a virtuous cycle of innovation, investment, and competition. And we've taken numerous steps to unleash spectrum for broadband, both licensed and unlicensed.

Some look at the progress that's being made and say, "Mission Accomplished." I disagree. Our data show that 19 million Americans remain without access to fixed broadband. The residents and business owners I met with in California and Nevada will finally get broadband in the coming months—but millions more, especially in rural areas and Tribal lands, are still waiting. And until we fully implement our Connect America reforms, this gap won't close. In this context, we cannot declare that broadband deployment to all Americans is "reasonable and timely."

Our data also show that a significant broadband adoption gap remains—fewer than 70% of Americans have subscribed to fixed broadband, even counting speeds as low as 768 kbps. We have to continue striking at the barriers that are keeping Americans offline.

And while we've made great strides in the rollout of next-generation high-speed services, there's a lot left to do. Industry reports that the upgrade of cable infrastructure to DOCSIS 3.0 technology means that more than 80% of Americans have access to networks technically capable of 100 Mbps or more. But our data show that just 27% of Americans are being offered broadband services at those speeds today, and U.S. prices for these higher speed services exceed many other countries.

And while 100 Mbps is impressive progress from where we were, it's not where we want to end up. We need to see ongoing increases in broadband speed and capacity, so that we're routinely talking about gigabits, not megabits. Broadband abundance is the goal that will drive U.S. leadership in innovation, and our finding today reflects our belief that we need to keep our feet on the accelerator.

On mobile, passage of the incentive auction concept suggested in our National Broadband Plan reflects important progress, along with the other steps we are taking to free up new spectrum for mobile broadband. But demand for spectrum capacity continues to increase at a dramatic rate, so we can no more declare mission accomplished in mobile than we can in fixed broadband.

Having the very best data is critical to tackling each of these challenges. This is our first Broadband Progress Report ever to include extensive data on mobile broadband and the availability of next-generation, high-speed services. It incorporates the most robust analysis of international data that the Commission has ever done. And we're releasing it with new online, interactive maps, which show exactly where broadband is and isn't available and provide technology-by-technology deployment statistics for every county in the nation.

To ensure our Report keeps pace with changing demands, today we also adopt a Notice of Inquiry to seek public input on how to assess our Nation's progress toward its broadband goals in next year's Report. As the importance of mobile broadband continues to grow for American consumers and businesses, mobile broadband should be incorporated in our analysis in the Ninth Broadband Progress Report. And our Report needs to formally include an evaluation the

deployment of next generation services, which promote a mindset of abundance, and fuel world-leading innovation. Today's Inquiry lays the foundation for these important updates.

It is our responsibility to ensure that our goals for broadband availability reflect the real needs of American consumers and businesses. One study projects that the average Internet household will generate over 130 gigabytes of traffic per month by 2016 at a compounded growth rate of 21% a year. Meanwhile, the average smartphone user consumed 435 MB a month in early 2011, an increase of 89% from the year before.

In short, the goalposts *are* moving. Every year consumers and businesses need higher speeds and more capacity to keep up, innovators need new test beds for the latest technologies, and our competitors around the world are pushing hard to gain a strategic advantage by deploying faster, higher capacity broadband to their citizens. As broadband providers respond to meet this incredible demand, so too our broadband benchmarks and our broadband policies must keep up with these changes to foster economic growth, job creation, and our global competitiveness.

I thank the staff of the Wireline Competition Bureau and Wireless Telecommunications Bureau for their excellent work on this item.