

## **America's Internet Disconnect**

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America's record in expanding broadband communication is so poor that it should be viewed as an outrage by every consumer and businessperson in the country. Too few of us have broadband connections, and those who do pay too much for service that is too slow. It's hurting our economy, and things are only going to get worse if we don't do something about it.

The United States is 15th in the world in broadband penetration, according to the International Telecommunication Union (ITU). When the ITU measured a broader "digital opportunity" index (considering price and other factors) we were 21st -- right after Estonia. Asian and European customers get home connections of 25 to 100 megabits per second (fast enough to stream high-definition video). Here, we pay almost twice as much for connections that are one-twentieth the speed.

How have we fallen so far behind? Through lack of competition. As the Congressional Research Service puts it, U.S. consumers face a "cable and telephone broadband duopoly." And that's more like a best-case scenario: Many households are hostage to a single broadband provider, and nearly one-tenth have no broadband provider at all.

For businesses, it's just as bad. The telecom merger spree has left many office buildings with a single provider -- leading to annual estimated overcharges of \$8 billion. Our broadband infrastructure should be a reason companies want to do business in the United States, not just another reason to go offshore.

The stakes for our economy could not be higher. Our broadband failure places a ceiling over the productivity of far too much of the country. Should we expect small-town businesses to enter the digital economy, and students to enter the digital classroom, via a dial-up connection? The Internet can bring life-changing opportunities to those who don't live in large cities, but only if it is available and affordable.

Even in cities and suburbs, the fact that broadband is too slow, too expensive and too poorly subscribed is a significant drag on our economy. Some experts estimate that universal broadband adoption would add \$500 billion to the U.S. economy and create 1.2 million jobs.

Future generations will ultimately pay for our missteps. Albert Einstein reportedly quipped that compound interest is the most powerful force in the universe. Investment in infrastructure is how a nation harnesses this awesome multiplier. Consider that 80 percent of the growth in fiber-to-the-home (super-high-speed) subscribers last year was not in the United States but in Japan. One does not need Einstein's grasp of mathematics to understand that we cannot keep pace on our current trajectory.

I don't claim to have all the answers. But there are concrete steps government must take now to reverse our slide into communications mediocrity.

To begin with, the Federal Communications Commission -- of which I am a member -- must face up to the problem. Today the agency's reports seem designed mostly to obscure the fact that we are falling behind the rest of the world. The FCC still defines broadband as 200 kilobits per second, assumes that if one person in a Zip code area has access to broadband then everyone does and fails to gather any data on pricing.

The FCC needs to start working to lower prices and introduce competition. We must start meeting our legislative mandate to get advanced telecommunications out to all Americans at reasonable prices; make new licensed and unlicensed spectrum available; authorize "smart radios" that use spectrum more efficiently; and do a better job of encouraging "third pipe" technologies such as wireless and broadband over power lines. And we should recommend steps to Congress to ensure the FCC's ability to implement long-term solutions.

We need a broadband strategy for America. Other industrialized countries have developed national broadband strategies. In the United States we have a campaign promise of universal broadband access by 2007, but no strategy for getting there. With less than two months to go, we aren't even within shouting distance.

The solution to our broadband crisis must ultimately involve public-private initiatives like those that built the railroad, highway and telephone systems. Combined with an overhaul of our universal service system to make sure it is focusing on the needs of broadband, this represents our best chance at recapturing our leadership position.

It seems plain enough that our present policies aren't working. Inattention and muddling through may be the path of least resistance, but they should not and must not represent our national policy on this critical issue.

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