

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)
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A National Broadband Plan for Our Future) GN Docket No. 09-51
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To: The Commission

COMMENTS OF THE TELECOMMUNICATIONS INDUSTRY ASSOCIATION

The Telecommunications Industry Association (“TIA”) hereby submits comments in response to the Commission’s request for comments regarding its National Broadband Plan (NBP) Public Notice #19 – The Role of the Universal Service Fund and Intercarrier Compensation

INTRODUCTION

TIA is the leading trade association for the information and communications technology (“ICT”) industry, representing companies that manufacture or supply the products and services used in global communications across all technology platforms. TIA represents its members on the full range of public policy issues affecting the ICT industry and forges consensus on industry standards. Among their numerous lines of business, TIA member companies design, produce, and deploy a wide variety of

equipment and devices used in the provision of broadband and broadband-enabled applications and services. TIA shares the goal of the Commission and the National Broadband Plan (“Plan”) of making broadband available and affordable to all Americans. TIA supports transition of the universal service system to broadband and urges the Commission to include this recommendation in the Plan.

I. THE COMMISSION SHOULD TRANSITION THE HIGH-COST FUND TO EXPLICITLY AND EXCLUSIVELY SUPPORT BROADBAND.

- a. To ensure timely migration to next-generation networks and services, the Commission should gradually transition support away from the existing “narrowband” funds to a Broadband Fund.**

As part of its National Broadband Plan, the Commission should transition the Universal Service Fund from the existing “narrowband” funds to a Broadband Fund. Such a transition explicitly supports the Plan’s goal of universal broadband deployment and adoption enumerated by the Commission.¹ Support for ubiquitous, affordable broadband is essential to education, public health, public safety, economic recovery, and civic participation and is consistent with the Telecommunications act of 1996.²

TIA has consistently urged the Commission to transition high-cost universal service support toward next-generation wireless and wireline broadband networks:

Consistent with the recommendation of the Federal-State Joint Board on Universal Service, the development of a fund aimed at subsidizing the build-out of next-generation wireless and wireline broadband networks (the “Broadband

¹ *A National Broadband Plan for Our Future*, Notice of Inquiry, FCC 09-51 (rel. Apr. 8, 2009) (“Broadband NOI”).

² 47 U.S.C. 706: “The Commission and each State commission with regulatory jurisdiction over telecommunications services shall encourage the deployment on a reasonable and timely basis of advanced telecommunications capability to all Americans (including, in particular, elementary and secondary schools and classrooms) by utilizing, in a manner consistent with the public interest, convenience, and necessity, price cap regulation, regulatory forbearance, measures that promote competition in the local telecommunications market, or other regulating methods that remove barriers to infrastructure investment.”

Fund”) will promote investment in and deployment of next-generation networks, applications, and devices across the United States, particularly in rural America.³

Broadband support should extend beyond initial deployment in unserved areas, covering deployment in areas with little or no broadband service and the continued operation of existing broadband service. Congress declared in section 254 of the Communications Act that consumers in high-cost locales should receive service “reasonably comparable to those services provided in urban areas,” at rates “that are reasonably comparable to rates charged for similar services in urban areas.”⁴ If the Commission is to fulfill this goal, it should permit support for the deployment and operation of new broadband networks, as well as the upgrade of broadband service in areas where it is not reasonably comparable to urban areas.

This transition must occur in a manner that is technologically and competitively neutral. Given the wide distribution of broadband-capable spectrum and facilities among diverse providers, funds should be awarded to those high-speed broadband network providers that can provide the supported service in the most efficient manner – regardless of the technology used to provide that service – so that we can reach our universal broadband goal cost-effectively.⁵

b. If an immediate switch is not possible, Commission should make the transition over five years.

If a technology and competitively neutral approach is not immediately possible, support should transition from narrowband service to broadband service over time, with

³ Comments of the Telecommunications Industry Association (TIA), Broadband NOI, at 23 (filed June 5, 2009).

⁴ 47 U.S.C. 254(b)

⁵ See Comments of TIA, Broadband NOI; *In the Matter of High-Cost Universal Support*, Comments of TIA, WC Docket No. 05-337 (filed April 18, 2008).

all technologies competing for broadband funds. Specifically, narrowband support should be phased out in as little as five years in favor of support mechanisms that promote broadband connectivity and market-based competition. This would create a strong incentive for eligible providers to invest in next-generation wireless and wireline facilities. If full technology and competitive neutrality is not possible, the Commission must ensure that support for existing service does not inhibit deployment of next-generation wireless and wireline offerings. In addition, the application of such a phase-over plan in a set period of time will ensure that the Broadband Fund has a meaningful chance to address the public's desire for more ubiquitous broadband availability in a timely and efficient manner.⁶

II. LIFELINE AND LINK-UP PROGRAMS SHOULD BE EXTENDED TO SUBSIDIZE BROADBAND FOR LOW-INCOME AMERICANS.

a. Lifeline and Link-Up programs should be extended to fund broadband services and equipment for low-income Americans.

Since 1984 the Lifeline and Link-Up programs have ensured that local traditional local telephone service is affordable for low-income households, and TIA urges the Commission to extend these programs to fund broadband services and equipment for low-income Americans.⁷ This extension should include subsidization for the recurring costs of broadband subscriptions and the fixed cost of a laptop, computer equipment, or other broadband devices. Again, this recommendation is consistent with the Commission's goals of driving broadband deployment and adoption through the Plan.

⁶ *Id.*

⁷ The programs originated in 1984 and 1985 under the FCC's general authority under 47 U.S.C. §§151, 154(i), 201 & 205 (1934).

The Plan seeks to eliminate barriers to broadband adoption and cost is clearly a prohibitive factor for some Americans. For example, the Pew Internet and American Life Project recently found that 35% of dial-up users cited the price of service as a barrier to broadband adoption.⁸ Indeed, Pew found that while households with annual incomes above \$75,000 had an 85% adoption rate, only 25% of households with annual incomes of \$20,000 or less used broadband service.⁹ The Lifeline and Link-Up programs directly address this barrier by creating a compelling value proposition for first time users. A recent FCC report concludes that since 1985, when Lifeline began, low-income subscribership has increased almost 10%.¹⁰ The report also concludes that low-income subscribership has grown by 4% since 1997 in states with higher Lifeline subsidy amounts, compared to only 1.4% in states with lower levels of Lifeline support. The Lifeline and Link-Up programs can be used to boost low-income home broadband use in the same way.

b. The extension of Lifeline and Link-Up programs to broadband would further the Plan’s goal of furthering accessibility for individuals with disabilities.

The extension of Lifeline and Link-Up funds to broadband would also further the Plan’s goal of making broadband more accessible to individuals with disabilities.¹¹

Americans with disabilities on average earn less and experience lower unemployment

⁸ See Pew Internet and American Life Project, Home Broadband Adoption 2009 14 (June 2009), available at <http://www.pewinternet.org/~media/Files/Reports/2009/Home-Broadband-Adoption-2009.pdf>, at 40. See also *id.* at 41 (noting that 10% of non-Internet users cite price as the “main reason” for non-use).

⁹ See *id.* at 3-4.

¹⁰ *FCC Telephone Penetration by Income Report*, available at: <http://www.fcc.gov/web/stats> (rel. Aug. 6, 2009).

¹¹ See Comments of TIA, Broadband Plan NOI at 26; Comments of TIA, Broadband NOI at 8 (filed Sept. 15, 2009).

rates than overall population, making cost a particularly prohibitive barrier for this population.¹² Supporting broadband in these programs has garnered extensive support from the disability community, and TIA urges the Commission to take this step.¹³

c. The Commission should provide Lifeline and Link-Up funds in a form that is technology and competitively neutral and promotes consumer choice.

Given the rapidly changing communications technology landscape, the Commission should craft a broadband Lifeline/Link-Up program that is technology and competitively neutral and provides flexibility to consumers. Since Lifeline and Link-Up were formed twenty-five years ago, the communication service market has significantly evolved. Service is now offered through a variety of technologies, including DSL, cable, fixed wireless, mobile wireless, satellite, and fiber, and through various pricing mechanisms.

Under a technology and competitively neutral program, consumers should be able to use Lifeline and Link-Up funds for any form of broadband, regardless of the technology. The Commission should consider implementing a voucher system to meet this objective. Under a voucher system, subscribers could use Lifeline and Link-Up for any broadband equipment (*e.g.*, computers), connectivity, and service, promoting consumer choice and competition.

¹² Comments of the Coalition of Organizations for Accessible Technology (“COAT), Broadband NOI at 13, (filed June 9, 2009).

¹³ *Id.* at 13-14.

CONCLUSION

TIA appreciates the opportunity to comment on these important issues and we look forward to working with the Commission on achieving universal broadband availability and adoption for all Americans.

Respectfully submitted,

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