

**A DATA DRIVEN POLICY CONCLUSION:
IT'S TIME TO CHANGE BROADBAND
POLICY IN AMERICA**

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State of Telecom:

**National Next-Generation Broadband Plans
Session on Emerging Market Structure**

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The data clearly shows that the U.S. has performed poorly in broadband deployment and adoption

because

the policy of *laissez faire* reliance on a deregulated duopoly has failed miserably,

but

this is a reversible error. If we change policies we can achieve achieve digital inclusion and digital evolution.

Figure 9: Controlling for Urbanicity and Industry Concentration, the U.S. is Outperformed by 15 OECD Nations

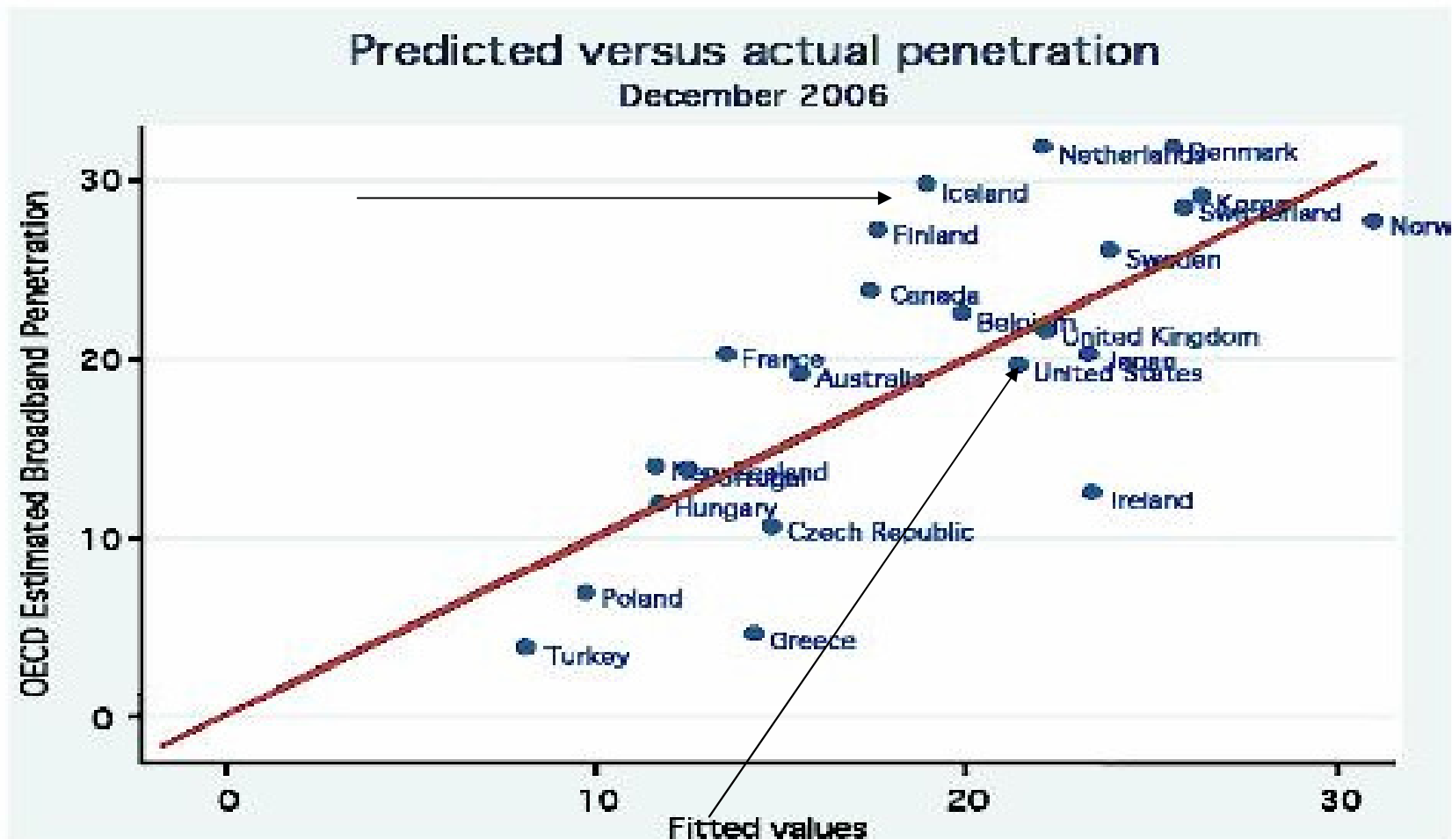


Figure 10:

Lowering Expectations Does not Improve the Picture: The U.S. Ranks 14th on Performance and 13 nations are Outperforming the U.S.

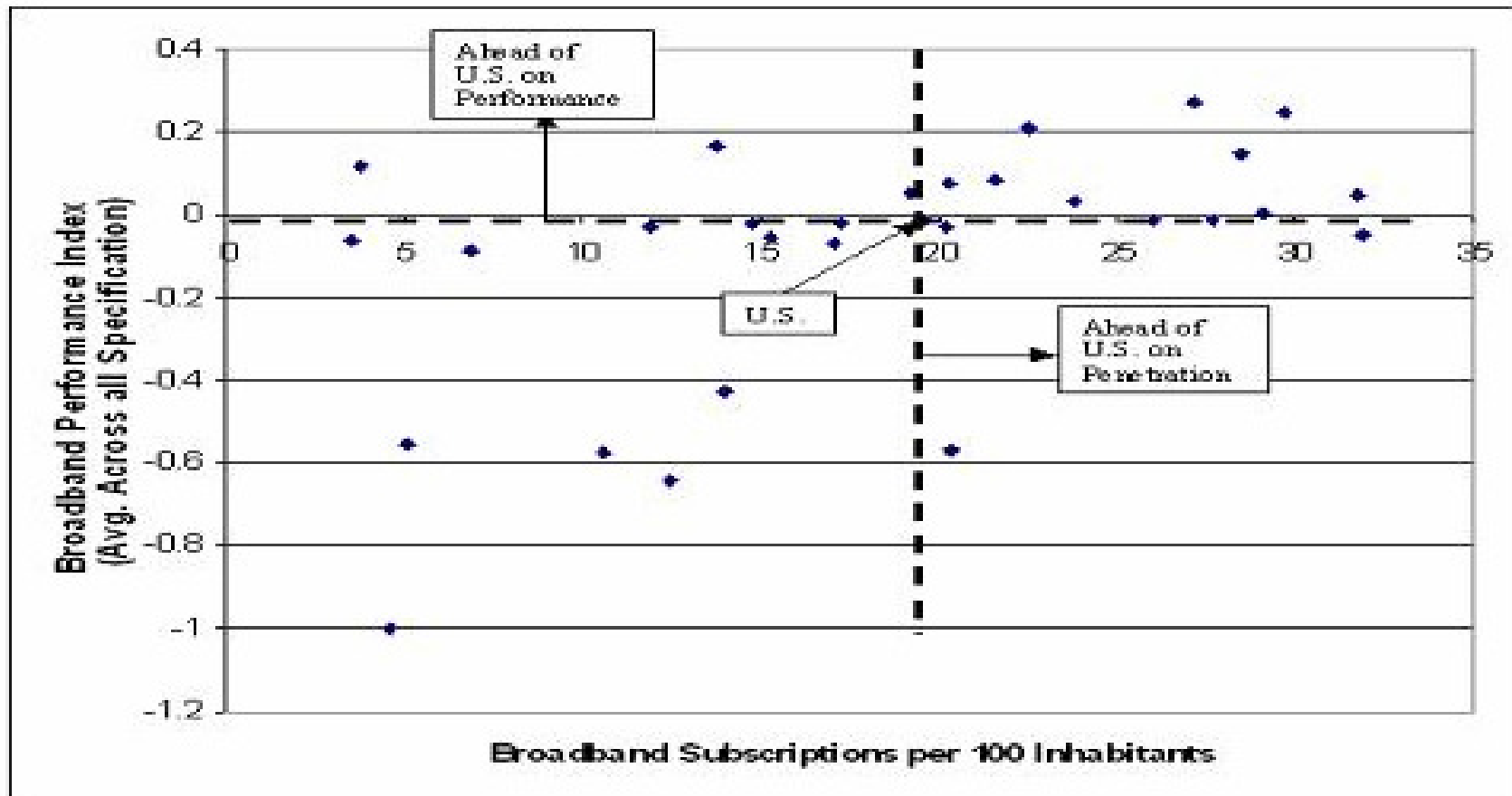


Figure 10: The U.S. is Underperforming on the ITIF Index, while the Nations Ahead of It are Over performing

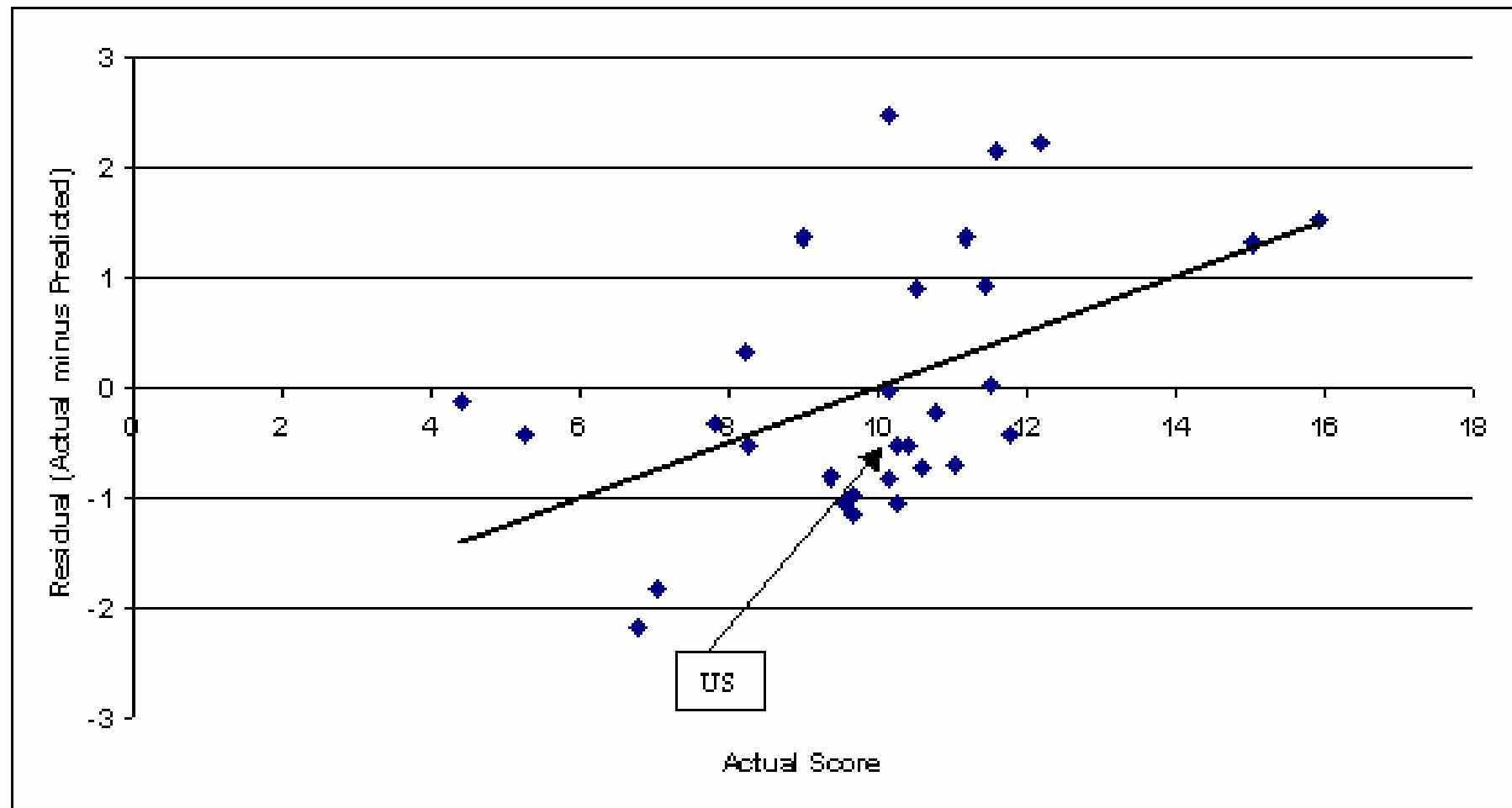


Figure 2: ITU ICT Development Indicators (Size of Circles = Backbone/Sub)

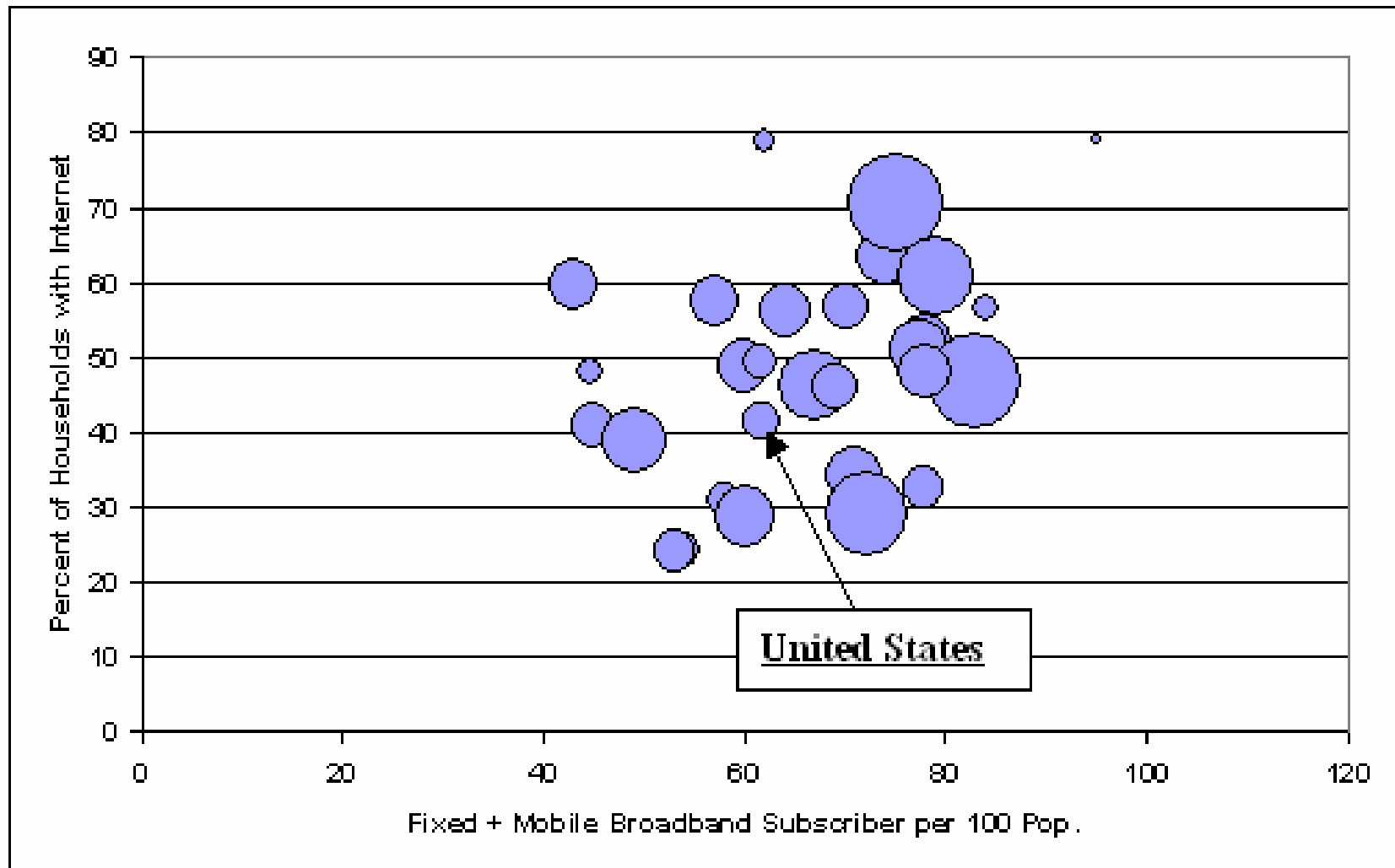
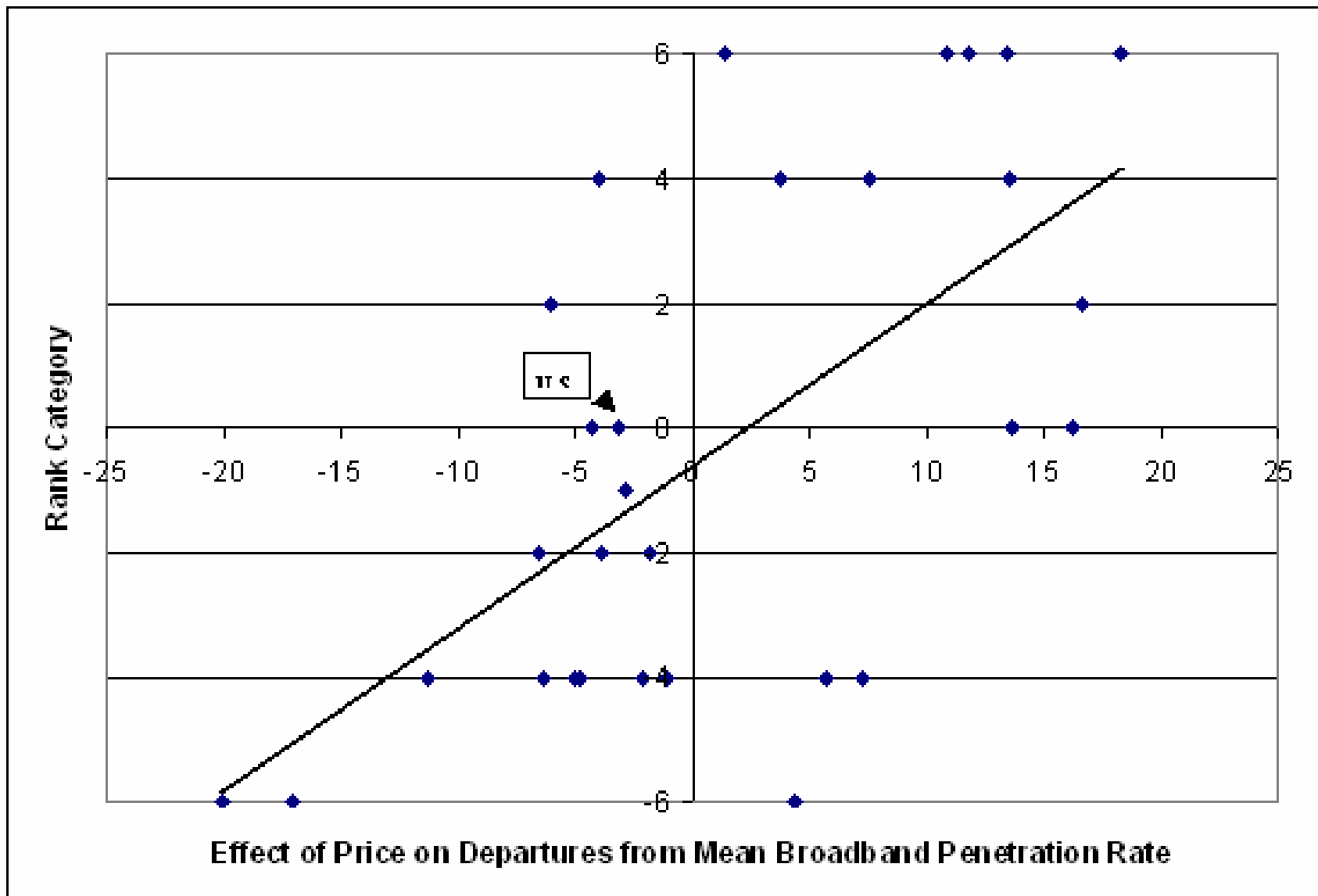
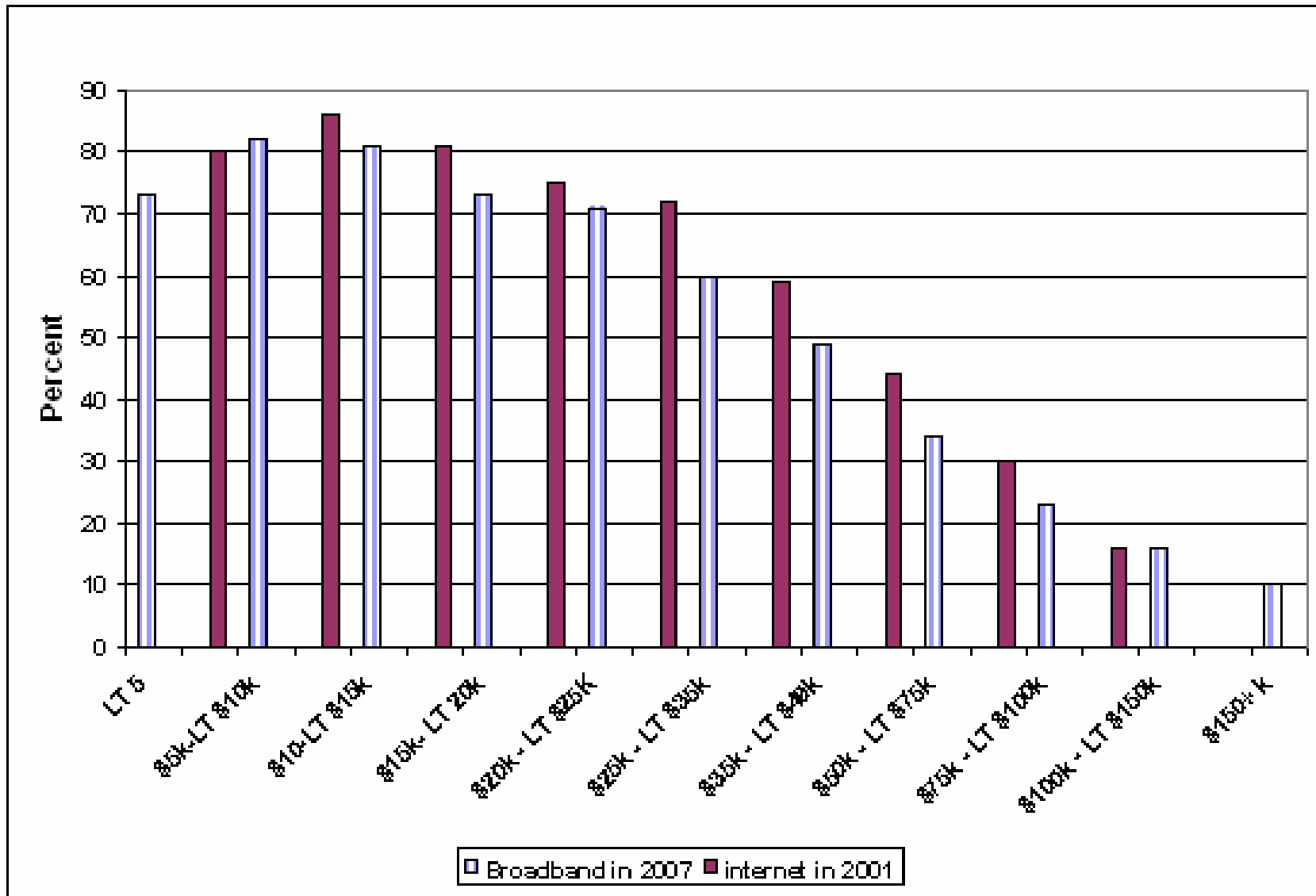


Figure 14: Nations Ranked Ahead of the U.S. on Six Indices and Effects of Price



**Figure 5 The Digital Divide Persists in Broadband:
Households without Broadband 2007 v. Households without Internet 2001**



A Policy of Neglect is Not Benign:

The cozy duopoly of cable and telcos, bribed with deregulation, but facing weak competition, dribbled out broadband at high prices.

The telcos were rewarded for refusing to compete head-to-head by being allowed to buy each other up.

Wireline competition was further squelched by failing to prevent pricing abuse of key network services (like wholesale loops and special access) that were critical for new entrants (either landline or wireless) to compete.

Wireless competition was undermined by allowing the largest incumbent wireline companies to expand their control over wireless communications by lifting the cap on spectrum ownership

The FCC sought to slash the power of local governments to establish public interest obligation on cable communications companies, who were moving into the communications business, to meet the needs of local communities. This triggered a race to the bottom,

Assuming that the marketplace would work its magic, the FCC failed to reform the universal service fund so that it would support advanced communications facilities in rural areas or make them more affordable in urban areas.

These are reversible errors. We voted for change we can believe in.

I'll believe it when I see it.