

A Strong Broadband Policy

A strong national broadband policy is now on the table, though carriers, who would benefit in the long run, worry about the disruption it may cause in the short run.

By Steven S. Ross / *Broadband Communities*

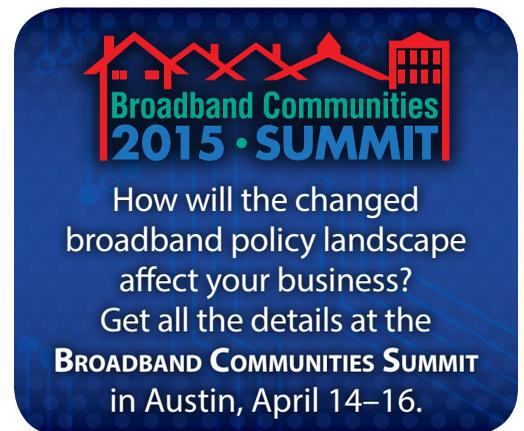
President Obama and the Commerce Department's National Telecommunications and Information Administration (NTIA) have offered a coordinated attack on the nation's broadband problems. The proposals put forth are ones this magazine has endorsed or suggested over the years. What's on the table now? Where might it falter?

No blocking. An Internet service provider must allow access to all legal websites or services, not only those commercially affiliated with the ISP. There have been few blocking incidents, but some have involved major carriers. Most incidents center on Wi-Fi calling.

No throttling. ISPs should not be allowed to intentionally slow down, speed up or degrade content. But can the FCC prevent carriers from holding trunk upgrades hostage to concessions from content providers? Right now, one major carrier is delaying upgrades of its trunks and interconnections into California. Other cases occur as 10 Gbps and 40 Gbps switches become easily upgradable to 100 Gbps. The carriers believe they are in a far stronger position to demand "fast lane" tolls from content providers *before* upgrading than they would be if they upgraded first and then throttled.

Accounts of blocking or throttling due to peering disputes reach us every week or so.

Increased transparency. The "last mile" connection between consumers and ISPs is only one potential choke point. President Obama asked the FCC to aggressively use the transparency authority the D.C. Circuit Court



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of Appeals recently upheld to examine peered and paid interconnections between ISPs and the rest of the Internet.

No paid prioritization. No content or service should be stuck in a "slow lane" because it does not pay a fee or because an ISP imposes some other restriction. The White House justification is that prioritization undermines the level playing field it deems essential to the Internet's growth. One interesting firefight concerns some large content providers, such as Facebook, making side deals with mobile carriers to exempt their content from usage caps. Usually, a mobile data plan comes with a 3 to 5 GB monthly cap on high-speed data access.

No state restrictions on public broadband. If a municipality cannot get good broadband from an existing provider, it

should be able to build its own network or cooperate with a willing (typically local) carrier in a public-private partnership. Today, at least 19 states restrict municipal- or county-owned broadband. However, it is unclear that the FCC or the White House has authority to abrogate those restrictions.

The NTIA proposed a program to help municipalities and other governmental entities determine the feasibility of building public or public-private networks and to create business plans good enough to hunt for financing. The assistance would come through some hands-on consulting and some regional informational conferences over the coming two years. The NTIA also released an updated manual for local governments and cooperating carriers to use for planning (originally published in 2013) and noted that \$40 million in loans is available now for rural broadband through the Department of Agriculture's Community Connect program. See www.ntia.doc.gov/broadbandusa for the latest on those initiatives.

At the same time, the NTIA released a report on the benefits of the \$4.7 billion in Broadband Technology Opportunities Program (BTOP) grants funded by the 2009 stimulus program. The key takeaway: as much as \$21 billion a year in new economic activity.

The White House also announced a 12-agency search for ways to stimulate, or at least not impede, broadband projects nationwide. A new Broadband Opportunity Council will oversee that effort and solicit public comment on opportunities to promote greater agency coordination.

The White House is seeking to expand the national movement of local leaders for better broadband. Fifty cities representing more than 20 million Americans have joined the Next Century Cities coalition, a nonpartisan network pledging to bring fast, community-supported broadband to their towns and cities. They join 37 research universities around the country that formed the Gig.U partnership to bring fast broadband to

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communities around their campuses.

This builds on the US Ignite partnership, launched by the White House in 2012, which now includes more than 65 research universities and 35 cities developing new next-generation gigabit applications.

Especially after conducting the **BROADBAND COMMUNITIES** study, released in December, that showed how lack of access to good broadband can lead to extremely low and even negative population growth, I certainly believe these initiatives make sense, at least at the level of detail being discussed. I have reservations about how they can be implemented, however. Already, bills introduced in the House and Senate would ban FCC enforcement of any restrictions under Title II or Section 706 of the Telecommunications Act.

The response from carriers was overwhelmingly negative. (Sprint, a company that depends heavily on cell towers and backhaul rented from Tier 3 local exchange carriers, is a notable exception.) The cable industry is protesting that it spent \$230 billion to bring broadband access to 93 percent of U.S. households. Well, not great, affordable broadband. Akamai says only 19 percent of U.S. homes have the 15 Mbps necessary to stream 4K video.

As detailed in the December **BROADBAND COMMUNITIES** study, few households in more than half the nation's counties have access to 25 Mbps, the FCC's likely new definition of broadband.

A well-built municipal system (or access to public assets in a public-private partnership) should be open to all carriers and to all content and service providers. They would get a

chance to sell products and services with vastly higher revenue potential and much greater reliability than they would by nursing ancient infrastructure to drain a few extra years of cash out of hapless, captive customers. Hence the White House emphasis on public-private partnerships. It's a win-win.

Yet Wall Street devalued national carriers' stock by 5 percent or more the next day. Seems inexplicable.

Legislators in states with municipal broadband restrictions are really saying they don't care about the well-being of rural citizens. They are saying they don't care about local banks and existing rural utilities – water, power, roads, small struggling telecom companies – that will continue to lose customers as rural populations stagnate. They are saying they don't care that cities will have to fund infrastructure expansion because of increased population growth.

Governments fund roads and other services to stimulate economic development. They even fund stadiums, monuments and public art. They gladly fund billions in tax abatements with no proven effects. However, they shy away from broadband despite the fact that improving broadband is one of the cheapest and fastest routes to job growth.

The White House is aiming to hold what it calls a broadband summit in June for mayors and other stakeholders. That's wonderful. We expect a lot of sizzle. We hope that some steak will actually be cooked as well. ❖

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