



TELECOMMUNICATIONS

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Broadband Update: The Devil is in the Details

The FCC recently concluded in its Sixth Broadband Deployment Report that between 14 and 24 million Americans still lack access to broadband or “[advanced telecommunications capability](#)” that enables users to originate and receive high-quality voice, data, graphics, and video telecommunications using any technology. The FCC, in its July 20th Report, estimates that 1,024 out of 3,230 counties in the United States and its territories are unserved by broadband and, on average, these unserved areas are home to 24 million Americans living in 8.9 million households with a population density of 138.3 people per square mile and a per capita income of \$14,565 measured in 1999 dollars. The FCC’s estimates of broadband availability are based primarily on the Model that FCC staff created in conjunction with the development of the National Broadband Plan, and the broadband subscribership data the FCC collects on FCC Form 477.

The FCC applied a “de minimis threshold,” under which it found broadband to be available in a county only if at least 1 percent of the households in that county subscribe to broadband. Stated differently, broadband is deemed available in a county if it is unavailable to up to 99% of the households in that county! Given this relatively low threshold, the FCC data may tend to actually overstate broadband availability in the United States. These and other details are critical to understanding the full impact of the FCC’s data.

So how and when will broadband deployment improve in the United States? The Report proposes to meet the FCC’s goal of deployment to all Americans by implementing key recommendations from the FCC’s National Broadband Plan, including reforming the FCC’s universal service programs, unleashing spectrum for [mobile](#) broadband, reducing barriers to

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investment, collecting better broadband data, and upgrading the standard from 200 kilobits per second downstream, to 4 megabits per second (Mbps) downstream and 1 Mbps upstream.

As we noted last week in our [Back to the Future](#) article, other possible solutions involve changing the regulatory classification of broadband, and moving it from an information service to a more heavily regulated telecommunications service. Critics of this approach typically raise concerns of increased costs and regulatory delays, ultimately leading to reduced or stifled broadband availability. This debate is currently playing out in comments and reply comments filed with the FCC in response to the National Broadband Plan. Given enough spectrum, engineering solutions such as higher transmitter power, and high-gain directional antennas may also enhance broadband access.

Are the FCC's goals realistic? Are they aggressive enough? Ever increasing demand for high quality video, data, and graphics are primary drivers for broadband, as evidenced by videos posted to YouTube and other sites. One company cited in the Report forecasts that video consumption on fixed and mobile networks will grow at over 40% and 120% per year, respectively, through 2013. Hopefully the FCC's targeted broadband speeds won't be obsolete before they are met.

Will the FCC's goals and possible solutions make America competitive with countries such as South Korea and Finland that have much greater broadband deployment? Hopefully the FCC's International Broadband Data Report to be "released shortly" will shed more light on the bigger picture of how America weighs in on the worldwide broadband scale, including a comparison of data transmission speeds and price for broadband service capability in a total of 75 communities in at least 25 countries abroad.

Let us know what you think at our interactive blog!

If you have questions about this issue, or if we may be of assistance to you, please feel free to contact us.

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