

# Connecting America

## Overview of the National Broadband Plan

TAP INTO THE MOST VALUABLE BROADBAND RESOURCE AVAILABLE



Building Fiber-to-the-Home  
Communities **Together**



# Background on the National Broadband Plan

- Development of the plan was initiated on 2/17/2009 (language included in ARRA bill)
- Omnibus Broadband Initiative delivered its 376 page report to Congress on March 16, 2010
- The OBI team consisted of 83 members under the leadership of Blair Levin
- Public input
  - 36 public workshops with over 10,000 in-person and online attendees
  - 23,000 comments totaling 74,000 pages
  - 1,100 ex parte filings totaling 13,000 pages
  - 9 public hearings

# National Broadband Plan Document

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- After summarizing the current state of broadband in the United States, the document takes a comprehensive approach
- Part 1: Innovation and Investment
  - Competition, spectrum, infrastructure and R&D
- Part 2: Inclusion
  - Availability, Adoption and utilization
- Part 3 National Purposes
  - Health care, education, energy and the environment, economic opportunity, government performance, civic engagement, public safety

# Proposed Long Term Goals

- Goal 1: 100 million U.S. homes with access to actual speeds of 100 mbps down and 50 mbps
- Goal 2: U.S. should lead mobile innovation with the fastest and most extensive wireless network
- Goal 3: Every American should have access to affordable broadband access (4Mbps/1 Mbps)
- Goal 4: Every American community should have access to 1 Gbps to anchor institutions
- Goal 5: A wireless nationwide, interoperable public safety network
- Goal 6: Every American can track and manage energy usage in real time

# Bandwidth Goals

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## Universal Service Target:

- 2020: Every US household and business will have access to actual speeds of 4 Mbps down and 1 Mbps up. This goal will be reset every 4 years

## High Speed Targets

- 2015: 100 million homes should have access to actual speeds of 50 Mbps down and 20 Mbps up
- 2020: 100 million homes should have access to actual speeds of 100 Mbps down and 50 Mbps up

# Plan View of Government's Role

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- Design policies to ensure robust competition
- Ensure efficient allocation of assets, such as spectrum, poles and right-of-ways
- Reform of existing programs, such as Universal Service fund
- Reform policies and incentives to maximize the benefits of broadband in key applications

# Competition Policies

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- Collect and publish detailed broadband service pricing by market
- Develop disclosure requirements so consumers can accurately gauge the services offered
- Review wholesale competition rules
- Open up more unlicensed spectrum
- Increase spectrum for wireless backhaul
- Achieve a competitive environment in set top boxes
- Enable state and local entities to offer broadband

# Allocation of Assets

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## Wireless Assets

- Make 500MHz of new spectrum available, at least 300 MHz for mobile
- Provide incentives to repurpose existing spectrum
- Greater transparency on spectrum assignment
- Encourage innovation in spectrum utilization and efficiency

# Allocation of Assets

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## Wireline Assets

- Establish cost effective, uniform rates for access to poles; expedite attachment and make ready
- Foster better practices for accessing right-of-ways, particularly those on federal facilities
- Encourage deployment of broadband infrastructure during construction of federally funded highway and bridge projects
- Deploy high bandwidth networks at Department of Defense facilities, including military residences

# Incentives for Universal Availability and Adoption

- Connect America Fund (CAF): 4 Mbps (down) and 1 Mbps (up) to every US home. Shift 100% from USF to CAF in 10 years
- Create Mobility Fund to ensure national coverage of 3G wireless
- Reform inter-carrier compensation by eliminating per minute charges
- Broaden the USF contribution base to ensure fairness and adequate revenue over time
- Take steps to ensure affordability of broadband
- Increase digital literacy skills

# Reform Policy to Meet National Priorities

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- Modify the FCC Rural Health Program and increase incentives for e-care health initiatives
- Improve connectivity to schools and libraries by upgrading FCC E-rate program
- Utilize broadband to modernize the way energy is distributed and used by consumers
- Make government more efficient and transparent through broadband (ICT) technologies
- Support deployment of a nationwide mobile public safety network
- Promote new E911 and emergency alert systems

# Implementing the Plan

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- Plan is revenue neutral to revenue positive (due to sale of 500 MHz of spectrum)
- Most recommendations require no government funding-no Congressional action
- FCC responsible for half of the recommendations
  - FCC to publish a timetable of proceedings to implement plans recommendations under the FCC's jurisdiction
  - Report on plan progress through its annual 706 report
  - Create a Broadband Data Depository as a public resource

# National Broadband Plan Observations

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- Comprehensive approach
  - Plan has much larger scope than many expected
- Pragmatic
  - Plan takes the country as it is and works with it
- Multifaceted
  - Large number of recommendations
- Technology neutral
  - Case is made for high bandwidth without favoring one technology over another
- Next steps and benchmarks defined
  - But the plan is a work in progress, with many implementation details to be fleshed out over time

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# **NATIONAL BROADBAND PLAN: IMPLEMENTATION**

## **FTTH Council Workshop**

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March 24, 2010

# BROADBAND COMPETITION AND INNOVATION POLICY

- **NETWORKS**

- Collect more detailed and accurate data on actual availability, penetration, prices, churn and bundles offered by broadband service providers
- Establish technical broadband performance measurement standards and methodology
- Measure and publish data on actual performance of fixed broadband services
- Initiate a NPRM to determine performance disclosure requirements
- Develop performance standards for multi-unit buildings and small businesses
- Review whole competition regulations
- Ensure special access rates are just and reasonable
- Ensure appropriate balance in copper retirement policies
- Clarify IP-to-IP interconnection rights and obligations

# BROADBAND COMPETITION AND INNOVATION POLICY

- **DEVICES**

- Initiate a proceeding to ensure all MVPDs install a gateway device in all new homes and in all homes requiring replacement set-top boxes starting Dec. 31, 2012

- **APPLICATIONS**

- Consider clarifying relationship between users and their online profiles
- Develop principles to require that customers provide informed consent before broadband service providers share certain types of information with third parties
- Put additional resources into combating identity theft and fraud

# INFRASTRUCTURE

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- **Improving Utilization of Infrastructure**
  - Establish rental rates for pole attachments that are as low and close to uniform as possible to promote broadband deployment
  - Implement rules that will lower the cost of the pole attachment “make ready” process
  - Establish a comprehensive timeline for each step of the Section 224 access process and reform the process for resolving disputes
  - Improve the collection and availability of information regarding the location and availability of poles, ducts, conduits and rights-of-way

# INFRASTRUCTURE

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- **MAXIMIZING IMPACT OF FEDERAL RESOURCES**
  - US Dept. of Transportation should make federal financing of road/bridge projects contingent on states and localities allowing joint deployment of conduit
  - Congress should consider enacting “dig once” legislation applying to all future federally funded projects along rights-of-way
  - Congress should consider expressly authorizing federal agencies to set the fees for access to federal rights-of-way on a management and cost recovery basis

# AVAILABILITY

- **COMPREHENSIVE REFORM OF UNIVERSAL SERVICE AND INTERCARRIER COMPENSATION**
- **Stage 1 (2010-2011)**
  - **Improve USF performance and accountability**
    - Move oversight of audits to Managing Director's Office
    - Implement a new Improper Payments Information Act assessment program
    - Implement a new compliance audit program
  - **Create the Connect America Fund (CAF)**
    - Funding for broadband and high-quality voice-grade service in "unserved" (less than 4 Mbps down and 1 Mbps up) areas
    - At most one subsidized provider of broadband per area
    - Eligibility criteria should be company- and technology-agnostic
    - Use mechanisms to ensure funding is efficient
  - **Create the Mobility Fund (One time support for deployment of 3G networks)**

# AVAILABILITY

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- **Stage 1 (2010-2011) Continued**
  - **Identify Opportunities to Shift up to \$15.5 billion in High Cost Funding over Next Decade**
    - Implement voluntary commitments of Sprint and Verizon Wireless to reduce use of High-Cost funding as CETCs to zero over five year period
    - Require rate-of-return LECs to move to incentive regulation (leading to freeze of Interstate Common Line Support payments)
    - Redirect access replacement funding (Interstate Access Support) toward broadband deployment
    - Phase out the remaining legacy High-Cost support for CETCs

# AVAILABILITY

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- **COMPREHENSIVE REFORM OF UNIVERSAL SERVICE AND INTERCARRIER COMPENSATION**
- **Stage 1 (2010-2011)**
  - Adopt a framework for Intercarrier Compensation (ICC) reform that would eliminate per-minute charges over time while enabling cost recovery through other mechanisms
  - Examine middle-mile costs and pricing

# AVAILABILITY

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- **COMPREHENSIVE REFORM OF UNIVERSAL SERVICE AND INTERCARRIER COMPENSATION**
- **Stage 2 (2012-2016)**
  - **Begin making disbursements from the CAF**
  - **Broaden the universal service contribution base**
  - **Begin a staged transition of reducing per-minute rates for inter-carrier compensation (ICC)**
    - Reduce intrastate access charges to interstate levels over two to four years while permitting increases in subscriber line charges
    - Reduce interstate charges to reciprocal compensation levels
    - Reduce originating access rates

# AVAILABILITY

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- **COMPREHENSIVE REFORM OF UNIVERSAL SERVICE AND INTERCARRIER COMPENSATION**
- **Stage 3 (2017-2020)**
  - Manage the total size of the USF to remain close to its current size (in 2010 dollars)
  - Eliminate the legacy High-Cost program, with all federal funding to flow through the CAF
  - Continue reducing ICC rates by phasing out per-minute rates for the origination and termination of telecommunications traffic

# Impact on FTTH Deployments

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## **Favorable for FTTH**

- Goal of 100 million homes with 100 Mbps down and 50 Mbps up encourages deployment of FTTH
- Shift of USF to a capital fund (CAF) pressures service providers to lower ongoing operating costs

## **Unfavorable for FTTH**

- High cost service providers with existing FTTH deployments will lose USF revenue source over time
- CAF goes to lowest cost solution to fund only deployments in “unserved” (4/1 Mbps) areas