TELECOMMUNICATIONS

Broadband Deployment Plan Should Include Performance Goals and Measures to Guide Federal Investment

Why GAO Did This Study

The United States ranks 15th among the 30 democratic nations of the Organisation for Economic Co-operation and Development (OECD) on one measure of broadband (i.e., high-speed Internet) subscribership. The Federal Communications Commission (FCC) has regulatory authority over broadband, and several federal programs fund broadband deployment. This congressionally requested report discusses (1) the federal broadband deployment policy, principal federal programs, and stakeholders' views of those programs; (2) how the policies of OECD nations with higher subscribership rates compare with U.S. policy; and (3) actions the states have taken to encourage broadband deployment. To address these objectives, GAO analyzed the broadband policies of the United States and other OECD nations, reviewed federal program documentation and budgetary information, and interviewed federal and state officials and industry stakeholders.

What GAO Recommends

In developing the required broadband plan, the Chairman, FCC, should work with the Departments of Agriculture and Commerce to specify performance goals and measures for broadband deployment and to define the departments' roles and responsibilities in carrying out the plan. FCC generally agreed with GAO's recommendations.

View GAO-09-494 or key components. For more information, contact Mark L. Goldstein at (202) 512-2834 or goldsteinm@gao.gov.

What GAO Found

According to federal officials, the federal approach to broadband deployment is focused on advancing universal access. Federal officials said that historically the role of the government in carrying out a market-driven policy has been to create market incentives and remove barriers to competition, and the role of the private sector has been to fund broadband deployment. Under this policy, broadband infrastructure has been deployed extensively in the United States. However, gaps remain, primarily in rural areas, because of limited profit potential. Eleven federal programs help fund telecommunications infrastructure deployment, particularly in rural areas, and two of these programs, administered by the Department of Agriculture's Rural Development Utilities Program (RDUP), focus specifically on broadband infrastructure deployment. Industry stakeholders credit federal programs with helping to increase broadband deployment, particularly in rural areas, but told GAO that because of the high cost and low profit potential of providing broadband services in rural areas, the federal government will likely need to provide additional funding to achieve universal access. The American Recovery and Reinvestment Act of 2009 provides more than $7 billion to the Department of Commerce's National Telecommunications and Information Administration (NTIA), FCC, and RDUP, to map broadband infrastructure in the United States, develop a plan for broadband deployment, and issue loans and grants to fund broadband access and availability in rural areas. This funding will greatly increase the potential for achieving universal access, but overlap in responsibilities for these new broadband initiatives makes coordination among the agencies important to avoid fragmentation and duplication. Current administration officials said they are still formulating their telecommunication agenda.

In comparison to the policies of several other OECD countries with higher broadband subscribership rates per 100 inhabitants, the U.S. policy lacks elements identified by the Government Performance and Results Act of 1993 as essential to achieving effective and efficient policy outcomes. Specifically, according to officials of these countries' governments, several of the OECD nations with higher rankings have written broadband policies, action plans, goals, and performance measures. A number of these other countries also have provided financial support, created financial incentives, or taken other steps to promote broadband.

In interviews with state officials, GAO learned that states vary in their actions to encourage deployment. Officials in more than half the states cited gaps in broadband deployment and said their states were considering or had taken actions to address these gaps. Officials in 12 states said they had mapped their states and 13 more said they had plans to map; officials in 12 states said they have broadband deployment plans; and officials in 14 states said they have provided some type of financial support for broadband deployment.

_____ **United States Government Accountability Office**