

January 28, 1999

**Separate Statement
of
Commissioner Susan Ness**

Re: Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion Pursuant to Section 706 of the Telecommunications Act of 1996, CC Docket No. 98-146

In Section 706 of the Telecommunications Act, Congress directed us to report periodically on the progress of broadband deployment to all Americans. Although the future is nearly impossible to predict, I am optimistic about the level of investment in infrastructure and the early signs of competition across technologies and among service providers. Business customers, for example, already have access to a plethora of broadband services. As the use of the Internet expands both at work and at home, consumer appetite for bandwidth will continue to grow.

While I support the report and its findings, I write separately to elaborate on four points:

First, because consumer demand for bandwidth is increasing, how we define "advanced" technologies will evolve over time. Already consumers are becoming increasingly sophisticated as are the applications they use. More and more of these applications are interactive and make creative use of color, graphics, and streaming video -- all of which require fast bitstreams. The gestation period for upgrading infrastructure to support new services, however, is not instantaneous. Thus, infrastructure providers must remain ahead of the curve, so that by the time consumers demand advanced services, those services have been deployed and are available. For example, from the planning stages to a satellite launch can take five years or longer. The cost of highsPEEDS, new features and capacity, however, ultimately is borne by consumers. There is a tradeoff between abundant two-way broadband capability and the cost involved to deploy such capability to all Americans. The marketplace is sensitive to these issues. It does not make sense for government to mandate excessive capacity well beyond consumer needs.

Second, we must ensure that advanced services reach "all Americans." Broadband must be available **not only** in our great cities, but across rural America. Different broadband access technologies work better in different locations and circumstances. Terrestrial wireless and satellite technologies, for example, are particularly well-suited to reach hard-to-serve areas. Thus, we have focused on allocating spectrum for wireless local loops. In addition, several broadband satellite systems are under development which, if deployed, could provide ubiquitous broadband capability in the five-to-ten year timeframe.

Third, section 706 also specifically directs the Commission to assess the availability of advanced telecommunications capability to elementary and secondary schools and classrooms. We do not want to fall behind our global competitors which are expending significant resources to equip their students to compete in the global marketplace. Our current universal service programs should help to facilitate deployment of advanced services to schools and classrooms, although the demand for funds to date has outstripped supply.

Finally, as our report makes clear, in no respect are we are contemplating regulation of the Internet. In fact, the Internet is a medium of communication that has grown enormously in recent years with minimal government regulation. Two characteristics of the Internet that have contributed to its growth are its connectivity and openness. By connectivity, I mean the ability of backbone, last mile service, and content providers to become part of, or have access to, the Internet. By openness, I refer to the open, non-proprietary, technical standards by which the Internet operates. These principles are worth preserving. I am optimistic that, as multiple paths to the home and to businesses emerge, the competitive marketplace will safeguard consumers' interests in access, choice, and interoperability. Because we are still in the early stages of deployment, we should keep a watchful eye but practice regulatory restraint and give the broadband marketplace a chance to work.

One thing is clear: over the next few years, the broadband marketplace will be very dynamic. For now, the tools appear to be in place for deployment of advanced telecommunications capability to all Americans in a reasonable and timely fashion. We will continue to monitor deployment to ensure that no barriers to competition or infrastructure investment arise.