

**Written Statement of
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**“The National Broadband Plan: Deploying Quality Broadband Services to the
Last Mile”**

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Subcommittee on Communications, Technology, and the Internet
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Chairman Boucher, Ranking Member Stearns, Members of the Subcommittee, thank you for the opportunity to testify today about broadband deployment as described in the National Broadband Plan.

As you know, the Plan stems from a Congressional directive that the FCC prepare a “national broadband plan” that “shall seek to ensure that all people of the United States have access to broadband capability,” include a strategy for affordability and adoption of broadband communications, and also recommend ways that broadband can be harnessed to tackle important “national purposes.”

To meet the Plan’s first objective of ensuring “that all people of the United States have access to broadband capability,” it was necessary for the FCC to size the gap – that is, to determine the difference between where we are today on broadband deployment, and where the Congressional directive tells us we need to be, namely that “all people of the United States have access to broadband capability.”

Sizing the gap was not a simple task, given the limited state of data that is currently publicly available about where broadband infrastructure and service are available in the United States. As a result, determining the current status of broadband deployment involved considerable effort to gather the limited but best available data and incorporate it into a model that used statistical techniques to extrapolate where necessary. All models have limits, as they depend upon assumptions regarding inputs and analyses. But the fact that no model is a perfect representation of reality does not diminish the value of models as a useful analytical tool.

In the model developed for the National Broadband Plan, a housing unit is determined to have “access to broadband capability” if it is located close enough to today’s telephone or cable network infrastructure that it is technically feasible for a service provider to deliver broadband to those homes at actual speeds of 4 Mbps download and 1 Mbps upload today. Using that definition of access, the Plan estimates that 95% of the housing units in the U.S. can be served from today’s infrastructure, meaning that at least 7 million U.S. housing units, or about 14 million Americans, cannot be served.

Just because a housing unit **can** be served, however, does not mean that it **is** served. There is no guarantee that a provider makes a retail service available to every home that its network is capable of serving. As a result, the actual number of citizens who cannot purchase broadband service is likely to be higher than 14 million.

Limitations in the data sources available to the FCC and used for the model also contribute to sensitivities in the estimate that 95% of U.S. housing units can be served with broadband today. For example, the cable industry data we used comes from Warren Media's Media Prints database, a public source that estimates 90% of housing units are reachable with cable-based broadband. This source attributes cable broadband availability to entire cable franchise service areas if any part of the franchise area is served with broadband. While this attribution is accurate in most cases, it is not accurate in all, and as a result the 90% figure may be an overstatement.

The Plan's estimate of an additional 5% of housing units reachable only through telephone-based broadband – typically Digital Subscriber Line (DSL) technology – is similarly based on limited data. The model relied on proprietary telephone network data that was available for a number of states, which we then used as an input to a statistical extrapolation technique (regression analysis) that allowed us to adapt the conclusions from these states to the rest of the nation. As is generally the case when statistical extrapolation techniques are used, the results are estimates rather than exact figures.

The broadband infrastructure deployment model developed for the Plan is not the only method the FCC is using to determine the size of the broadband deployment gap in the U.S. We also analyzed broadband subscribership data that we collect from service providers. Although analysis of broadband **subscribership** data is an imperfect means of assessing broadband **availability**, this analysis suggests that 92 percent of Americans live in areas where broadband service is offered, meaning that as many as 24 million Americans live in areas where broadband service is not offered.

While the results of this analysis are imperfect, they are, like the like the output of the Broadband Plan team model, a reasonable indicator of broadband availability. Based on these two methods of determining the size of the broadband deployment gap, we believe that broadband is unavailable to approximately 14 to 24 million Americans.

In addition to estimating the number of unserved housing units in the U.S., the model developed for the Plan also estimates the financial commitments needed to reach the unserved homes, and the likely revenues that would result for a commercial provider. This financial modeling showed us that for today's unserved homes, largely located in low-density rural areas, the private sector business case to reach them simply does not add up. While the market has done a great job of getting broadband to much of America, market incentives alone will not be enough to reach these remaining unserved homes. Just as the current Universal Service Fund was instrumental in ensuring the availability of telephone service to over 99% of Americans, so too will a financial commitment to universal broadband service be necessary to ensure that broadband availability surpasses

95% in the future.

It is also important to clarify that the 95% estimate refers to **availability** of broadband, not **adoption**. The Plan estimates the current adoption rate at 65%, meaning that 93 million Americans have chosen not to purchase broadband even if it is available to them. Cost, relevance, and digital literacy are important factors influencing those decisions. This is a different set of issues from those affecting the 14 to 24 million Americans for whom broadband is simply not available where they live, meaning that those who **want** to purchase broadband simply cannot.

The good news is that better data about broadband deployment is on the way. Two developments already in process should improve our ability to estimate more precisely the number and locations of Americans unserved with broadband. As a result of the Broadband Data Improvement Act, administered by the NTIA with technical assistance from the FCC, states are now gathering, primarily from industry, the first round of data that is specifically targeted at mapping broadband deployment. By next February, this data will have been integrated into the first national broadband map, which, as Congress directed, will be interactive and searchable.

In addition, later this year the FCC will propose revisions to its broadband data gathering to implement the Plan's recommendations regarding collecting a wider range of broadband data points so that questions about broadband availability can be answered more accurately in the future. We look forward to working with Congress, industry representatives, and public interest advocates to fashion a new regime of broadband data collection that will provide Congress and the FCC with the relevant data it needs to track progress, while respecting industry's concerns regarding data that is legitimately competitively sensitive.

When I served as a state commissioner, I learned that lack of broadband availability was the top constituent complaint to legislators from the rural and mountainous western portion of Massachusetts. And as Chief of the FCC's Wireline Bureau, far and away the most frequent correspondence I receive from members of this august body contains the same constituent complaint. The addresses are all over the country, but the issues are the same. In homes without broadband, children are at an educational disadvantage, parents are shut out from jobs that require online applications, and no one can access critical government information and services online. If you live in one of those homes, it may matter little to you whether broadband is available to 90, 92, or 95% of Americans. What matters most is that broadband is not available to 100% of the home you live in. And that is the problem that the National Broadband Plan is ultimately aimed at solving.

Thank you again for inviting me to testify and I will be happy to address any questions.

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