10-Point Plan To Bring Broadband To More Americans

We have developed the following 10-point plan to increase the availability, usage and speed of broadband services. This plan includes a range of policy initiatives that will impact multiple technology platforms from the perspective of both supply and demand. The information technology industry plans to work with policymakers on the Hill, at the FCC and within the Bush Administration to implement each of these important items.

Reduce Regulatory Barriers

1. Minimize Regulation of New, Last Mile Broadband Infrastructure

We will urge the FCC, in its ongoing broadband proceedings, to support minimal regulation of new, last mile broadband infrastructure. In the case of DSL, ITI will support minimizing regulation of the last mile while continuing to require incumbent local exchange carriers ("ILECs'") to provide collocation space and unbundled access to the legacy copper facilities, as well as establishing ILEC build-out percentage and minimal bandwidth requirements. Reducing regulation of new last mile broadband infrastructure will stimulate the deployment of new infrastructure and services. We estimate that this regulatory change could increase the reach of DSL infrastructure from approximately 50% to 80% of U.S. households.

2. Minimize Barriers to Rights-of-Way Access

We will urge the FCC and NTIA to act to remove impediments to rights-of-way access. Making rights of way available in a non-discriminatory, affordable and predictable basis will improve the speed and extent of deployment of all technologies. In particular, this is important to competitive overbuilders deploying new fiber-coax networks.

Enable Wireless Broadband

3. Secure New Globally Harmonized Spectrum for 3G Wireless Services

We will support plans to provide 120 MHz of globally harmonized spectrum in the 1710-1770 and 2110-2170 MHz bands and seek passage of legislation to establish a spectrum relocation trust fund for the purpose of reimbursing the Department of Defense for spectrum relocation from these bands. While today's new 3G services do not reach speeds necessary to be robust competitors with broadband, by 2005 speeds could reach up to 2Mbps. Securing sufficient spectrum for these services will be essential to evolving them into broadband connections.

4. Increase Unlicensed Spectrum Availability

We will urge the FCC to expand the available unlicensed Spectrum in the 5 GHz band for use in short range, high speed wireless networking. Increasing the availability of home networks will be a key driver of broadband demand because broadband households are three times more likely to have multiple PCs in their homes than other users.

Stimulate Broadband Demand

5. Enactment of Small Business Broadband Incentive Legislation

We will help lawmakers develop multifaceted legislation to increase the availability and usage of broadband by small businesses, including increasing expensing limits and expanding the allowable items to include all IT products in order to promote technology investment, as well as other provisions to provide more small business access to and usage of broadband. Today, small businesses make up one-third of the economy, yet only 20% are connected to broadband.

6. Promote Government as a Broadband Consumer and Leader

We will develop an advocacy program to inform and encourage government to make broadband a core component of their e-government agendas. The public sector has the potential to be major broadband consumer and driver of broadband demand by employing broadband applications and content. In the past year, 51% of Americans, over 125 million people, have visited at least one government web site. Such services as distance learning, telemedicine and interactive governing will require broadband to allow citizens to realize their full benefits.

7. Enactment of Telework Incentive Legislation

We will seek passage of telework incentive legislation to include tax incentives, tax law clarification, increased government telework programs and other initiatives to promote telework. Increasing the number of telecommuters will be a key driver of broadband demand because telecommuters are nearly twice as likely as the average U.S. home to sign up for a broadband service. Today, nearly 80 percent of broadband households have at least one telecommuter and as new applications such as video conferencing and file sharing become available, broadband becomes essential to enabling telecommuting.

8. Promote Industry Led Solutions to Digital Rights Management

We will promote multi-industry dialogues and marketplace innovation as the fastest, most effective way to protect copyrighted digital content. Government-imposed mandates would freeze digital media technologies and force technology companies to build inferior products, ultimately diminishing consumer demand for broadband-delivered audio and video. By contrast, voluntary, multi-industry dialogues and marketplace innovation have provided effective digital rights management technologies and are the fastest, most effective means of meeting new challenges as they emerge.

Promote Capital Investment

9. Enactment of Broadband Tax Credit Legislation

We will seek passage of a Broadband Tax Credit on the best available legislative vehicle. A broadband tax credit would stimulate investment in broadband infrastructure by reducing the cost of deployment. The tax credit is focused on rural and underserved urban areas that often go unconnected because market impediments limit access to broadband. It is estimated that a one-year credit would generate between $2 and $4 billion in broadband investment, and a five-year credit would generate between $10 and $20 billion in broadband investment. ITI estimates that a one-year credit would translate into approximately 6 million homes getting new access to broadband.

10. Enactment of IT/Broadband/Wireless Asset Depreciation Reforms Legislation

We will seek passage of legislation to reform depreciation schedules for equipment that will expand the speed and reach of broadband. Changes in the way the tax code depreciates IT, broadband and wireless equipment would stimulate investment in broadband infrastructure by removing the disincentive of an unrealistically long depreciation cycle. Telecom service providers are the largest capital investors in the world (capital expenditures of the 6 largest U.S. telecom companies should exceed $50 billion in 2003), thus depreciation changes should significantly increase capital expenditures in broadband infrastructure.