TIA Broadband Agenda

I. Background

TIA and its member companies remain focused on advocating the urgent need for national, technology neutral, and competition-enhancing policies that encourage the widespread deployment of a wide array of broadband technologies. Competing and sometimes complementary infrastructure platforms increasingly support voice, video, data and other converged multimedia services – as well as the capability to access such services at any time, at any place, and with an ever-expanding array of network agnostic devices. Next-generation networks (NGNs) are driven by convergence, digitization, packetization and Internet Protocol standards such that any network becomes capable of supporting any service and is accessible with any device. The result is an end-to-end broadband ecosystem driven by connectivity, convergence, and consumer choice.

Over the last several years, the United States Congress, Federal Communications Commission (FCC), and Supreme Court have removed certain barriers to broadband deployment. Congress has enacted legislation freeing up a tremendous amount of valuable spectrum, largely to be used for wireless broadband services, and other services such as public safety. Pursuant to Congress' directive, the FCC is auctioning this newly available spectrum, and exploring additional ways to make more efficient use of spectrum, within the limits of its authority under the Communications Act. Additionally, the FCC, in certain instances, has refrained from – or has classified services in such a way as to avoid – applying legacy requirements to broadband and emerging and competing broadband-enabled services. The Supreme Court has affirmed these deregulatory measures. Congress, the FCC, and the Courts must build upon these deregulatory actions to ensure that the most onerous barriers to broadband deployment are eliminated, while taking into account important social objectives such as universal service and public safety.

Consistent with its deregulatory broadband agenda, TIA continues its mission of urging the removal of barriers to broadband deployment in order to foster competition, innovation, and investment in emerging products and services. Our nation's next-generation communications infrastructure and its overlying services and applications will bring enormous economic benefits to the U.S. and the world and improve the quality of life for all consumers.

II. Broadband Principles

Public policies should foster a climate conducive to innovation and investment, including as non-invasive a regulatory regime as possible. The constant goal must be to achieve a market-based policy framework that fosters investment in network facilities and competition in the provision of converged, multimedia services and applications. TIA's key governing principles are as follows:

- Universally available, high quality, and affordable broadband connectivity
- Rivalrous competition among existing and emerging platforms and providers
- Increased availability of unencumbered, prime spectrum in adequate blocks for

commercial services
- Utilization of market-based mechanisms to drive spectrum to its highest and best uses
- Light-handed, narrowly focused regulation, where it is necessary
- Technology neutrality and flexibility
- Uniformity in regulation, where appropriate, including national rules wherever possible
- Elimination of regulatory barriers to investment

III. Enablers and Barriers to Broadband Deployment

TIA supports minimal, uniform national regulations that promote investment in next-generation network deployments and services. TIA believes that the FCC has the existing authority to move quickly to review and update many of its policies and regulations governing the information and communications industry, and to create a less regulated environment for existing and new technologies and services.

A. *Streamlined Process for Providers of Video Services*

Congress should create a uniform, federal system through which a new entrant can enter the wireline video market without engaging in the onerous process of negotiating thousands of individual local franchise authorizations. While streamlining entry into this market, such a system should seek to maintain localism, protect social obligations, and create regulatory parity among all participants. Existing multichannel video providers also should receive such national authority to enter new markets immediately, and be offered a clear and expeditious process for conversion of their current franchise agreements.

B. *Connectivity or "Net Neutrality"*

TIA has long supported a balancing of the rights of broadband Internet access service consumers to connect to and utilize their choice of legal Internet content, applications, and devices, with the needs of service providers, in a competitive market, to manage the security and functionality of their networks. TIA reaffirms its pro-consumer principles. TIA further observes that no significant evidence that these principles are being abused in the marketplace currently exists. For this reason, it is not necessary for the FCC to promulgate detailed rules in this area at this time. Rather, the FCC should address any such problems on a case-by-case basis in the event they arise, and TIA believes the FCC has jurisdiction to vigilantly monitor the market and review any complaint of anticompetitive behavior.

C. *VoIP*

Due to inherent differences between the IP networks on which VoIP and other IP applications ride and the traditional circuit-switched networks, regulations should be imposed on IP services only where there is substantial public policy justification for doing so, and such regulations should be narrowly focused.

TIA supports the exclusive federal jurisdiction over interconnected VoIP services to the Federal Communications Commission (FCC), thereby preventing a patchwork of state rules.

TIA also recognizes that, as reflected in our current regulatory regime, certain core public interest issues are implicated by all communications technologies and, therefore, that all communications technologies should play a part in advancing these interests.

- Communications technologies should allow service providers, to the extent technically and operationally feasible, to provide a way for national security and law enforcement authorities to conduct surveillance pursuant to narrowly tailored requests that have undergone appropriate legal processes. Regulations should provide cost-recovery for service providers, and not require or impose a specific technology or technological standard for enabling such surveillance.
- Communications technologies should, to the extent technically and operationally feasible, support the emergency response needs of public safety authorities. Regulations should not require or impose a specific technology or technological standard for enabling such support.
- Communications services should be marketed in a manner that allows consumers to make informed choices, is not deceptive or misleading, and respects consumer choice (*e.g.*, no slamming or cramming). Due to the highly competitive nature of the information services market, we anticipate that market forces will be the strongest agent of consumer protection.
- Communications technologies should expand the accessibility and usability of communications networks by persons with disabilities. This means, to the extent technically and operationally feasible, designing accessibility into communications technologies and applications. Market-driven innovation may eventually provide new solutions to old accessibility issues without government intervention.

D. *Universal Service*

While TIA recognizes and fully supports the long history in the United States of promoting universal voice telecommunications service, TIA believes that the current revenue-based universal service program needs to be comprehensively and immediately reformed to reflect a broadband world of converged technologies and services. The reformed universal service system should be sustainable, competitively and technologically neutral, and minimize distortion of demand.

On the contribution side, funds should be raised from a comprehensive, fixed charge on end users in a competitively neutral manner [based on working telephone numbers or connections]. A flexible numbers-based contribution methodology may include a connections-based component for high-capacity lines. (While transitioning to a flexible numbers-based system, the FCC also should make immediate changes to minimize unduly burdensome USF charges imposed by the revenue-based system, especially with respect to VoIP services.) In the long-term, it will likely be appropriate to transition to a connections-based approach.

On the distribution side, distributions should follow the service choice of the consumer. Consumers must be allowed to choose applications and services - including narrowband – and the service provider. Distributions should be reserved for high-cost and low-income consumers, and should address arbitrage concerns. States should be allowed to add subsidies but not use regulatory charges to do so. Program regulations should provide financial incentives to encourage service providers to pursue technologies that lower total deployment and operations costs while maximizing service quality and options.

Issues during the transition to a reformed universal service program may also need to be addressed, which could include setting funds aside to temporarily aid the transition for rural carriers and initially providing a lesser amount for broadband connectivity versus narrowband.

VoIP may help reduce the costs of serving high cost areas by reducing routing and transport

costs. Universal service, however, must be supported in ways that: (a) make certain that support is not greater than the minimum necessary to ensure universal service at affordable and reasonably comparable rates; (b) recognize that voice is only one of many applications provided over IP networks and that segregating voice from other applications is often technically infeasible; (c) do not create barriers to the introduction and deployment of such technologies to provide service in rural areas; (d) do not impose legacy regulation on VoIP in lieu of reforming the mechanisms in a manner that is more compatible with market drivers and technological innovation.

Finally, the E-Rate for Schools and Libraries should continue to be supported. This program benefits communities across the nation regardless of location or economic condition by helping to ensure that all eligible schools and libraries have affordable access to modern communications services.

E. *Intercarrier Compensation*

In order to implement an efficient universal service system, implicit subsidies currently embedded in the intercarrier compensation system must first be eliminated. For this reason, the transition to a uniform national intercarrier compensation mechanism should begin immediately. For example, it makes no sense to impose today's interstate and intrastate access charge structure on VoIP, which does not have easily identifiable geographic communication end points. Thus, TIA encourages the FCC to establish a geographically neutral intercarrier compensation system as soon as possible.

F. *Spectrum*

Flexible, market-driven, and technology neutral spectrum management policies will promote further innovation and competition in the broadband marketplace, and reduce artificial spectrum scarcity for high valued uses. Although additional spectrum for commercial use has been identified recently, demand for spectrum for advanced wireless services and technologies continues to grow – and must be met in order to achieve U.S. leadership in the broadband era. Wireless broadband platforms are an increasingly popular alternative for business and residential consumers to access Internet-based applications and services, with the potential to deliver broadband to rural and underserved areas and to compete with and/or complement existing and future wired and wireless broadband technologies. Thus, increased availability of unencumbered, prime spectrum in adequate blocks for new commercial services is essential. Utilization of market-based mechanisms will drive this spectrum to its highest and best uses, and facilitate the deployment of new and affordable wireless broadband technologies and equipment.

G. *National Framework for Wireless*

Convergence in communications services has resulted in a trend toward more uniform, national rules. With respect to wireless, Congress recognized in 1993 that wireless services operate without regard to state boundaries. The inherent mobility of wireless communications eliminates the traditional role of state geographic boundaries. Conflicting billing, contract and disclosure rules will lead to "information overload," making it harder for consumers to identify the information they value. TIA supports the assignment of jurisdiction over wireless services to the Federal Communications Commission (FCC), preventing a patchwork of state-level rules that will only lead to confusion and increased consumer costs.

H. *Municipal Deployment of Broadband Networks*

With a national interest in ubiquitous broadband deployment, states should not be permitted to outlaw local public efforts to address citizen demand for broadband connectivity. Outright prohibitions, or measures with such practical effect, exceed legitimate interests in preserving a fair competitive environment. Thus, TIA opposes any state law prohibiting municipalities from building broadband networks or offering broadband services (including video) in a competitively neutral manner.