



Consumer Federation of America

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DELIVERING TRUE BROADBAND TO ALL AMERICANS

*Consumer Federation of America Declares:
The FCC has set the Correct Forward-Looking Goal at 25 Megabits per
Second*

Washington D.C. -- The following statement can be attributed to Mark Cooper, Director of Research of the Consumer Federation of America:

The right wing reaction to the FCC's decision to adopt a forward looking goal for universal service in the broadband century, highlights the decade long effort of the communications companies to end the commitment to universal service policy in America. TechFreedom's recent screed against FCC Chairman Tom Wheeler's suggestion that 25 Megabits per Second (MPS) should be the standard for basic service in the broadband age ("FCC Cynically Downplaying Broadband Deployment to Justify Powergrabs," January 29, 2015) epitomizes the ideological extremism on the right.

What TechFreedom fears is that "First, the more negative the FCC's depiction of the broadband market, the more emboldened it will be to exercise the power it has, absurdly, claimed under Section 706... Second, Wheeler will cite the supposed lack of broadband competition to justify reclassifying broadband under Title II rules." TechFreedom's advice is not surprising: "The sooner the FCC stops playing Report Theater, the sooner we can focus on what Congress intended: ensuring that all Americans have meaningful Internet access, not the 'needs' of urban elites — and the sooner we can focus on making private broadband deployment easier, especially by new players like Google Fiber."

TechFreedom's approach is simple, let the dominant communications companies deploy the services they want, where they want and charge whatever they want, with no concern or obligation to promote or achieve universal service. The rationale is that the marketplace is sufficiently competitive to ensure that the companies continue to do the wonderful job that they have been doing to achieve universal service.

The reality is otherwise.

- It's now over 30 years since Internet service was first sold to the public and 30% of Americans still don't have service at home.

- It over a dozen years since Michael Powell declared there is a Mercedes Benz divide, not a digital divide, but, in addition to the 30% without internet, another 23% of Americans have speeds less the 3 MPS, while 42% have 10 MPS or more.
- The decision of the FCC to abandon its Title II authority is the primary cause of the ongoing failure to achieve universal service.

Without section 706 and Title II authority, which TechFreedom urges the FCC to abandon, the FCC would have no authority to achieve the primary, universal service goal of the Communications Act. This would suit TechFreedom and the dominant communication companies, Comcast, Verizon, ATT, and Time Warner, just fine. From the top, where they have chosen to make 25 MPS available and people can afford it, it is easy to declare that the higher standard is “a benchmark that won’t be needed for years” and dismiss raising the threshold as a “new low in cynical, elitist politics at the FCC.” For the majority of Americans who need to catch up, these are urgent public policy problems that the FCC has finally decided to address vigorously.

All of the major mass media of the 20th century – radio, television, and telephone – reached over 95% penetration of relatively uniform service and the Telecommunications Act of 1996 made this the goal for advanced technology. Title II of the Communications Act now includes the following goal. “Consumers in all regions of the Nation, including low-income consumers and those in rural, insular and high cost areas, should have access to... advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charge for similar services in urban areas.”

Raising the target is not part of “the two biggest power grabs in FCC history,” or “Report Theater,” or “a political game,” or “a reckless, ideologically-drive regulatory agenda.” It is a good faith effort by the FCC to define a forward looking goal for universal service that makes sense for the broadband age and secure the authority to pursue that goal, in the face of an industry that has failed to achieve it in a reasonable and timely manner.

It is clear that the FCC can only partly address the challenge under its 706 authority; it needs clear Title II authority to channel funds to the unserved and underserved. The goal of 25 MPS is not “urban elitism,” these days it might be described as a good example of “middle class economics.” In broader perspective, it is little more than the updating and evolution of the principles of public service that worked so well in the 20th century to the communication network of the 21st century.

The authority the FCC is claiming fits squarely under the universal service language of Communications Act of 1934, as amended by the Telecommunications Act of 1996, the Broadband Data Improvement Act of 2008, and the Broadband Technology Opportunity Act of 2009. Correcting the mistake of giving up this important authority has a good chance of succeeding in the courts. This is what scares the right wing so much (and the reason they use so many over-the-top pejoratives to describe setting a reasonable forward looking goal).

The Consumer Federation of America is a nonprofit association of more than 250 consumer groups that was established in 1968 to advance the consumer interest through research, advocacy, and education.