

# CWA

## *on the issues*



## High-Speed Internet Services for All

### The Issue

U.S. telecommunications policy must ensure that all Americans have access to and can afford high-speed, high-quality Internet service. It is essential to democracy and economic opportunity that all Americans, regardless of income or geography, have access to advanced communications and information. A first-class digital network to every home and business is a requirement for economic and job growth in the 21st century.

A national broadband network would create 1.2 million jobs, according to a Brookings Institution study. In contrast, current policies have led to the loss of 750,000 jobs in the telecommunications and information industries.

The U.S. has fallen far behind other countries in broadband deployment, and ranks 11th in the world in the number of households with high-speed Internet, according to a 2003 study by the International Telecommunications Union. We've fallen behind South Korea, Taiwan, Canada, Denmark, Japan, Sweden, Belgium, Hong Kong, Iceland, and the Netherlands.

Japan has a national policy goal of fiber deployment to the curb of every home and business by next year. Japan has 14 million high-speed Internet subscribers. Japan provides low-interest loans and subsidies to encourage broadband investment. Japan's Yahoo! broadband package offers 1 megabit per second at \$20 a month. And 3-G (third generation) wireless is everywhere in Japan.

In South Korea, more than 70 percent of households have broadband at 1 to 2 megabits per second. The South Korean government is working with industry to increase that to 50 to 100 megabits per second.

The United States, with more than twice the population of Japan, has just 16 million "advanced services" subscribers, defined by the FCC as 200 kilobits per second in both directions (FCC data as of 6/03). Fewer than seven out of 100 U.S. households have a broadband connection at 200 kilobits per second.

Not only are we behind the rest of the world, but also there is a wide digital divide. According to a 2002 U.S. Commerce Department report, only one-third of Americans earning less than \$25,000 a year had Internet access at home, compared to 80 percent of those earning over \$75,000. Only one-third of Hispanic and Black households

had Internet at home, compared to 55 percent of white households. About 20 percent of the country can't get broadband services, because there is no deployment.

## **CWA Position**

CWA supports a national policy goal to ensure that every home and business is capable of receiving 10 to 100 megabits per second of quality Internet access at an affordable price by the year 2007. CWA supports policies that spur private investment in high-speed networks, supplemented by public support where markets are slow or fail to deliver affordable, quality access.

Policies to advance high-speed Internet services to all Americans include:

### **Tax credits and incentives to spur deployment in underserved areas.**

**Grant and loan programs** for rural and underserved areas, such as the USDA's Rural Utility Service broadband loan program.

**Subsidies and grants** to schools, libraries, rural health centers, and community technology centers, including the E-rate program, grants to Community Technology Centers, and the Technology Opportunity Program.

**Programs to encourage community planning, demand aggregation, and public/private partnerships** bringing together government, industry, community institutions, and others to accelerate deployment.

**Leveraging other public programs.** Several states prioritize low-income housing tax credits to eligible housing projects that provide broadband. Similarly, Medicare and Medicaid funds could support broadband connection for home-health delivery. Job training, education, and welfare-to-work programs could support broadband connections for online education and training.

CWA also believes that policymakers should establish social compacts in which incumbent carriers commit to enforceable deployment timetables to build-out truly high-speed Internet networks in exchange for rate rebalancing. The carriers must commit to finance the social good of a universal high-speed network at 10 to 100 megabits per second as part of the social compact. Public tax credits and low-interest loans can support build-out in high-cost areas and provide affordable rates for low-income consumers. Competitive carriers that commit to build a universal high-speed network to every home and business in a service area would be eligible for tax credits and low-interest loans as well.

More than 50 years ago, the United States made universal, affordable voice telephone service a national goal, with subsidies for high-cost rural areas, low-income households, and residential consumers. It is imperative that we update our universal service policies to ensure all Americans have affordable, high-quality broadband service. We cannot afford to wait.

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