



Computer &amp; Communications Industry Association

# Economic Stimulus Plan: Broadband Infrastructure

Government investment in “last mile” broadband infrastructure can be an engine for economic growth, education, lowering health care costs and citizen participation in 21st century democracy. Strategic targeting of federal government subsidies can induce additional private sector investment if done properly. Local on/off ramps are the most important yet substandard part of our broadband infrastructure, which should be no less universal than electricity or telephones. We cannot tolerate a digital divide that leaves rural and low-income households with limited opportunities for future prosperity.

## CCIA supports:

1. Creation of new Universal Broadband Fund as part of a National Infrastructure Bank, to subsidize construction of local broadband connections to unserved homes and small businesses. These connections can be fiber optic lines, fixed wireless connections, or 3G mobile wireless connections with data card access for laptop computers. In order to receive federal subsidies, companies should be required to roll out high-capacity infrastructure. Fiber connections should be at least 25 mbps downstream and wireless services should be at a minimum between 2-4 mbps. Government money would be wasted if it is used to deploy marginal services that will soon be obsolete.

- Local and regional network operators should be given a right of first refusal for broadband funding before it becomes available to large national incumbents.
- Network operators must certify they will comply with the FCC’s 2005 Internet Policy Statement and refrain from unreasonable discrimination in network management practices
- Tax credits to ISPs and/or to homeowners for fiber “tails” can also facilitate build-out.

2. Conversion of the USF Lifeline and Link-Up plans to support broadband connections, computers and initial monthly service discounts to any household whose children qualify (or would qualify) for free or discounted school lunches. Customers who lose their jobs and are receiving unemployment benefits should be eligible for subsidies to help them keep their broadband connections while they are looking for new employment. Customers who currently pay for premium cable TV services should not be eligible. CCIA filed an FCC petition regarding LinkUp and Lifeline for broadband on October 7, 2008.

3. Subsidies for laptop computers for middle school students (originally proposed by NDN and One-Economy).

4. Digital literacy funding for community colleges to open their facilities several nights per week and/or on weekends so adults can get free computer training.

## Additional recommendation:

- Eminent domain option for copper wiring in existing public housing to be used for DSL Internet connections, where incumbent phone company has not made DSL available.