

Comments: Scott Marcus's The U.S. National Broadband Plan: A European Perspective

Dimitri Ypsilanti
OECD

The views expressed are those of the author and do not necessarily reflect those of the OECD or its Members

Issues raised

TWO MAIN AIMS:

- Likely trajectory of US implementation
- What lessons Europeans might extract

RECENT US INITIATIVES

- **“Universal” coverage (and implicit recognition that the market will not provide adequate coverage)**

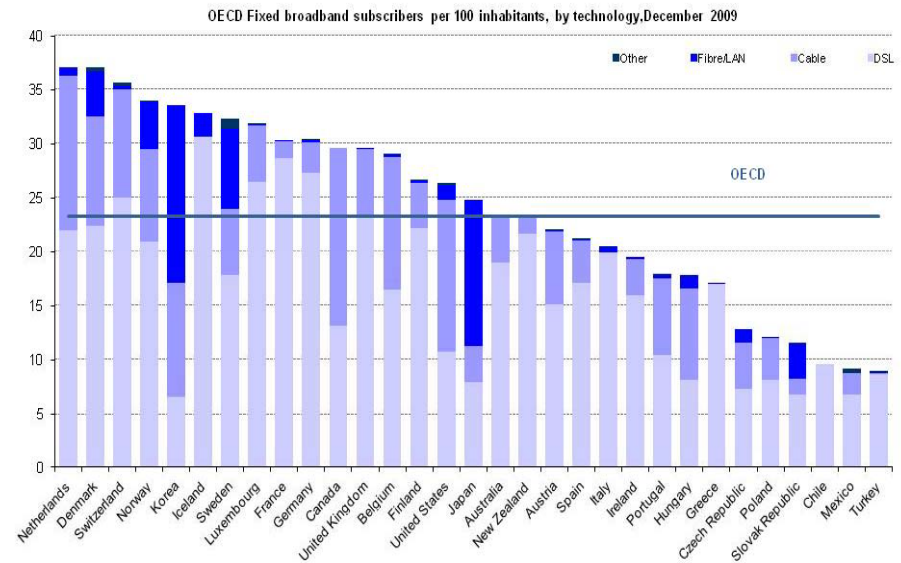
Metrics: availability, deployment – not previously considered as a high priority;

INSTITUTIONAL ISSUES

- FCC or NTIA?

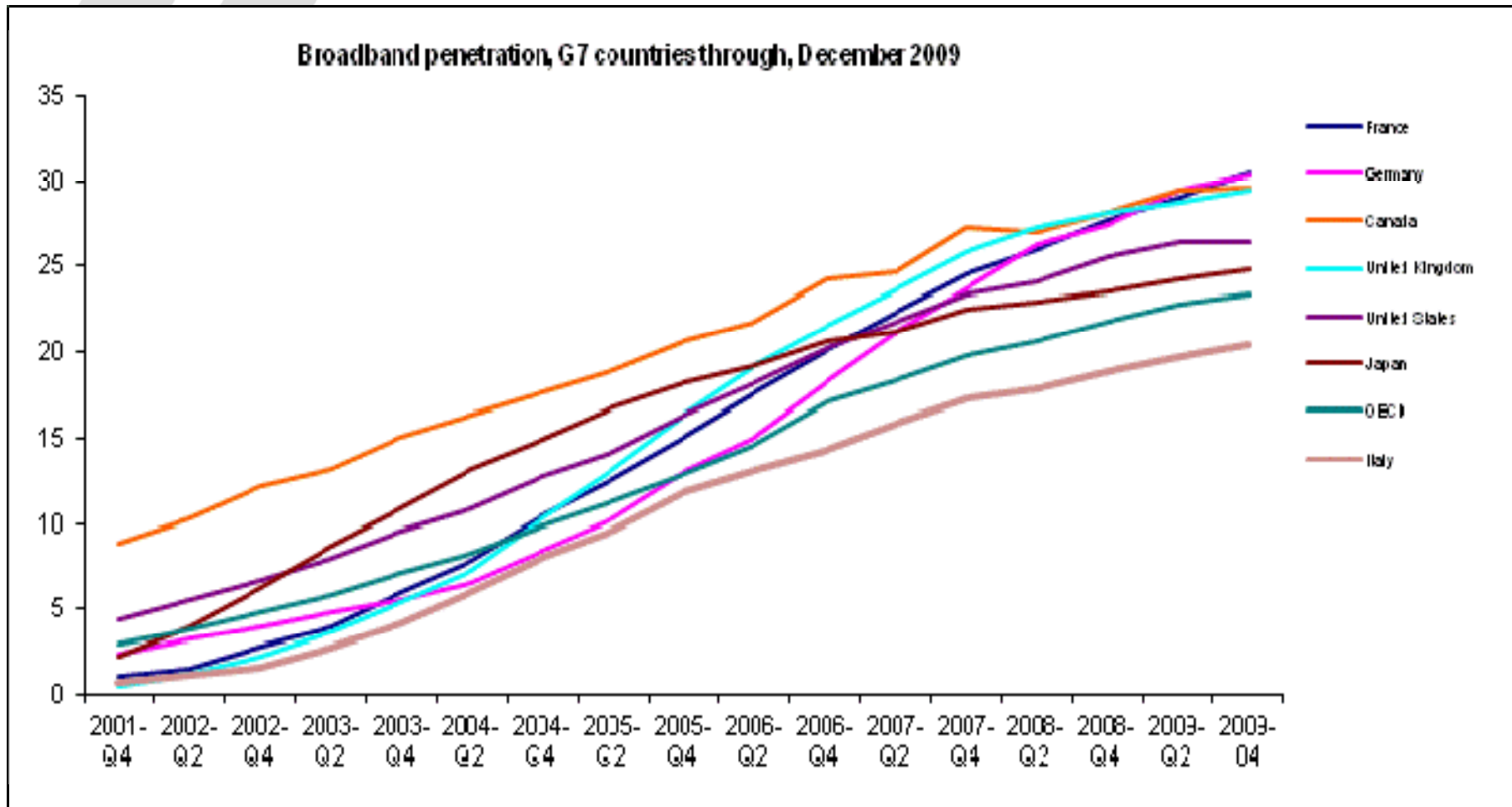
Broadband in the US

- President Bush (Minneapolis, Minn., April 26, 2004):
“By the way, we rank 10th amongst the industrialized world in broadband technology and its availability. That’s not good enough for America. Tenth is 10 spots too low as far as I’m concerned.”



Source: OECD

Historical Penetration Rates, G7



Who is in charge?

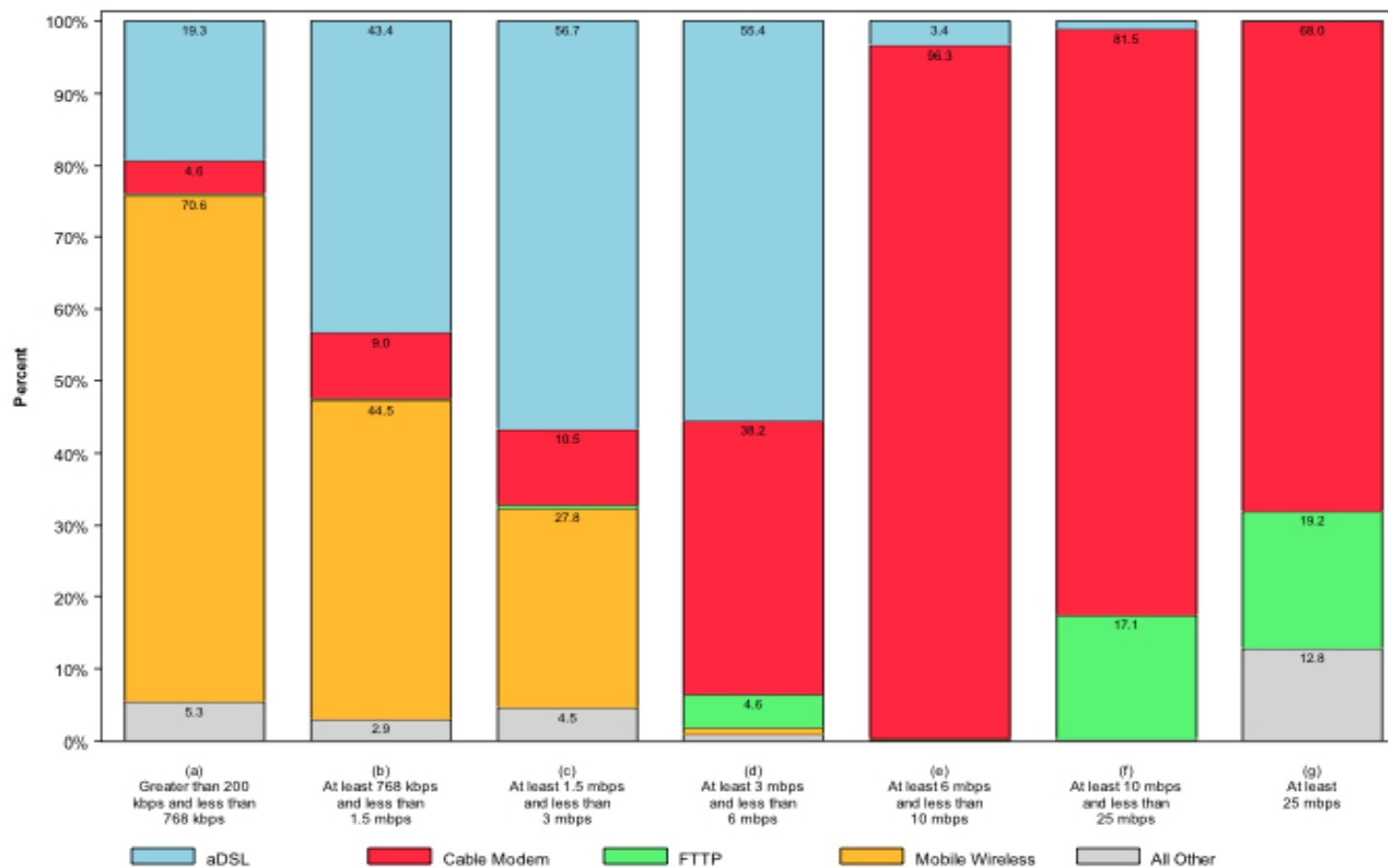
- **NTIA: Policy advisor to President on communications and information policy**
- **NTIA's work to expand broadband access and adoption – last 20 months US\$4 billion**
- Funded the construction or upgrade of approximately 120,000 miles of broadband networks, provide broadband access to approximately 24,000 community anchor institutions, including schools, libraries, government offices, health care facilities, and public safety entities.
- Grants to the states will support statewide broadband planning and implementation efforts **as well as efforts to collect and verify data on broadband availability (national broadband map to be released next February).**
- **But no clear articulation of policy compared to FCC National Broadband Plan**

Regulation and Market Competition

- Antipathy to *industrial policy*? – History of projects but not named “industrial policy”.
- Duopoly – Price performance
- Bundling offers compared to Europe
- Lack of LLU and other regulatory initiatives
- Verizon FIOS – rapid build out
- Insufficient recognition of importance of digital economy for productivity enhancement and growth – or inability to understand that private sector unwilling to take initiatives

Distribution of access technologies (FCC, Feb. 2010)

Chart 11
Distribution of High-Speed Connections by Downstream Speed
Selected Technologies as of December 31, 2008



US Action Points and Lessons from NBP

- Insufficient emphasis on fostering pro-competitive regulation to create market competition
- Need to recognise that market does not always work well – especially where there are high capital costs
- Insufficient recognition of challenges from Next Generation Access Networks to create competition
- No attempt to face institutional problems
- Confusion on role of municipal networks