

Competition missing from broadband plan, some say

March 22 2010, By JOELLE TESSLER , AP Technology Writer



In this July 27, 2008 file photo, a LED-illuminated wireless router is shown in Philadelphia, Sunday, July 27, 2008. The proposals in the broadband plan the Federal Communications Commission delivered to Congress last week don't go far enough for many public interest groups and other observers who warn that the U.S. is trailing other industrialized nations with faster Internet connections and lower broadband prices. (AP Photo/Matt Rourke)

(AP) -- The sweeping national broadband plan that federal regulators delivered to Congress last week doesn't go far enough to satisfy some experts who warn that the United States would still trail other

industrialized nations in prices and speed.

Those experts insist that the FCC plan is not nearly ambitious enough to bring faster Internet connections at lower prices by producing more competition. They say the proposal fails to address the fundamental cause of the problem: a duopoly [broadband](#) market controlled by giant phone and [cable TV](#) companies.

According to the New America Foundation, a 100-megabit [broadband connection](#) costs as little \$16 per month in Sweden and \$24 per month in Korea, while service that is only half that fast costs \$145 per month in the U.S.

"What I want is big bandwidth for cheap prices," said Sascha Meinrath, director of the New America Foundation's Open Technology Initiative. "But the plan punts on competition."

The national broadband plan, mandated by last year's [stimulus bill](#), is the product of nearly a year of intense work at the FCC. The plan offers a roadmap for bringing affordable [high-speed Internet access](#) to Americans who currently don't have it and dramatically increasing speeds for those who do. Many of the proposals could be enacted by the FCC. Others would require action by Congress, which begins hearings on the plan this week.

The plan has left some interest groups in Washington worried.

Although wireless companies are pleased with a recommendation to free up more airwaves to deliver mobile [broadband access](#), television broadcasters fear most of that spectrum would come from them - whether they want to give it up or not.

Rural phone companies are concerned about proposals to overhaul two

federal programs that are significant sources of revenue for them: the Universal Service Fund, which subsidizes phone service in poor and rural areas, and the intercarrier compensation system, which governs the charges that telecom carriers pay to access each other's networks and connect calls.

And public safety officials are upset that the plan does not include a proposal to give them exclusive access to more spectrum freed up by last year's transition from analog to digital television broadcasts.

But some of the loudest criticisms are coming from those who have been most vocal in pushing the FCC to create a national broadband plan.

Meinrath, for one, takes issue with one of the plan's signature goals: delivering broadband connections of 100 megabits per second - at least 20 times faster than most residential services today - to 100 million U.S. households by 2020.

Meinrath believes this sets up the U.S. to slip even further behind in the international broadband race because the goal it sets for the rest of country - most likely rural America - puts minimum speeds at a paltry 4 megabits downstream.

"A national broadband plan should be bold and visionary and this isn't," Meinrath said. "This is like entering the race and saying: 'Let's go for last place.'"

For Yochai Benkler, co-director of Harvard's Berkman Center for Internet and Society, the real disappointment is that the FCC plan doesn't address competition.

Many public interest groups want requirements for the big phone and cable TV companies to lease their networks to rivals so they can offer

services at their own prices.

Because it is so expensive to extend lines to every home and business, they say, such obligations may be the only way to drive competition in many markets.

For his part, Benkler believes the U.S. should study experiments in other countries that have faster or cheaper broadband connections. In the Netherlands and Switzerland, for instance, telecommunications companies voluntarily share the cost of building networks that they all can use. In France, the government requires companies to share some network construction costs. And in Sweden and the U.K., the government mandates a "structural separation" between the company that builds a network and the carriers that use it.

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