

## **BROADBAND DEPLOYMENT & THE ROLE OF REGULATORY POLICY**

### **The pace of broadband deployment – and broadband penetration – is robust.**

Since passage of the 1996 Telecommunications Act, the cable industry has invested more than \$55 billion (about \$1,000 per subscriber) to upgrade nearly a million miles of plant (serving approximately 80 percent of cable customers).

Cable's broadband infrastructure is the ideal platform for high speed Internet services, digital video, cable telephony, interactive television, and other advanced services.

- High speed Internet service via cable modem is now available to more than 70 million U.S. households. More than 7.2 million customers – 17 percent of homes with PCs passed by cable systems – subscribe to cable's broadband Internet service.
- 15.2 million customers receive digital video services over cable's broadband facilities.
- 1.5 million residences receive cable-delivered telephone service.

Industry leaders like AOL Time Warner, AT&T and Comcast have begun to offer consumers a choice of ISP's such as Juno and Earthlink, while other cable MSOs are currently involved in technical trials.

Cable is offering broadband services in a vibrantly competitive marketplace:

- As of year-end 2001, DSL was available to 51.5 million homes (half the homes in the US).
- The four major DSL providers finished 2001 with 3.6 million customers.
- Satellite and fixed wireless providers are also competing.

### **Existing regulatory policy is working to ensure the deployment of broadband in the U.S.**

In February 2002, the FCC reported to Congress that "advanced telecommunications is being deployed in a reasonable and timely manner," "the advanced services market continues to grow and ... the availability of and subscribership to advanced telecommunications has increased significantly."

In fact, broadband Internet growth has outpaced the introduction of other successful consumer services such as color TVs, cell phones, CDs and VCRs.

The government's "hand's off" policy has been a vital spur to the remarkable pace of cable's broadband development. Had government imposed common carrier style regulation on cable as some of the Bell companies advocated, cable modem service would still be in the starting blocks.

Given the vigorous competition between cable modem, digital subscriber line, and satellite-delivered broadband Internet services, a policy of regulatory restraint is appropriate.

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