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January 15, 2009

Chairman Daniel K. Inouye
Senate Appropriations Committee
The Capitol
Room S-131
Washington, DC 20510

Dear Chairman Inouye,

We write to offer our strong support for the commitment shown by Congressional leaders and President-elect Obama to consider high-speed Internet—our nation’s broadband networks—as a focal point for the economic recovery package. Our telecommunications networks are the nervous system of our economy, catalysts of social mobility, and connection points to knowledge, information and political participation.

We are pleased to see the recent report that as much as \$6 billion is allocated in the draft bill for broadband. This represents a critical component of what could be a multifaceted approach to economic stimulus through technology. We urge that these dollars be tied to clear public service principles and concrete administrative accountability. Broadband as economic recovery should be “build-out” not “bail-out.”

We must view our communications infrastructure as a public good. This is not a moment to push dollars to large corporations in weakly competitive markets without a firm hand of oversight and an eye to the public interest. Too often in our recent past, government has given money to network owners to expand access and build next-generation connectivity only to find promises broken and benefits lost. This is a significant part of the reason why the US has dropped to 22nd place in the world in broadband adoption. But change is in the air – and a telecommunications sector that has long been off track can be righted. Done properly, broadband policy in the economic recovery package is one part of the solution. Public investment can trigger private investment, create hundreds of thousands of jobs, stimulate competition, and deliver to American consumers the permanent economic asset of a world class communications network.

To do this right will require bold leadership. We ask that you organize broadband policy around these basic principles of public service:

Universality – Bring networks to unserved and underserved areas.

Openness – Prohibit discrimination against any lawful content on the network and empower the consumer with freedom of choice among Internet services.

Affordability – Keep new networks at reasonably comparable prices with existing residential service.

Innovation – Promote competition among network providers and build future-proof networks that address our perennial lag behind our global competitors.

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Accountability – Ensure that tax dollars spent on broadband networks achieve results, building metrics and benchmarks to guarantee transparency and a return on investment.

We want to emphasize a few key points.

First, tax dollars should not be used to fund closed, proprietary networks that shut out content providers, control consumer behavior, and encourage anticompetitive activity. That outcome would be anathema to the goal of building infrastructure of maximum utility to all of the American economy and society. There are several paths that Congress can take to protect consumers. These networks could be made open to all providers on a wholesale basis to promote competition. They could come with mandatory requirements to ensure nondiscrimination between network owners, content providers, and consumers. Or the Congress could set policy to reaffirm and expand existing law to protect the innovation engine of the open Internet – passing to the independent regulatory agencies the task of specifying the rules of the road. We must be clear that it is the open market of unfettered innovation, collaborative production, and consumer curiosity that has driven the success of network technologies to date. All of the economic multipliers that come with infrastructure investment depend on these network effects.

Second, grant monies should flow through a single administrative agency to ensure that accountability is clear and strict. Ideally, this should be an agency with the expertise to account for the impact of broadband stimulus on other telecommunications policy, especially the rate-payer supported Universal Service Fund.

Finally, we should be clear that stimulus policy and telecommunications policy overlap at a central conclusion – speed equals jobs. Limited stimulus funds should be allocated to capital investment plans that would not have occurred otherwise. Further, these dollars should support the construction of new physical network infrastructure wherever possible as these are the most job-intensive projects. This focus will naturally privilege faster networks which in turn have their own multiplier effect on the economy as consumers and business adopt these services. This program should be available and made attractive to all network owners including municipalities, non-profits, and other non-incumbent operators.

We look forward to working with the Congress, the new administration, and the broad community of public stakeholders to achieve the best possible outcome – Internet for everyone.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Scott", with a long, sweeping horizontal line extending to the right.

Ben Scott
Policy Director
Free Press

CC: Majority Leader, Senator Harry Reid