

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of:)	
)	
International Comparison and Consumer)	GN Docket No. 09-47
Survey Requirements in the Broadband)	
Data Improvement Act)	
)	
A National Broadband Plan for Our Future)	GN Docket No. 09-51
)	
Inquiry Concerning the Deployment of)	GN Docket No. 09-137
Advanced Telecommunications Capability)	
to All Americans in a Reasonable and)	
Timely Fashion, and Possible Steps to)	
Accelerate Such Deployment Pursuant to)	
Section 706 of the Telecommunications)	
Act of 1996, as Amended by the)	
Broadband Data Improvement Act)	

**VERIZON AND VERIZON WIRELESS
COMMENTS – NBP PUBLIC NOTICE # 23**

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I. INTRODUCTION

Verizon¹ commends the Commission for seeking to understand the true picture of broadband deployment and usage throughout the United States to help inform its efforts to develop a National Broadband Plan. The Commission should pay particular attention to the study by the Columbia Institute for Tele-Information (“CITI”)² on publicly announced broadband deployment plans.³ Specifically, consistent with the filings of many parties in this proceeding,⁴ the CITI study concludes that in the near future broadband service providers will serve the overwhelming majority of Americans with significantly faster wired and wireless broadband options. *See CITI Study* at 9. These findings confirm that today’s broadband market is characterized by a high level of competition and investment amongst facilities-based providers, resulting in a large and growing number of consumer choices for broadband services in most areas.⁵ The Commission should continue to encourage this virtuous cycle that maintains incentives for broadband providers to invest, deploy and innovate, even as policymakers craft

¹ In addition to Verizon Wireless, the Verizon companies participating in this filing (“Verizon”) are the regulated, wholly-owned subsidiaries of Verizon Communications Inc.

² *See* Robert C. Atkinson & Ivy E. Schultz, Columbia Institute for Tele-Information, *Broadband in America: Where It Is and Where It Is Going (According to Broadband Service Providers)*, Preliminary Report Prepared for the Staff of the FCC’s Omnibus Broadband Initiative, Nov. 11, 2009 (“*CITI Study*”).

³ Comments Sought on Network Deployment Study Conducted by The Columbia Institute for Tele-Information, NBP Public Notice #23 GN Docket Nos. 09-47, 09-51, 09-137, *Public Notice* DA 09-2458 (rel. Nov. 20, 2009) (“*Public Notice*”).

⁴ *See, e.g.*, Comments of National Cable & Telecommunications Association, GN Docket No. 09-51 at 5-8 (filed Aug. 31, 2009) (“*NCTA Comments*”); Comments of Verizon and Verizon Wireless, GN Docket No. 09-51 at 19-21 (filed June 8, 2009) (“*Verizon NBP Comments*”).

⁵ *See, e.g.*, Comments of AT&T Inc., GN Docket No. 09-51 at 78-79 (filed June 8, 2009); *NCTA Comments* at 5-8; *Verizon NBP Comments* at 12.

appropriate tailored solutions to extend broadband service to those few parts of the country that remain unserved.

The CITI study also correctly concludes that broadband adoption rates continue to lag substantially behind rates of broadband availability. *See CITI Study* at 10. This finding again demonstrates that a primary focus in the National Broadband Plan should be to address the substantial demand-side challenges for those segments of the public that do not yet use and benefit from broadband technology.

II. BROADBAND PROVIDERS HAVE MADE SUBSTANTIAL INFRASTRUCTURE INVESTMENTS AND SERVE NEARLY ALL AMERICANS.

The CITI study correctly concludes that commercial broadband providers have invested substantial amounts in their infrastructure, thus providing facilities-based competition to the vast majority of Americans. The study also shows that multiple, robust choices in broadband service will be available to nearly all American consumers in the next few years. The data provided to CITI indicate that by 2014, wireline broadband services will be available to more than 95% of American households. *See id.* at 59 Fig. 17. CITI's research indicates that beyond simple "broadband" availability, over 90% of American households will have access to services offering advertised speeds of 50 mbps downstream in the next 3 to 4 years, with many consumers having at least two such options to choose from. *See id.* at 26-28.

Additionally, the wireless industry plans to make 4G LTE and WiMAX mobile broadband technologies, which will enable substantially more robust mobile broadband services for consumers, available to the vast majority of Americans over the course of the next few years. *See id.* at 24, 52-53. As the CITI study indicates, particularly in light of the greatly expanded capabilities of 4G, "[i]t is also likely that some people will utilize wireless broadband as their only means of internet access at home or away from home, just as a growing number of

individuals have ‘cut the cord’ and only have a mobile device for voice telephone service.” *Id.* at 60. Although the study indicates that a couple of analyst reports question the extent to which mobile broadband services will be a full substitute to wireline options, these analyses ignore the significant performance increases that will accompany the transition to 4G platforms, the ability of these services to support the services typically used by consumers, and consumers’ appreciation for the benefits of mobility. *See id.* at 60-61. For example, LTE-based mobile broadband services will offer typical downstream speeds of 5-12 Mbps, which are comparable or greater than broadband speeds currently being offered by many major DSL and cable providers. *See id.* at 38 Tbl. 9. In fact, according to a recent FCC staff presentation, these speeds exceed the 3 Mbps average sustained speed experienced by U.S. broadband subscribers today and would be adequate to support the applications commonly used by consumers.⁶ Therefore, the next generation of mobile broadband services are likely to prove an attractive, competitive option for many consumers.

As the CITI study also makes clear, Verizon is a leader in both wireline and wireless broadband deployment. Verizon’s fiber-to-the-home (“FTTH”) FiOS system offers among the fastest downstream rates of any services offered by major wireline companies, and Verizon is currently on track with its plans to offer this service to 18 million homes by the end of 2010. *Id.* at 17 Tbl. 1; *Id.* at 45. This all-fiber network will also support increasing consumer demand for higher speed services over time. Similarly, on the wireless side the study shows that Verizon Wireless is the leader in next generation broadband deployment, as it plans to cover its entire nationwide footprint of over 90% of the population with 4G LTE services offering typical

⁶ *See* FCC Open Commission Meeting: September 20, 2009, http://www.fcc.gov/openmeetings/2009_09_29-ocm.html; *see also* Broadband Task Force Status Report at FCC Open Meeting, Sept. 20, 2009 *available at* http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-293742A1.pdf.

download speeds of 5 to 12 Mbps by 2013. *Id.* at 24. Verizon's current 3G network, using EV-DO Rev. A technology, is presently available to more than 280 million Americans.

The CITI study further confirms that the widespread availability of broadband technology that is on the horizon is a direct result of massive capital investment in infrastructure by telecommunications service providers in recent years. Service providers invested over \$62 billion in 2008 alone. *Id.* at 28. Much of this investment went directly towards improving and expanding broadband infrastructure. For its part, Verizon has invested heavily in both its wireline and wireless broadband networks, through a massive deployment of fiber optic cable directly to consumer homes, and through upgrades to its wireless network to roll out its 3G wireless broadband network and in anticipation of its coming 4G LTE deployment. In fact, Verizon has invested more than \$50 billion in technology infrastructure over the last three years and more than any other U.S. corporation over the last five years. The report also describes infrastructure improvements underway by cable and satellite providers, demonstrating that facilities-based competition in the broadband market is robust. *Id.* at 21-23 (discussing the cable operator upgrades to the DOCSIS 3.0 protocol, which will offer advertised speeds of 50 mbps downstream); *Id.* at 57-58 (discussing upcoming deployments of high-throughput satellites with advertised speeds up to 25 mbps). The CITI study thus illustrates the significance of private investment in building the nation's broadband infrastructure. Consumers will continue to benefit from this investment, provided network operators continue to have incentives to invest and innovate in order to meet consumers' needs. Policies that maintain or increase those incentives – even as they develop targeted solutions to the few, remaining unserved areas – will best promote national broadband goals.

III. STIMULATING BROADBAND ADOPTION SHOULD BE A KEY FOCUS OF THE COMMISSION'S NATIONAL BROADBAND PLAN.

The Commission should pay special heed to the CITI study's findings concerning broadband adoption rates, which lag significantly behind broadband availability. Indeed, CITI's analysis indicates that although wireline broadband availability will surpass 95% of U.S. households in the next five years, adoption will linger below 70% for the foreseeable future. *Id.* at 59 Fig. 17. Particularly troubling is one forecast cited by CITI that predicts a continued decline in the growth of wireline broadband adoption, to the point that wireline broadband subscriber growth will drop below 2% by 2012. *Id.* at 58 Fig. 16.

One area in which adoption is predicted to surge is in the mobile context. CITI predicts that wireless broadband penetration in the U.S. will more than double between 2008 and 2013, from 63.1 million users to over 136 million. *Id.* at 60 Fig. 18. The CITI report confirms that mobile broadband services are likely to provide a competitive alternative for some consumers. As the report states, in addition to subscribing to wireless broadband as a complementary service, “[i]t is also likely that some people will utilize wireless broadband as their only means of internet access at home.” *Id.* at 60.

Despite the relative strength of mobile Internet adoption and significant upgrades to wireline broadband networks, CITI's study suggests that overall broadband adoption will continue to trail deployment. In light of the significant social and economic benefits accruing to individuals and whole communities as a result of today's broadband proliferation, the Commission should use the National Broadband Plan as an opportunity to identify demand-side means of promoting broadband adoption.

Respectfully submitted,

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