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January 4, 2010

Chairman Julius Genachowski
Commissioner Meredith Attwell Baker
Commissioner Mignon Clyburn
Commissioner Michael J. Copps
Commissioner Robert M. McDowell
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: GN Docket No. 09-191

Chairman Genachowski,

Thank you for coming to Arkansas in November to hear from Arkansans and to discuss the goal of making high-speed Internet service accessible to every American. As a member of the Governor's Broadband Council, I am keenly aware of the importance and the obstacles to universal deployment. Your talk at the Clinton School was enlightening and provided hope that the goal can be attained.

Gathering public comment is especially important now because, while you pursue universal broadband, you are also going down a treacherous path by considering new regulations on Internet service providers. The new rules could actually deter broadband deployment and drive up consumer costs, thus slowing or blocking universal broadband access.

It's amazing we can seriously discuss universal broadband access, given that just 10 years ago most consumers were limited to dial-up speeds of 56 kilobits per second. Today the majority of Americans have access to both wired and wireless Internet services that may be hundreds of times faster than dialup. In the same few years, content providers have built millions of websites that give consumers access to endless amounts of information and services. A handful of those companies now are the world's richest purveyors of advertising, information and goods.

Consumers also enjoy enormous benefits: We can interact with people in ways previously unimagined. Best of all, while technology and services have grown exponentially, consumer rates for broadband have remained very affordable. These services did not exist a decade ago, yet today many of us take them for granted.



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This growth has come with virtually no federal regulation. The Internet's success is the direct result of massive consumer demand being met in a free and competitive market. Without the combination of enlightened government policy and massive private investment, the rapid advancement would not have taken place.

The FCC estimates that achieving universal broadband access may require \$350 billion in new investment. Market analysts say \$1 trillion may be needed in the next 10 years to meet growing demand for speed, service and access. As in the past decade, these will be mostly private investments.

The digital divide exists in part because broadband network operators have difficulty recovering investments made in sparsely-populated areas. New regulations would make it harder to recoup broadband investment and could slow or stop rural expansion.

Regulation also may raise costs for consumers. Minority and moderate-income Americans, who are among the last to subscribe to broadband, could be the first to be priced off the Internet.

As you mentioned at the Clinton School we need providers to build networks that are "more robust and smarter." Your "secret sauce" to Internet success ... openness, must be defined carefully to spur progress.

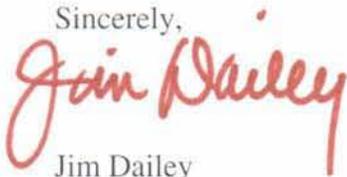
Implicitly, "smart networks" can be managed to accept rapid Internet traffic growth and accommodate new devices or services. Smartness is doubly important for mobile broadband networks which face hard limits on everything from wireless spectrum to cell tower sites.

With regard to "open Internet," there are many broadband providers; none carries more than a fraction of total Internet traffic, and they are very competitive. It's hard to imagine how that sector might actually abridge online freedom.

The FCC must not mandate unmanaged networks "dumb pipes" but should let network providers adopt smart technology and test new business models. Let consumers, not government, decide winners and losers. That's the best path to sustained investment and universal broadband access.

I encourage you to move cautiously when considering new regulations. Light and evenhanded regulation has proven to bring about investment and innovation.

Sincerely,

A handwritten signature in red ink that reads "Jim Dailey". The signature is written in a cursive, flowing style.

Jim Dailey