Before the Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Preserving the Open Internet	)	GN Docket No. 09-191
	)	
Broadband Industry Practices	)	WC Docket No. 07-52

Comments of
Information and Communications Manufacturers and Service Providers

We are the companies who serve as suppliers and partners in building and enabling the many wireline, wireless and satellite broadband networks in the United States. We support the principle of an open Internet, and we share the goal that all Americans should have access to an affordable broadband Internet connection.

Indeed, we believe that competitive market forces combined with watchful government oversight, including effective FCC application of its existing four principles, is already moving us toward the critical goal of an open Internet available to all. Wireline and wireless broadband networks are widely deployed and highly competitive. A September 2009 presentation by the FCC's broadband task force indicates that at least basic broadband is available to about 95% of Americans, albeit speeds are relatively slow for some.[1] Moreover, a report prepared at the request of the FCC by the Columbia Institute for Tele-Information (CITI) says that continued upgrades to the network mean that 90% of U.S. homes will have available a wireline broadband connection with a download speed of approximately 50 Mbps by 2013-14. Many homes will have higher speeds available. Similarly, the report noted that wireless operators expect to offer speeds of up to 12 Mbps to approximately 94% of the population by 2013.[2]

Given these trends, we believe the case for imposing new, pre-emptive regulations is weak. There is no evidence of systemic failure in either the wireline or wireless broadband access markets that requires government

[1] Presentation by FCC Broadband Task Force, September 29, 2009, pp. 34-35. http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-293742A1.pdf
[2] Robert C. Atkinson and Ivy E. Schultz, "Broadband in America: Where It Is and Where It's Going," Columbia Institute for Tele-Information, November 11, 2009, p. 7. http://www4.gsb.columbia.edu/citi

intervention. Nor, is there any evidence of any systemic threat to an open Internet. Indeed, the Commission has swiftly and successfully responded to the two known instances in which open Internet principles may have been violated. We believe the existing four principles, which are generally accepted by all Internet participants, provide the Commission with the tools for protecting the interests of all Internet users.

We are concerned, however, that new regulation as outlined in the Commission's October 22, 2009 Notice of Proposed Rulemaking will discourage investment in network expansion and upgrades, cast a cloud on innovation and product development, create substantial risks to job creation in Internet-related businesses such as ours, and also slow the broadband progress projected by CITI.

While the current draft rules leave much to be answered, we are concerned that the non-discrimination rule and potential limits on managed services will disrupt existing products and services provided by our companies and discourage development of potential future offerings that might be affected by the proposed rules.

For example, the proposed rules might limit the commercial viability and related jobs created by such emerging Internet-based devices and services as high-definition teleconferencing, Ebook readers, smartphones, remote medical monitoring, security services for homes and businesses, and the critical network infrastructure that supports these innovative products and services. Indeed, some of these products may have died on the drawing board had the proposed rules been in place. We believe some broadband-enabled devices and services of the future will be averted due to regulatory risk if the proposed rules are adopted now.

Instead of high-risk regulation that could damage economic recovery, we believe the Commission should be seeking ways to expand broadband investment, support job creation in the technology sector, and extend broadband to communities that currently lack service. As President Obama observed at his recent job summit, government policymakers should aim to create the conditions for economic growth so that the private sector can create jobs.[3] We believe the proposed rules would do the opposite -- damaging the business prospects of our companies by inhibiting investment by the network operators we supply and also by undercutting the business case for our own investment and innovation.

[3] President Barack Obama at Jobs and Economic Growth Summit, December 3, 2009, http://www.whitehouse.gov/the-press-office/remarks-president-and-vice-president-opening-session-jobs-and-economic-growth-forum

President Obama said he wanted to know: "What's holding back business investment and how we can increase confidence and spur hiring? And if there are things that we're doing here in Washington that are inhibiting you, then we want to know about it." [4] The market uncertainties and possible investment constraints created by the proposed rules are a good example of job-inhibiting policy the President was asking about.

At a time when American workers are battling double-digit unemployment, broadband providers and their suppliers and partners remain a major source of quality jobs that could help lead economic recovery. Although not immune to the economic pressures that have driven joblessness higher in the current recession, telecommunications services providers and their equipment suppliers, as a whole, provide over 1.15 million jobs, at median wages more than 60% above the $15.57 national average.

Table 1
U.S. Employment and Wages

	Employment	Median Wage
All Occupations	135,185,230	$15.57
Telecommunications Services	1,021,510	$25.47
Communications Equipment Manufacturing	128,900	$26.40

Source: BLS Occupational Employment Statistics, May 2008

The larger broadband providers alone spent more than $60 billion in capital expenditures in 2008.[5] This investment helped generate hundreds of thousands of jobs throughout the economy. By one estimate, each $10 billion in network investment helps directly sustain almost 50,000 telecom services jobs and 14,000 equipment manufacturing jobs, and indirectly contributes to more than 400,000 jobs in the broader economy (see Table 2). [6]

Smart policy choices in Washington can build on this broadband opportunity. As the Communications Workers of America urged the Commission in October 2009: "… put network investment and associated job creation at the center of the discussion." But the wrong government intervention, such as the Commission's

[4] Ibid.
[5] Based on 2008 10-K or company reports from AT&T, Verizon, Sprint Nextel, Comcast, T-Mobile USA, Time Warner Cable, Qwest, Dish Network Corp., Cablevision, Charter Communications, Windstream, Century Tel and Frontier Communications.
[6] Robert D. Atkinson, "The Economic Impacts of Declining Investment in Broadband," ITIF, October 2009. http://www.itif.org/files/10.20.09.Broadband_Investment_and_Jobs.pdf

proposed rules, will stunt investment in the broadband sector -- and that will cost jobs. Just as new investment adds jobs, lost investment erases them.

Table 2
Broadband Investment Impact on Jobs

Job Type	$10 Billion Investment
Direct Telecom Jobs	49,820
Direct Capital Equipment Jobs	13,840
Indirect & Induced Jobs	165,815
Network Effect Jobs	268,480
Total Jobs	497,955

Data drawn from "The Digital Road to Recovery: A Stimulus Plan to Create Jobs, Boost Productivity and Revitalize America," ITIF, January 2009.

We respectfully urge the Commission to drop the proposed rules; avoid regulation that puts investment, jobs and innovation at risk; and find ways to achieve the nation's open Internet and broadband goals while also contributing to economic growth.

Respectfully submitted,

2Wire, Inc.

Acision, L.L.C.

ADB Utility Contractors, Inc.

ADC Telecommunications

ADTRAN, Inc.

Advanced Receiver Technologies, Inc.

AFL Network Services, Inc.

Alpha Technologies Ltd.

Amdocs

Ameritraining, Inc.

Apperson Utility Contracting, Inc.

ATC Technology Corporation

Beck Group

Black and Veatch Corporation

Chemtech Ltd.

Ciena

CommScope, Inc.

Communications Test Design, Inc.

CompNova, Inc.

Convergys Corporation

Crystal Equation Corporation

CSI International, Inc.

CTS Construction, Inc.

Eltek Valere, Inc.

Evolving Systems, Inc.

FO&O, Inc.

Freedom Group of Companies Limited

Fujitsu Network Communications, Inc.

FutureWei Technologies, Inc.

GENBAND, Inc.

Global Energy and Technology, Inc.

Harris & Heavener Excavating, Inc.

Howco Utilities, L.L.C.

Huawei Technologies (U.S.A.)

Hugh O'Kane Electric Company, Inc.

IHC Construction Company, L.L.C.

J R Bowman Construction Company, Inc.

Kelly Mitchell Group, Inc.

Klaasmeyer Construction Company, Inc.

LG Electronics Mobile

Lineage Power

Lineal Contracting, Inc.

Metaswitch Networks

MOUNTAIN, LTD.

MP Instrument Company

NEC Corporation

North Houston Pole Line, L.P.

Pacific Utility Construction

Pearce Services, Inc.

PECO II, Inc.

Perkins Contracting Company, Inc.

Pinnacle Technical Resources

Progressive Communication Services, Inc.

R. Roese Contracting Company, Inc.

River Bend Contractors, Inc.

R K Cable Contractors

Site Acquisitions, Inc.

Sonus Networks, Inc.

Southern Diversified Technologies, Inc.

St. Francis Electric, Inc.

Sykes

Symmetricom, Inc.

Tekmark Global Solutions, Inc.

Telcordia Technologies, Inc.

Telecommunications & Industrial Consulting Services Corporation

Teleworld Staffing Services, Inc.

Tellabs

Telmar Network Technology

TesCom

The Plus Group, Inc.

TriLeaf Environmental & Property Consultants

Turn Key Utility Construction, Inc.

UC Synergetic

United States Infrastructure Corporation

UtiliQuest, L.L.C.

Utilitex Construction, L.L.P.

Volt Information Sciences, Inc.

Westell Technologies, Inc.