



VIA ECFS

EX PARTE

January 27, 2010

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Suite TW-A325
Washington, DC 20554

Re: GN Docket No. 09-51

Dear Ms. Dortch:

This letter is written for the purpose of providing the perspective of Best Buy Co., Inc. (“Best Buy”) on the National Broadband Plan. With operations in the United States, Canada, Europe, China, and Mexico, Best Buy is a multinational retailer of technology and entertainment products and services with a commitment to growth and innovation. The Best Buy family of brands and partnerships collectively generates more than \$45 billion in annual revenue. In the United States, Best Buy operates nearly 1,200 retail locations where our 150,000 employees apply their talents to help bring the benefits of technology and entertainment products and services to life.

Best Buy stores have become a destination of choice for purchasing a broad range of devices and products, including computers, mobile phones, Internet-connected video consoles, portable music players, digital cameras, video devices, and modems. Consumers rely on Best Buy sales consultants’ advice in choosing among broadband Internet access services. This experience in serving consumers gives Best Buy a distinct, and we think valuable, perspective on the promotion of broadband deployment and use.

Best Buy strongly supports the goal of ensuring broadband availability and access for all Americans.¹ Best Buy’s mission is to connect consumers with technology and services that make their lives better. Fixed and mobile broadband services have become an increasingly foundational element to the technology products

¹ As the Consumer Electronics Association (“CEA”) has explained, the promotion of “access to broadband is one of the essential challenges the country faces today.” Comments of CEA, GN Dkt. No. 09-51, at 2 (filed June 9, 2009) (“*CEA Comments*”). The availability and use of broadband yields enormous benefits to society, including more efficient energy consumption, lower costs for businesses, increased access to distance learning and a more extensive and robust network of connections to support the dissemination of news and political discourse. *See id.*

and services that consumers seek. Yet Best Buy has found that too many consumers are unable or unwilling to purchase broadband service, especially mobile wireless broadband service, because it is either (a) too expensive (affordability); (b) unavailable in their area (or they have poor service where it is available) (availability); and/or (c) does not function properly, or at all, with their devices (interoperability).² Addressing these issues will be critical to ensuring that all Americans can benefit from an increasingly diverse and competitive market for connected devices, applications and services.

In light of the existing benefits and future promise of broadband, CEA, of which Best Buy is a member, has filed comments in this proceeding that recommended a number of measures needed to address consumer issues and foster a strong and stable national broadband infrastructure.³ Best Buy continues to support those recommendations. Best Buy also believes that the FCC should consider other commenters' suggestions of ways the FCC can supplement market forces to help advance broadband deployment and adoption by, for example, channeling current universal service resources toward supporting broadband service.⁴

The Commission Staff has also correctly determined that the promotion of competition and innovation in the provision of audiovisual navigational devices is key to promoting broadband availability.⁵ As the FCC has observed, while 76 percent of U.S. households have personal computers, fully 99 percent of U.S households have television sets.⁶ In order to enable the 23 percent of U.S. households that have television sets but not personal computers to utilize broadband, the FCC must establish the preconditions for competition in the provision of navigational devices. Such competition will likely result in the development of portable navigational devices that enable users to access and manipulate video content obtained from multichannel video programming distributors ("MVPDs") as well as the from the Internet. Consumers with access to such devices can connect to the broadband network without purchasing a computer, a result that will substantially increase

² This list is based on feedback Best Buy collects from its sales consultants in the field.

³ The CEA comments recommended that the FCC promote deployment and adoption by (a) allocating at least an additional 200 MHz of new spectrum for the provision of wireless broadband services; (b) maintaining policies that promote market-driven, facilities-based competition among multiple providers of broadband Internet access services, including cable companies, incumbent LECs, as well as firms relying on both licensed and unlicensed wireless spectrum; and (c) pursuing policies to promote the openness of the Internet, including a consumer's right to use any non-harmful device on any wireline or wireless broadband Internet access platform. See *CEA Comments* at iii, 2.

⁴ See, e.g., Comments of AT&T on NBP Public Notice #19, GN Dkt. Nos. 09-51, 09-47, 09-137, at 8-10 (Dec. 7, 2009); Comments of Verizon and Verizon Wireless on NBP Public Notice #19, GN Dkt. Nos. 09-51, 09-47, 09-137, at 11-16 (Dec. 7, 2009).

⁵ See FCC News Release, *Options for a National Broadband Plan*, at 2 (Dec. 16, 2009).

⁶ See *Comment Sought on Video Device Innovation*, NBP Public Notice # 27, GN Dkt. Nos. 09-47, 09-51, 09-137, CS Dkt. No. 97-80, DA 09-2519 at 2 (rel. Dec. 3, 2009).

the availability of broadband across the U.S. As a member of the Consumer Electronics Retailers Coalition (“CERC”), Best Buy continues to support the proposals CERC has put forward to address these critical issues.⁷

Finally, Best Buy believes that the National Broadband Plan should direct efforts toward helping consumers understand the substantial benefits and capabilities of broadband. A large number of consumers do not subscribe to broadband service even when it is available to them.⁸ Unfortunately, such consumers are in many cases apparently unaware of the substantial and concrete benefits that a broadband connection can provide.⁹ Thus, while addressing affordability and availability issues is essential, outreach and educational initiatives should also play a part in ensuring that all Americans benefit from the broadband revolution.

A number of promising proposals for increasing consumer adoption have been submitted in this proceeding. One such proposal is the development of public-private partnerships as a means of advancing consumer awareness and adoption of broadband.¹⁰ Best Buy has experienced and contributed to successful public-private partnerships in the past. For example, in partnership with the Congress, the FCC, NTIA, consumer groups and non-profits, Best Buy helped to prepare millions of consumers for the 2009 digital TV (“DTV”) transition. As part of that effort, Best Buy launched a three-year, multi-faceted consumer education campaign. In stores, online, by phone and in community fora, Best Buy provided educational materials to consumers to help them understand the benefits of digital television and how they could best prepare for the transition. Best Buy focused in particular on helping consumers who were most likely to be unprepared to cope with the transition, including seniors, minorities, low-income consumers and consumers in rural areas. Given the success of the DTV experience, the FCC should consider whether a public-private initiative would make sense as part of the Commission’s broader initiative to increase consumer awareness and adoption of broadband connectivity.

⁷ As CERC has explained, competition will develop if the FCC (a) vigorously enforces cable operators’ obligation to provide and support CableCARDs, so that subscribers can easily, quickly, and routinely receive and install a CableCARD at any time; and (b) requires that all MVPDs provide each subscriber a home gateway server, the sole function of which would be to support the interactive operation of competitive devices on the MVPD’s network (just as modems and routers do for Internet service today). *See* Comments of the CERC on NBP Public Notice # 27, CS Dkt. No. 97-80, GN Dkt. Nos. 09-47, 09-51, 09-137 (filed Dec. 22, 2009).

⁸ For example, Connected Nation has observed that, “[i]n urban areas, where broadband is nearly ubiquitous, broadband adoption among minorities remains low at only 47 percent.” *See* Comments of Connected Nation on NBP Public Notice #16, GN Dkt. Nos. 09-47, 09-51, 09-137, at 12 (Dec. 2, 2009).

⁹ *See id.* at 10; *see also* John Horrigan, Pew Internet and American Life Project, *Home Broadband Adoption 2009*, at 35-45 (June 2009), available at <http://www.pewinternet.org/~media/Files/Reports/2009/Home-Broadband-Adoption-2009.pdf>.

¹⁰ *See* Comments of AT&T Inc., GN Dkt. No. 09-51, at 51 (June 8, 2009) (describing public-private partnerships and arguing that the National Broadband Plan “should encourage such private-public partnerships, which greatly facilitate adoption of broadband by consumers with lower incomes”). In addition, AT&T has suggested that such partnerships include the subsidy of computers for low-income households. *See id.* at 50-51.

Ms. Marlene H. Dortch

January 27, 2010

Page 4

Best Buy applauds the FCC's efforts to identify the optimal means of promoting the availability and adoption of wireline and wireless broadband service in this country. As a retailer of technology and entertainment products and services throughout the U.S. and the world, it is clear to us that this effort is critical to the promotion of job creation and economic growth, and to enhancing the richness of individual lives in countless ways.

Respectfully submitted,

/s/ Todd G. Hartman

Todd G. Hartman

Vice President, Associate General Counsel

and Chief Compliance Officer

Best Buy Enterprise Services, Inc.

cc: Chairman Julius Genachowski