

Broadband in the United States: Regulator's View

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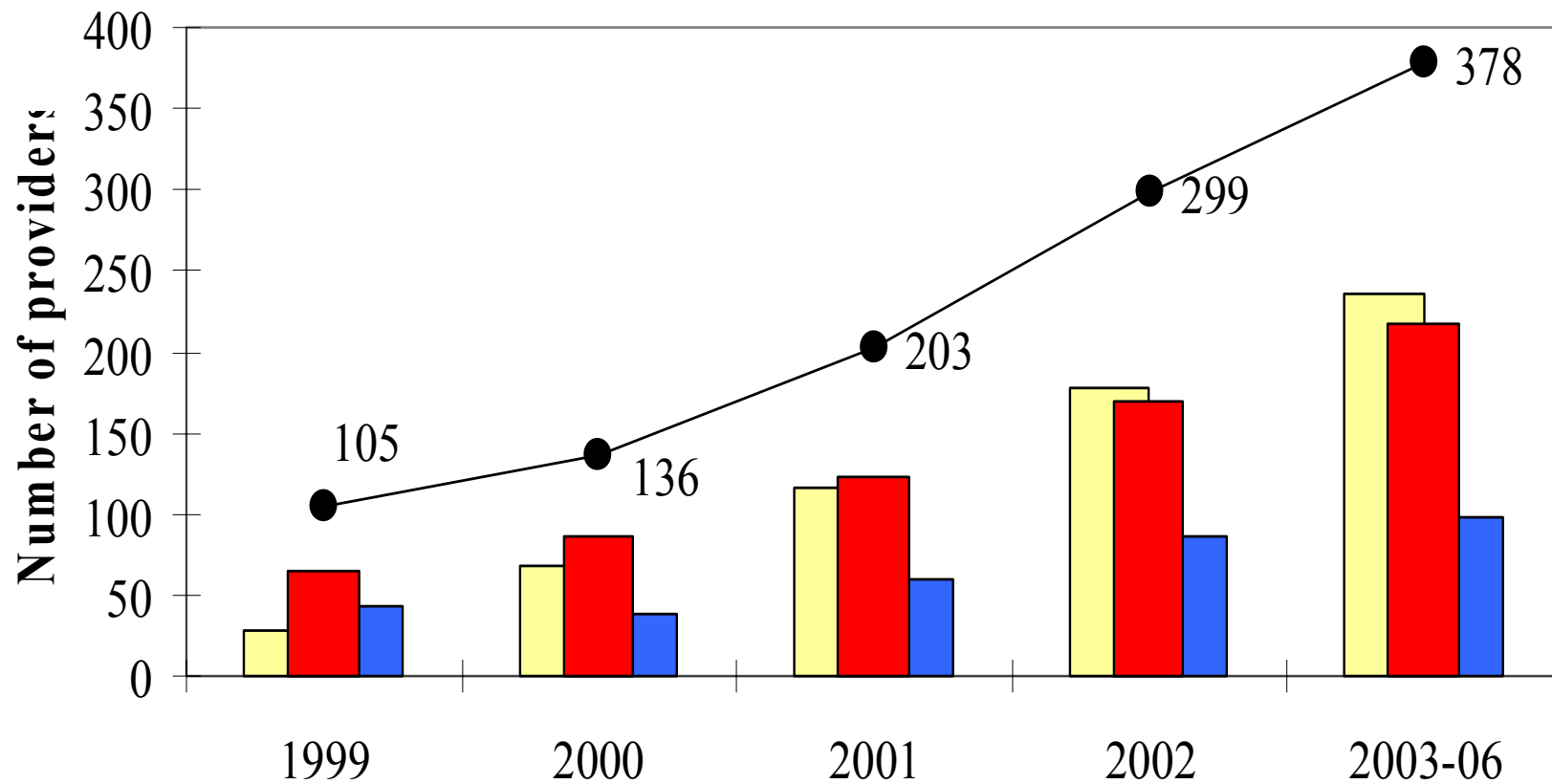
Broadband Content Workshop

June 3, 2004

Broadband Service Market's Characteristics May Affect Content Market

- *Degree of competition among broadband service providers*
- *Scale of the market*
- *Extent of broadband service availability*

Number of High-Speed Internet Providers

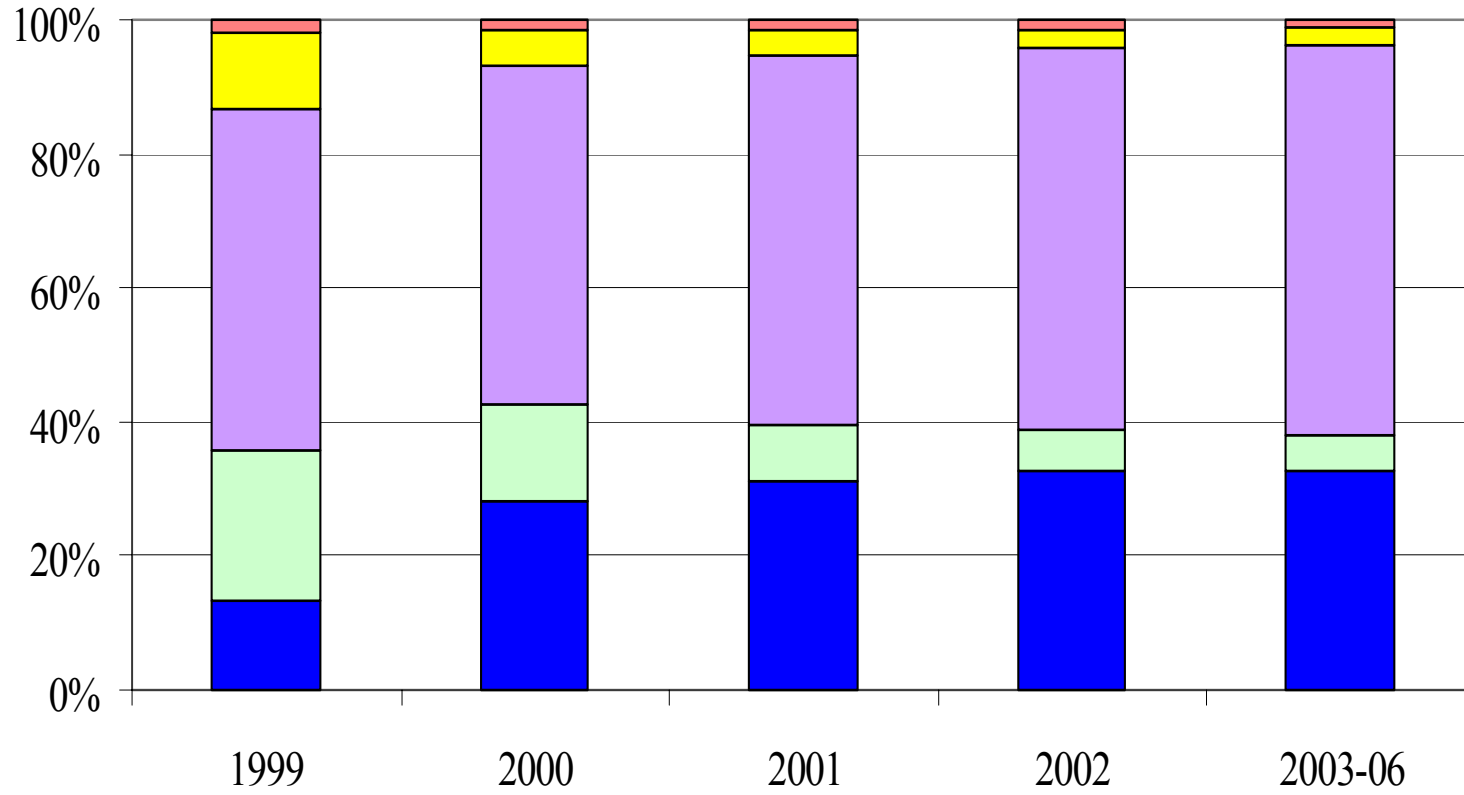


ADSL Coaxial Cable Other Total (unduplicated)

Access issues

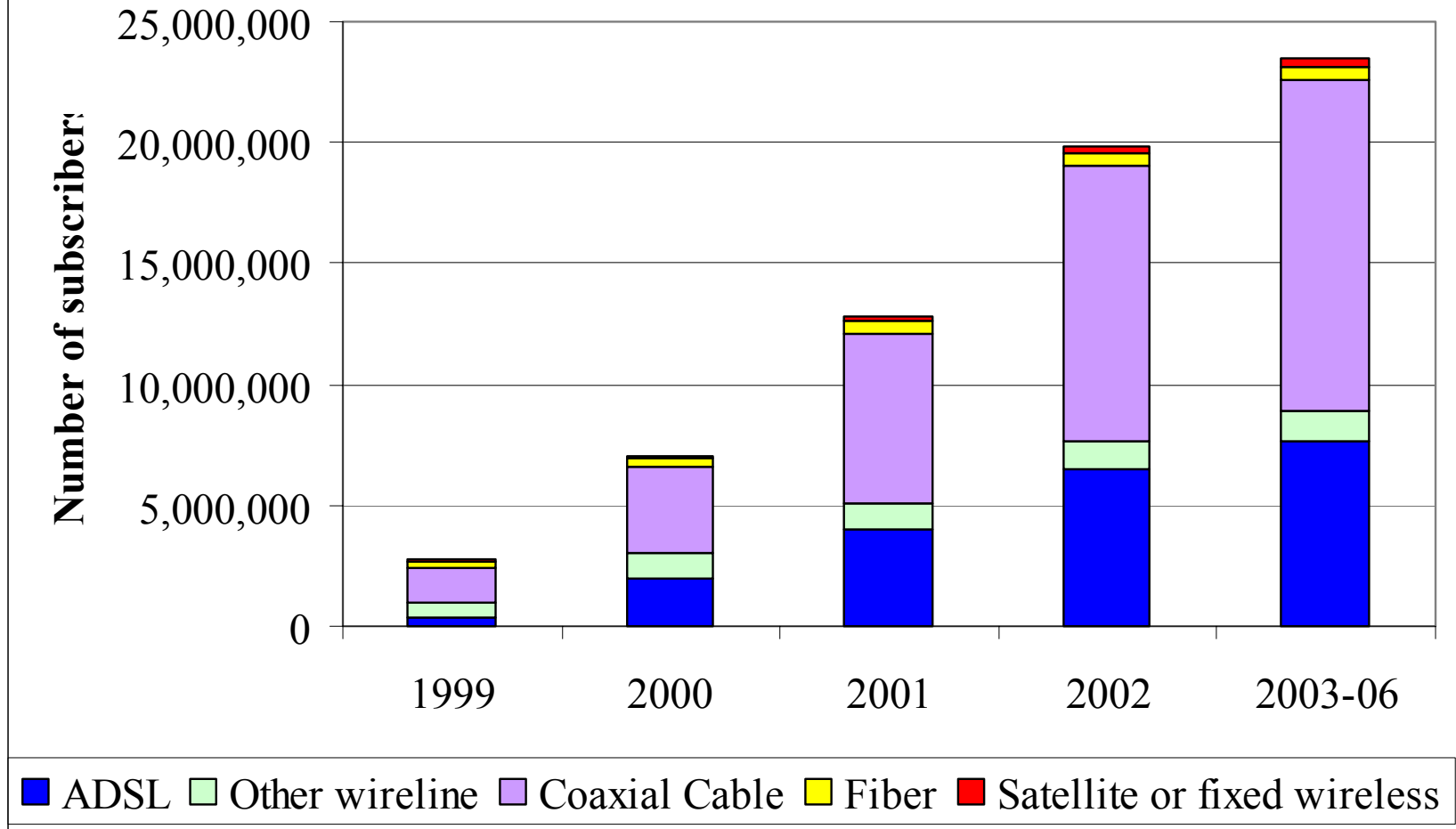
- Wireline telecommunications:
 - *local loop unbundling required for incumbent telecom operators*
- Cable television network:
 - *third party access voluntary*
- Spectrum:
 - *Licensed [such as 3G and fixed wireless]*
 - *Unlicensed spectrum [such as WIFI and Bluetooth in 2.4 GHz and 5 GHz]*
 - *Satellite operators licensed*

Broaband Subscribers by Technology

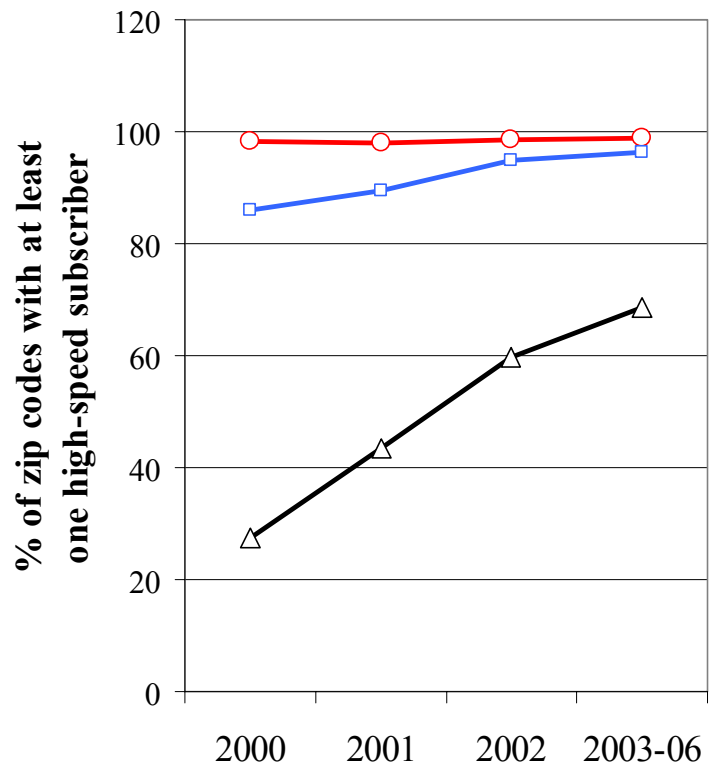


■ ADSL ■ Other wireline ■ Coaxial Cable ■ Fiber ■ Satellite or fixed wireless

High Speed Lines (over 200 kbps in at least one direction)

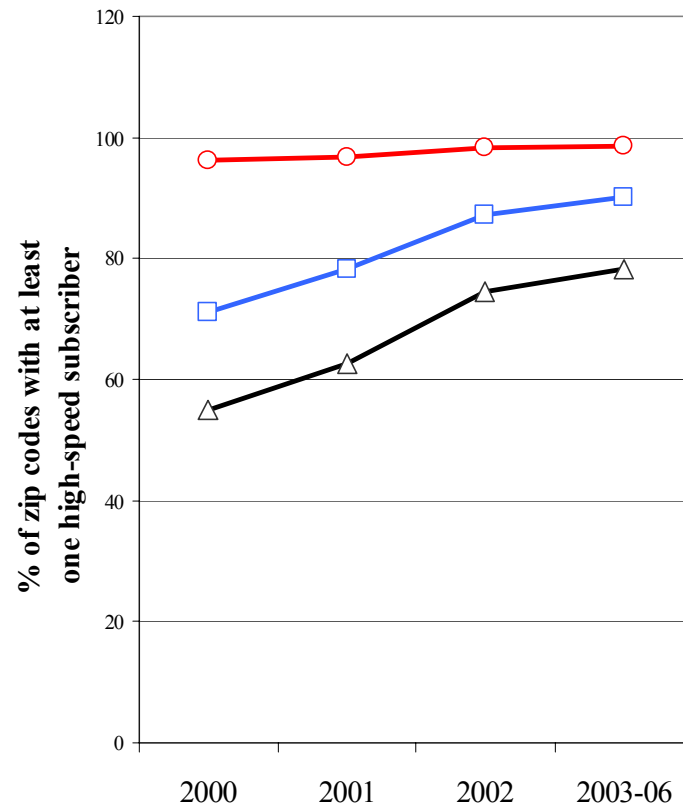


High Speed Subscribership by Population Density



- More than 3147 per sq mi. (highest 10%)
- 67-118 people per sq mi (50-60%)
- △ Fewer than 6 per sq mi (lowest 10%)

High-Speed Subscribership by Household Income



- US\$53,494-291,938 (highest 10%)
- US\$32,122 - 24,743 (50-60%)
- △ US\$0-21,644 (lowest 10%)

Subsidy Programs

- Universal Service Program: Schools and Libraries Program, subsidy for Internet service, which can include broadband.
- Agriculture Dept: Rural Utilities Service, loans for broadband service, for areas with fewer than 20,000 people

President Bush's broadband statement

“We ought to have universal, affordable access for broadband technology by the year 2007, and then we ought to make sure as soon as possible thereafter, consumers have got plenty of choices when it comes to purchasing the broadband [service].”

*Remarks at Homeownership Expo,
Albuquerque, New Mexico,
March 26, 2004*

“A New Generation of American Innovation”

- Making broadband access tax-free to lower cost to consumers
- Enable rollout of new technologies, such as making more spectrum available for wireless broadband
- Federal land management – simplify and standardize rights of way processes

High-Speed Providers by Zip Code
(As of June 30, 2003)

