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States Step In to Close Broadband Gap

By COREY BOLES
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WASHINGTON -- Tired of waiting for the federal government to act on President Bush's promise to make high-speed Internet connections available to every home, a number of states have taken on the task themselves. Kentucky has been so successful -- the state says 95% of its households can now buy broadband service if they want -- that federal lawmakers and regulators want to replicate its program nationwide.

Rep. Zack Space (D., Ohio) recently introduced legislation to provide grants for states to follow Kentucky's lead, and a Senate version of the bill has passed the Commerce Committee. In October, the House Energy and Commerce Committee passed a bill sponsored by Rep. Edward Markey (D., Mass.) that would compel the Federal Communications Commission to pinpoint where broadband service is available -- and where it isn't.

In his campaign for nationwide broadband service, Mr. Space has formed the Connecting Appalachia Broadband Task Force, a group of various officials, local leaders and telecom industry representatives to bring broadband to rural Appalachia. "The FCC needs to do more. Our government as a whole needs to recognize the importance of broadband Internet access," he says. "We should be treating broadband with as much importance as we did the electrification of the country in the 1930s."

Why the urgency? Mr. Space worries that the U.S. hasn't kept pace with other developed countries, and that rural districts like his will lose jobs. The Paris-based Organization for Economic Cooperation and Development's most recent ranking of countries' progress in broadband deployment put the U.S. in 15th place out of 30 countries as of December 2006, down from 10th place a year earlier.

That leaves the U.S. far from the goal Mr. Bush set in April 2004, promising "broadband technology to every corner of our country by the year 2007."

Kevin Martin, the Republican chairman of the FCC, discounts the OECD ranking, arguing that it doesn't account for population density and other factors. But he acknowledges the FCC needs to do more, and points to recent changes to encourage investment in broadband networks. Earlier this year, the FCC classified broadband as an information rather than telecommunications service, exempting providers from layers of red tape.

This week, the FCC took steps to get a clearer picture of the gaps in broadband availability. The commission will be asking companies for the number of broadband subscribers in each ZIP Code -- eventually using the nine-digit code -- and it wants to collect more-precise data on transmission speeds.

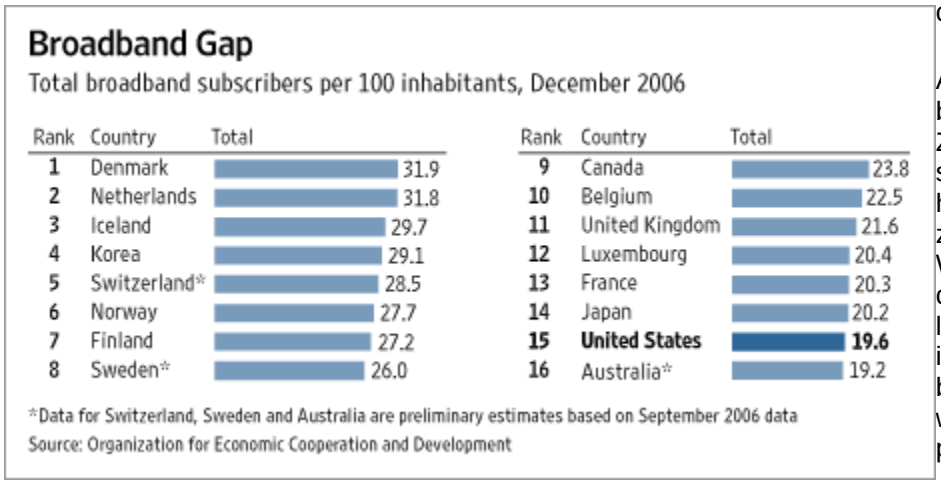
Local and national initiatives are also catching attention. Wireless Philadelphia, working with EarthLink Inc., has established a citywide Wi-Fi network, though Chicago, San Francisco and other cities have dropped similar efforts. Also, services are springing up to provide Internet connections via satellite, but the costs are relatively high.

The Kentucky program, run by not-for-profit Connect Kentucky, relies on detailed research on communications networks, targeted public spending and cooperation with private-sector providers of broadband Internet service like telephone and cable companies. In all, Connect Kentucky spent $7 million of federal and state money, and broadband providers invested about $700 million to upgrade their networks. Now, 44% of the state's population, much of it rural, subscribes to broadband services, up from 22% three years ago.

The program has grown into a national not-for-profit group called Connected Nation. "We've used this model to demonstrate that a state that can be ranked last in so many technology indicators can see a turnaround in a relatively short period of time," says Brian Mefford, executive director of Connected Nation. Mr. Mefford says half of the states have sought information about the program.

West Virginia and Tennessee have kicked off similar efforts with the help of Connected Nation. "We have not seen the federal government take a strong role in this," says West Virginia Secretary of Commerce Kelley Goes. Ms. Goes and other officials are now working with Verizon Communications Inc. and other Internet providers to determine where broadband access is available.

That can be tricky. While Internet providers keep detailed maps of their networks, they aren't required to share the information with regulators, and won't do so voluntarily for fear of tipping their hand to competitors.



And the FCC measures broadband deployment by ZIP Code, so if one subscriber in a ZIP Code has broadband access, the zone is considered covered. Without a precise count, consumer groups and lawmakers say it is impossible to determine the best way to close the gaps, which occur mostly in less-populated and poorer areas.

Consumer advocates have their eye on another FCC program, the $7 billion Universal Service Fund that subsidizes the cost of rural telephone service. For several months, the FCC has been wrestling with rule changes that could free up some of the money for high-speed Internet. Mr. Martin has proposed some changes to the fund, but wouldn't allow it to be used to offset the cost of broadband in rural areas.

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