

The Future of American Communications Working Group – Executive Summary

Introduction

This 21st Century communications policy agenda was prepared by a working group of sixteen media and communications, law, public policy, engineering and economics scholars representing eleven major American universities. The recommendations are based on a consensus that all communications services, including interactive, information, and entertainment services, will eventually be provided over broadband. Our national goal, therefore, should be making broadband ubiquitous, content-rich, and nondiscriminatory. The forward-looking policies we propose stem from a vision of how the industry should look in the future. We propose a variety of recommendations for how to realize these ambitious goals—including learning from our own past mistakes and the success of our global competitors. We believe that “putting the horse back in the barn” is not impossible and that reversals in policy direction are not only possible but essential.

The Policy Agenda

1. The United States should adopt a comprehensive and pro-active national information policy that promotes social inclusion as well as ubiquitous, high- quality, open Internet service.
2. The policy should be technologically neutral and address the four Cs of access: connectivity, capability, content, and context.
3. A balance needs to be struck between measures that are market-led and measures that are government-led and between public goods and consumer products. Policy should be designed to promote the former and create truly competitive markets for the emergence of the latter.
4. The policy should ensure that consumers could access all content and attach any device to any network, wired or wireless without interference from any network provider.

Mid term and immediate action to be taken by the administration:

- Enact network neutrality: prohibiting arbitrary or anti-competitive discrimination in network management promptly over both existing wireline and cable.
- Monitor the introduction of metered or capped broadband services as they could lead to unanticipated harmful consequences.
- Inventory federal spectrum and account for how this essential resource is used.
- Cap universal service expenditures at sustainable and effective levels for the various USF-supported programs.
- Institute stronger mechanisms to investigate fraud or misappropriation of subsidies.
- Enforce existing consumer protection laws or initiate a new law specific to telecommunications to protect consumers against aggressive marketing.

Policy principles for the long term:

Redefining universal and rural access

- Universal service policies need to move beyond the traditional focus on access to promotion through increasing the value that consumers derive from network services.
- New universal service programs should offer a multiplicity of services, with consumers able to choose the services that they value the most.
- The “new universal service” should build on four dimensions:
 - Supporting network deployment;
 - Aiding network take-up by promoting digital literacy and consumer training;
 - Providing incentives for service/business innovation; and
 - Creating support infrastructures that enable the deployment of new services.
- A single service provider needs to be identified in each territory to offer service using the most cost-efficient technology
- Institutional federal incentives should be provided to states to actively promote Lifeline and Link-up programs.
- In rural regions:
 - Establish grants for Internet training
 - Universal service funds should be used to enhance community projects
 - Invest in community college-based Internet applications capabilities for individuals and small

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- businesses
- Create “rural leadership academies” that select aspiring or actual rural leaders for two to three weeks of leadership training
- A small percentage of the E-rate should be used for outreach to make more educators, librarians, and rural health care providers aware of the programs

Promoting competition in the wireline industries:

- Adopt unbundling and wholesale access policies focused on broadband access.
- Enacting structural or functional separation to better align carrier incentives and enforce pro-competitive policies.
- Set up an operational “arbitrator” to ensure incumbents do not undermine competition through operational delay.
- Ensuring entrants have access to local rights of way.
- Requiring divestiture of unused copper and cable lines when fiber is deployed.
- Providing financial assistance if necessary for deployment of open, unbundled fiber networks.

Promoting efficiency in the wireless industries:

- Construct a nationwide wireless broadband network that serves local first responders
- Make the spectrum that comes available via auction accessible to more potential license-holders through payments over the duration of the license
- Recognize the need to subject wireless carriers to different degrees of regulatory oversight due to the many types of services they offer
- Retain streamlined common carrier regulation for conventional wireless telecommunications services and calibrate any further deregulation to an increase in sustainable, facilities-based competition
- Promote wireless technology alternatives to wireline networks when allocating funds that target universal service goals
- Adopt a wireless “Carterfone” policy
- Identify a common standard for wireless broadband deployment
- Reallocate underutilized spectrum for unlicensed citizen access.

Promote public goods in content services:

- In assessing and formulating media ownership policies the distribution of resources for the production of content should be the focus
- The public broadcasting system should be restructured, and the entities that are entitled to public media funding should be redefined beyond traditional broadcasting
- FCC should begin proceedings to require all televisions to accept direct Internet connections and establish “open Internet TV” standards.
- States should be encouraged (by a model law) to pass laws franchising wired video/broadband delivery systems, and replacing municipal cable franchises.
- PEG access will need assistance to make the transition from analog to IP
- The FTC, FCC, Congress, the industry and the public health and child advocacy communities should jointly develop new rules governing digital marketing to children
- New regulations must take into account the full spectrum of advertising and marketing practices across all media, and apply to all children, including adolescents
- The collection of sensitive data for behavioral advertising purposes of all persons under the age of eighteen” should be prohibited.
- The FCC should revive the Minority Tax Certificate Program repealed in 1995 by Congress and reinstitute the distress sale policy and apply it to socially and economically disadvantaged businesses.