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Rural Associations Warn of Broadband Plan's Low Speed Threshold

Urge Congress to Insist FCC Alter Broadband Plan to Prevent Digital Divide

Washington, DC., (May 3, 2010) – The National Broadband Plan's (NBP) goal of 4 Mbps for universal broadband availability by 2020 will result in severely inadequate broadband service for rural consumers, and Congress should tell the FCC to redirect the NBP to ensure adequate cost recovery for rural providers to prevent a new broadband urban/rural digital divide, the National Telecommunications Cooperative Association (NTCA), the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) and the Western Telecommunications Alliance (WTA) said in a letter to Congress.

While urban, suburban and metropolitan areas have the population base and economic foundation to support 100 Mbps availability well before the NBP's goal year of 2020, rural communities lack the population and independent financial means to support even 4 Mbps—let alone a comparable 100 Mbps—broadband service by that time, without a very strong cost recovery system. Without speeds greater than 4 Mbps, rural communities will miss out on expanded opportunities for telemedicine, distance learning, home businesses and high definition programming.

“The NBP's broadband service goals would also violate the comparability and affordability standards contained in the Communications Act, and would greatly endanger investment, jobs and economic development throughout rural America,” the letter said.

In the letter, the groups credit the time-tested cost recovery structure consisting of rate-of-return regulation, National Exchange Carrier Association pooling, intercarrier compensation and universal service support, with rural providers' ability to invest in and build the networks that connect the insular and sparsely populated areas that the nation's largest telecom providers chose not to serve.

“It has been through these mechanisms that rural consumers’ access to services at prices that are affordable and comparable to services and prices received by urban consumers has been achieved, as required by the Communications Act,” the groups said in the letter. “The FCC should now be looking to recreate this success story and not undermine and otherwise ignore what has worked to reach these goals.”

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The National Telecommunications Cooperative Association is the premier association representing more than 560 locally owned and controlled telecommunications cooperatives and commercial companies throughout rural and small-town America. NTCA provides its members with legislative, regulatory and industry representation; meetings; publications and educational programs; and an array of employee benefit programs. Visit us at www.ntca.org.

The Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) represents more than 500 small, independently owned, local telecommunications companies serving primarily rural areas of the United States and Canada. OPASTCO’s membership includes both commercial companies and cooperatives, which range in size from fewer than 100 to 100,000 access lines, and collectively serve more than 3.5 million customers. OPASTCO represents rural telecommunications interests before federal regulatory bodies and Congress, provides publications, and holds two conventions annually in January and July of each year, addressing the needs of the small telecommunications industry. The association has an affiliate 501(c)(3) nonprofit, the Foundation for Rural Education and Development (FRED). Visit the OPASTCO Web site at www.opastco.org.

Western Telecommunications Alliance is a trade association whose membership is comprised of approximately 250 rural telecommunications carriers providing high-quality voice, video and data services throughout rural areas in the 24 states west of the Mississippi River. On average, WTA member companies serve fewer than 3,000 access lines with fewer than 500 customers in each exchange. WTA’s members serve some of the most rural and hard-to-serve communities in the country and are on the forefront of bringing 21st Century telecommunications services to rural America.