



February 14, 2006

The Honorable Ted Stevens
Chairman
Committee on Commerce,
Science and Transportation
United States Senate
Washington, DC 20510

The Honorable Daniel Inouye
Co-Chairman
Committee on Commerce,
Science, and Transportation
United States Senate
Washington, DC 20510

Dear Chairman Stevens and Co-Chairman Inouye:

President Bush has called for universal broadband access by 2007. The Telecommunications Industry Association (TIA) believes that S. 1504, the Broadband Investment and Consumer Choice Act, provides a positive model for a market-driven, deregulatory communications framework that will help achieve this national broadband policy. Indeed, TIA believes that the forward-thinking framework of S. 1504 offers an appropriate mechanism to foster consumer value and choice by unleashing markets in lieu of government regulation.

Currently, broadband service providers of all varieties are either investigating or deploying next generation broadband technologies which will empower them to offer the "triple play" of voice, video, and data services. S. 1504 includes several provisions, previously supported by TIA through its policy statements, which will enable these investments to continue and flourish.

TIA believes that S. 1504 appropriately recognizes that broadband networks have become global in nature. Thus, absent limited jurisdiction over social obligations and consumer protections, S. 1504 precludes state and local regulation of new services using, or service providers operating, these networks. Ensuring that broadband networks and services may operate in a minimal regulatory environment is critical for the continued deployment of broadband and innovation in both next-generation network facilities and the services they empower.

In particular, S. 1504 includes a national video service franchise reform provision that maximizes competition between incumbent video service providers and new entrants and will create regulatory parity among the competing platforms. As next generation broadband facilities are deployed, the marketplace is recognizing that bandwidth intensive services are the key driver of such investments. By making head-to-head competition between

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incumbents and new entrants the hallmark of the video services market, S. 1504 ensures that video services can function as a key driver of continued broadband investment and innovation. By preserving video service revenues and rights of way management for state and local authorities, the provision ensures that localities that have come to rely on video service franchise fees and management of local rights-of-way will be protected.

To be clear, while TIA supports the market-driven, deregulatory framework of S. 1504, there are certain provisions in the bill that TIA does not support as they are currently drafted. For example, TIA does not support the bill's provision curtailing the ability of municipalities to deploy broadband networks. That being said, TIA looks forward to working with all Members of the Senate Commerce Committee to modify this provision, as well as certain others, within the larger context of the bill's pro-market, pro-competition framework.

Thus, TIA supports the forward-thinking, deregulatory framework of S. 1504, and believes that the bill provides a positive legislative framework for continued and increased investment in broadband technologies which, in turn, will continue to revolutionize American consumers' communications resources. This framework is consistent with long-standing TIA objectives to create an environment that fosters connectivity, convergence, and consumer choice. TIA commends Senators Ensign and McCain, as well as their co-sponsors, for their leadership in this regard, and looks forward to working with you on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew J. Flanigan". The signature is fluid and cursive, with a large, stylized initial "M".

Matthew J. Flanigan
TIA President

cc:
Senate Commerce Committee