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July 22, 2015

The Honorable Greg Walden
Chairman
Subcommittee on Communications and Technology
U.S. House Committee on Energy and Commerce
Washington, DC 20515

Dear Chairman Walden:

COMPTEL appreciates the opportunity to submit a statement for the record for the U.S. House Energy and Commerce’s Subcommittee on Communications and Technology’s hearing on “Promoting Broadband Infrastructure Investment.”

Based in Washington, D.C., COMPTEL is the leading industry association representing competitive network service providers and their supplier partners. Our members are catalysts for creating economic growth, with capital investments of over \$2.5 billion in 2012 and 2013 alone, improving the quality of life for all Americans through technological innovation, new services, affordable prices, and greater choice. These entrepreneurial companies offer a wide array of broadband voice, video, Internet and data offerings, using both wireline (copper/fiber) and wireless networks to reach their customers. Among the state-of-the art solutions they deliver are managed services, cloud computing, and unique applications that are developed and deployed via next-generation, IP-based managed networks.

The United States sits on the verge of a new era of investment, innovation, and choice in information and communications services. Consumers and businesses today enjoy access to unprecedented computing and communications platforms. These platforms include mobile computing, cloud computing, wired and wireless managed broadband and voice services, and broadband Internet access service. The innovations we take for granted today—unimaginable merely a few decades ago—have been the direct result of pro-competition, market-opening policies that benefit individual and business customers—competitive policies that have resulted in \$1.4 trillion in investment from broadband providers since 1996.

There is an enormous opportunity to expand the reach of competitive broadband deployment, particularly to the customer doorstep. While there has been substantial investment in networks over the last twenty years, there remains more to be done to encourage additional network deployment. The hearing today provides an excellent opportunity to identify existing local, state, and federal barriers to broadband investment and to make a clear case for the benefits of developing a robust network deployment policy. The objective, hopefully, is to create a future where we have an abundance of competitive wired and wireless capacity based on a logical, comprehensive and bipartisan consensus centered on a national priority of ensuring residential and commercial access to numerous advanced broadband services.

For instance, COMPTTEL member companies that are actively deploying fiber nationwide, including new network builders like Google Fiber and Racker Fiber, frequently experience delays and barriers at the local level. Construction of advanced broadband networks requires access to existing poles and conduits on a timely and cost-effective basis. Delays in the “make ready” work, which includes rearranging of existing pole attachments, installation of new poles, and ensuring proper spacing of equipment can take as long as six months or longer.¹ Further, it is difficult to obtain reliable data regarding the location and ownership of existing infrastructure, if it is available at all. At the federal level, many of COMPTTEL’s member companies are also experiencing delays in constructing networks that run over federal lands, such as those under control of the Bureau of Land Management (BLM). Permit applicants regularly endure a one to four-year process to obtain rights-of-way over federal land. These delays, combined with a lack of sufficient information on existing infrastructure, are unnecessarily burdensome and have a severe impact on the ability of our members to deploy competitive network infrastructure efficiently and cost effectively.

The cost of video remains another barrier to competitive broadband deployment. Offering video services increases the value of the broadband network, providing better economics for new entrants deploying broadband infrastructure. In fact, as consumer demand for online video increases, the ability to offer video services is directly linked to the ability to deploy new broadband networks. Access to video services drives broadband adoption, which in turn helps to justify the business case for broadband deployment. When smaller carriers are able to offer video and broadband services together, data shows that broadband adoption increases by 24 percent.² However, network operators’ ability to deliver video over their broadband services is hindered by outdated laws and rules that make the business case increasingly difficult for new entrants. The spiraling costs of retransmission consent, for instance, and difficulty in negotiating reasonable terms for access to popular programming, can limit video offerings, thereby reducing the overall competitive availability of video services.

¹ See Comments of Google, Inc. to the Broadband Opportunity Council, available at http://www.ntia.doc.gov/files/ntia/google_inc_boc.pdf, at 3 (June 10, 2015).

² See COMPTTEL, ITTA, NTCA letter to Chairman Thune on video reform, available at http://www.comptel.org/Files/filings/2015/6.22.15_%20Video_Policy.pdf (June 22, 2015).

COMPTEL looks forward to working with the Subcommittee to reduce these and other barriers to network deployments and craft reasonable policies and best practices to promote investment and greater competition in broadband services. History has shown that when new competitive networks are deployed, with multiple providers serving a market, the result is greater overall investment levels.

Thank you for the opportunity to provide this statement for the record. COMPTEL looks forward to working with you and the Members of the Subcommittee on broadband infrastructure investment and other matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Chip Pickering". The signature is fluid and cursive, with the first name "Chip" and last name "Pickering" clearly distinguishable.

Chip Pickering

Chief Executive Officer

cc: The Honorable Fred Upton
The Honorable Frank Pallone
The Honorable Anna Eshoo