Beyond Convergence: Public Policy Issues

Professor Heather E. Hudson
Director
Telecommunications Management and Policy Program
University of San Francisco
hudson@usfca.edu

Universal Access
Connectivity that is:
- available and
- affordable

Moving target:
- Will include broadband

But don’t confuse goals with strategies
- Does not imply (or rule out) subsidies

Rethinking Universal Service:
- Universal E911
  - Goal should be E911 access for all
  - Needs to include mobile and fixed
  - Solutions:
    - Live jacks without subscription
    - Voucher for E911 enabled cellphone
    - Should replace Lifeline and Linkup

Rethinking Universal Service
- High Cost Areas
  - The 1996 Act’s “reasonable comparability standard” was right
  - But is the High Cost Fund sending the wrong signals?
    - Protecting monopolies
    - Discouraging innovation
    - Preventing competition

Rethinking Universal Service
- E-Rate: Schools and Libraries support
  - Getting it right:
    - Community access
    - Empowering schools as customers
    - Incentives for competitive providers
  - Need for fine tuning:
    - Administration and accountability
    - Qualification criteria and discount levels
    - Evaluation

Rethinking Universal Service
- Rural Telehealth
  - Very low take-up of subsidy program
  - Change in procedures and benefits
  - Still at early adoption stage

Growth of telemedicine/telehealth
- Declining costs of bandwidth
- Pressure for cost savings from insurance cos
- Demographics
  - Aging population
  - Shortage of health care professionals
- Probably no need for subsidized connectivity discount
Municipal Broadband
- Goal: universal broadband access
  - Not universal wireless broadband access
    - E.g. SF TechConnect Wireless Broadband Initiative
- Provide coverage for public spaces
  - Parks, squares, open spaces, etc.
  - Community centers and gathering places
- Ensure all buildings (commercial and residential) have broadband available
- Consider targeted subsidies
  - E.g. broadband vouchers
  - Need more info on whether price is sole barrier
    - PCs, content, skills, etc.
  - May be needed primarily for VOIP

Municipal Broadband Strategies
- Foster competition among providers
  - Do not seek to simply underprice incumbents
  - Quality of service will be critical
  - Use franchise process to help achieve access goals
    - E.g. conditions on cablecos to provide universal coverage
  - Affordable rates
  - Naked broadband

Broadening Horizons...
- Canada:
  - The competition mantra
  - “presumption of competition”??
  - But incumbents still have >95% of local subs
    - (see www.telecomreview.ca)
- Europe, Asia:
  - Will pricing still be the constraint or driver?
  - Cheap SMS vs. expensive wireless voice
  - Flat rate broadband key to adoption

Broadening Horizons: Developing World
- Huge growth of wireless 2G shows:
  - Demand for service
  - Impact of competition
  - Getting to broadband
    - VOIP divide
  - Competitive disadvantage without “free” voice
  - Can these lessons be applied for broadband?
    - Probably through use of wireless
    - Choke points: local access and national access to global broadband
    - Regulatory changes to allow competition and bypass are critical