

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 2582

To require a report to Congress on a national strategy for the deployment of high speed broadband Internet telecommunications services, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JUNE 5, 2002

Mr. LIEBERMAN introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

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## A BILL

To require a report to Congress on a national strategy for the deployment of high speed broadband Internet telecommunications services, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “National Broadband  
5 Strategy Act of 2002”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

8 (1) The United States needs to develop a long-  
9 term investment and growth strategy that will re-

1 store the unprecedented gains in structural economic  
2 productivity with high employment growth experi-  
3 enced by the United States in the late 1990s.

4 (2) The gains in structural productivity with  
5 high employment growth in the late 1990s resulted  
6 from unprecedented investments in information and  
7 communication technology.

8 (3) It was the precipitous decline in these in-  
9 vestments that took the United States economy into  
10 recession before September 11, 2001.

11 (4) The United States needs to focus on stimu-  
12 lating resurgence in these investments to regain vi-  
13 brant growth in structural productivity and high em-  
14 ployment growth.

15 (5) If productivity increases at the rate of 1.5  
16 percent per year, the standard of living will double  
17 about every 46 years, or about every two genera-  
18 tions. On the other hand, if productivity increases at  
19 the rate of 3 percent per year, the standard of living  
20 will double about every 23 years, or about every gen-  
21 eration. This difference results from the so-called  
22 miracle of compounding. To take advantage of  
23 compounding, a long-term economic strategy for the  
24 United States must focus on structural productivity  
25 growth.

1           (6) Productivity growth has enabled American  
2 workers to produce 30 times as much in goods and  
3 services in 1999 as they produced in 1899, with only  
4 5 times as many workers. This growth in produc-  
5 tivity has increased the standard of living in the  
6 United States from \$4,200 in 1899 to \$33,740 in  
7 1999 (expressed in 1999 dollars). Growth in struc-  
8 tural productivity will bring about growth in wages  
9 and salaries, profits, and government tax receipts.

10           (7) The productivity gains of the United States  
11 in the late 1990s broke a 25-year trend. From the  
12 early 1970s to the mid-1990s, United States produc-  
13 tivity grew sluggishly, at an annual rate of about 1.5  
14 percent. During the final 5 years of the 20th Cen-  
15 tury, it grew at nearly double that rate.

16           (8) The high cyclical productivity growth the  
17 United States has experienced in 2001 and 2002 re-  
18 sults for the most part from a reduction in employ-  
19 ment and increased utilization of existing capacity.

20           (9) The United States needs a strategy to gen-  
21 erate structural productivity growth arising from the  
22 development and deployment of new technology that  
23 enhances both efficiency and employment.

24           (10) The United States needs to prepare now  
25 for the retirement of the Baby Boom generation. If

1 the United States does nothing regarding Social Se-  
2 curity, it is estimated that by 2030 the annual  
3 shortfall between amounts in the Social Security  
4 Trust Fund and the amount required to meet obliga-  
5 tions of the Fund will reach \$814,000,000,000 (in  
6 1999 dollars). The United States has approximately  
7 \$7,4000,000,000,000 in obligations coming due, and  
8 it is advisable to have our fiscal house in order,  
9 hopefully with no national debt, when these obliga-  
10 tions must be paid. Restoring structural productivity  
11 and high employment growth is essential to ensure  
12 that the United States can honor these obligations.

13 (11) Making affordable, high speed broadband  
14 Internet connections of 10 Mbps-100 Mbps available  
15 to all American homes and small businesses has the  
16 potential to restore structural productivity and em-  
17 ployment growth.

18 (12) High speed broadband Internet applica-  
19 tions for voice, data, graphics, and video will revolu-  
20 tionize many aspects of life at home, school, and  
21 work. High speed broadband Internet will transform  
22 health care, commerce, government, and education.  
23 The benefits of a successful high speed broadband  
24 Internet deployment strategy to the quality of life

1 and economy of the United States will be immeas-  
2 urable.

3 (13) Traditionally, the United States is consid-  
4 ered the world leader in the development and com-  
5 mercialization of new innovations and technologies.  
6 However, the United States lags far behind other  
7 countries in broadband deployment, including South  
8 Korea, Canada, and Sweden. By 2005, the United  
9 States is projected to fall to ninth place in  
10 broadband deployment, surpassed by Asian markets  
11 in Hong Kong and Singapore, the Scandinavian  
12 countries Denmark and Norway, and the Nether-  
13 lands.

14 (14) The United States will need high speed  
15 broadband Internet for public health, education, and  
16 economic welfare, just as the United States now  
17 needs universal telephone service. High speed  
18 broadband Internet applications are capable of revi-  
19 talizing the economy and solving countless problems  
20 for average Americans. The applications fall into the  
21 areas of e-education, e-health, e-commerce, e-govern-  
22 ment, and e-entertainment.

23 (15) The benefits that will arise from develop-  
24 ment and implementation of a national high speed  
25 broadband Internet strategy amply justify a priority

1 for such a strategy. The Federal Government will  
2 act one way or another on many of the key policy  
3 issues affecting broadband deployment. The only  
4 question is whether it acts in accordance with a  
5 strategy, or piecemeal.

6 (16) Adopting a national strategy for  
7 broadband deployment is consistent with the strate-  
8 gies the United States has adopted to speed deploy-  
9 ment of other essential infrastructure, including rail-  
10 roads, electric power, telephone service, and radio  
11 and television. Each of those technologies has been  
12 the focus of a national economic strategy. There is  
13 a consensus that the Northwest Ordinance, Morrill  
14 Land-Grant Act, and GI bill, and laws for trans-  
15 continental railroads, rural electrification, and the  
16 interstate highway system, embodied useful and suc-  
17 cessful strategies for the future of the United States.

18 (17) In facilitating high speed broadband Inter-  
19 net deployment, the United States should rely on  
20 markets and entrepreneurs and minimize the intru-  
21 sion of government. Americans need to be creative  
22 and innovative when government acts to make sure  
23 that it provides value added.

24 (18) In crafting a comprehensive strategy to  
25 advance deployment of high speed broadband Inter-

1 net, a broad range of policy options should be ad-  
2 dressed, and the Administration needs to provide  
3 leadership in developing these options and estab-  
4 lishing a priority among them.

5 **SEC. 3. NATIONAL STRATEGY FOR HIGH SPEED**  
6 **BROADBAND INTERNET DEPLOYMENT.**

7 (a) STRATEGY FOR INCREASING STRUCTURAL PRO-  
8 DUCTIVITY AND EMPLOYMENT GROWTH.—Not later than  
9 six months after the date of the enactment of this Act,  
10 the President shall submit to Congress a report setting  
11 forth a strategy for the nation-wide deployment of high  
12 speed broadband Internet telecommunications services.

13 (b) ELEMENTS.—The report under subsection (a)  
14 shall include the following:

15 (1) A goal for the deployment of broadband  
16 telecommunications services nationwide, including a  
17 goal regarding the speeds necessary to facilitate ap-  
18 plications needed to stimulate structural productivity  
19 and employment growth.

20 (2) A proposal for policies to foster and main-  
21 tain competition among firms offering broadband  
22 telecommunications service, including competition to  
23 deploy high speed broadband Internet of 10 Mbps-  
24 100 Mbps.

1           (3) A proposal for incentives to enhance de-  
2           mand for high speed broadband Internet tele-  
3           communications service, including demand for pur-  
4           poses of serving Federal mission areas such as  
5           homeland security, distance learning, health, sci-  
6           entific collaboration, and electronic commerce.

7           (4) A proposal for incentives to facilitate and  
8           enhance the supply of high speed broadband Inter-  
9           net telecommunications service.

10          (5) A proposal to enhance global electronic com-  
11          merce.

12          (6) A proposal for the optimal allocation of  
13          Federal Government resources on research and de-  
14          velopment regarding high speed broadband Internet  
15          telecommunications service, including recommenda-  
16          tions for the allocation and prioritization of Federal  
17          funds.

18          (7) A proposal for the optimal allocation of  
19          spectrum in furtherance of the deployment of high  
20          speed broadband Internet telecommunications serv-  
21          ice.

22          (8) An assessment of various limitations to the  
23          deployment of high speed broadband Internet tele-  
24          communications service, including matters relating  
25          to taxation, privacy, security, spamming, content, in-

1 intellectual property, and rights-of-way, and proposals  
2 for eliminating or alleviating such limitations.

3 (9) An assessment of the impact of the pro-  
4 posals under this subsection on structural produc-  
5 tivity and employment growth in the United States  
6 and on the international economic competitiveness of  
7 the United States.

8 (10) Any other proposals or matters on the de-  
9 ployment of high speed broadband Internet tele-  
10 communications services that the President con-  
11 siders appropriate.

12 (c) FORM.—The report under subsection (a) shall in-  
13 clude a draft proposal of any legislation required to imple-  
14 ment the goal described in paragraph (1) of subsection  
15 (b), and of any of the proposals set forth under para-  
16 graphs (2) through (8) and (10) of that subsection (b).

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