

**Opening Statement of Commissioner Krista K. Tanner, Iowa Utilities Board  
Broadband Summit: Connecting America  
FCC-NARUC Joint Conference on Advanced Services  
November 6, 2008**

Good afternoon. Before I begin my remarks I'd like to take a moment to thank Chairman Martin and Commissioner Tate for joining us today during what has certainly been a busy week. That you both found time to be here with us speaks to your commitment to the advancement of broadband services and we thank you for that. I'd also like to thank Commissioner Chong of California for putting together this outstanding broadband summit.

It was just 10 years ago (1998), as a result of a legislative mandate, that wireline providers in the State of Iowa completed a project of providing non-toll dial-up Internet access in all of the communities in Iowa.

Two years later, in October of 2000, the Iowa Utilities Board began a process of assessing the availability of High-Speed Internet access across the State. In that first survey, the Board found that roughly 31 percent of Iowa communities had high-speed Internet access. High speed was, and continues to be, defined as 200 kilobits per second.

In the Board's latest survey, based on information current as of June 2007, the Board found that almost 94 percent of Iowa communities had high-speed Internet access using the 200 Kbps thresholds. 96.1 percent of rural communities and 86.2 percent of non-rural communities were identified as having high-speed access. Service providers have grown to include cable companies, wireless, satellite and traditional wireline xDSL providers.

In its next broadband survey, Iowa intends to redefine what is considered "high-speed" to remain consistent with the FCC's definition and to reflect the reality of what consumers consider to be high speed. The new low-end for high-speed Internet access will likely be set at 768 kilobits per second. Based on the IUB's most recent survey, roughly 28 percent of Iowa customers currently receiving service will no longer be considered as "high-speed". Approximately 31 percent of xDSL and 92 percent of satellite/wireless customers will be at speeds less than the new minimum.

I give you this history to illustrate how rapidly policy goals with respect to broadband availability changes. It was just ten years ago that our goals consisted of merely providing non-toll dial-up access. Then we measured success by the number of carriers who provided broadband access at speeds of 200 kilobits per second. Now that threshold will be 768 kilobits per second, even though we know that it too will be a short-lived standard. Industry experts predict

that by 2015, consumers will routinely be using applications that require speeds of 100 megabits per second or higher.

I am proud of Iowa carriers for consistently meeting the policy goals that we have set for them and I am confident they will continue to meet the new challenges that face them. I am not unaware, however, of how difficult these challenges are. As Iowa carriers are expected to invest in network upgrades, with an increasingly short life-cycle of the equipment necessary for those upgrades, our carriers are facing increasing revenue uncertainty. I am not just talking about uncertainty resulting from recent FCC actions. In Iowa, we too have begun the process of access reform. In the past year, the Iowa Utilities Board has reduced the intra-state access charges charged by our rural LECs and has promised a rulemaking to consider further reductions. In addition, there is a currently an open docket in which the Board is reviewing the intra-state switched access rates of Iowa's mid-sized carriers. It is clear from statements made in these dockets that Iowa carriers have been using switched access revenues to fund broadband improvements. I do not offer this observation as a reason to halt access reform; however, it is important that regulators recognize the reality on the ground. That reality is that, in Iowa as in other parts of the country, broadband deployment has been enabled by switched access revenue.

So in closing, I urge my fellow state and federal commissioners to continue to challenge our carriers to provide the advanced services to our communities that are necessary for them to compete in a twenty-first century economy and, in support of that goal, provide a stable and predictable regulatory climate that recognizes the financial complexities facing our carriers.