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Office of the Press Secretary

For Immediate Release

January 13, 2015

FACT SHEET: Broadband That Works: Promoting Competition & Local Choice In Next-Generation Connectivity

Last November, the President outlined his plan to keep the Internet open to new competition and innovation by safeguarding net neutrality — which will help ensure no one company can act as a gatekeeper to digital content. But there is more work to do so that every American has access to a free and open internet. This is particularly true in areas where broadband competition is lacking, resulting in high prices and slow service.

Building on his [net neutrality plan](#), tomorrow in Cedar Falls, Iowa President Obama will announce steps he will discuss in the State of the Union to help more Americans, in more communities around the country, get access to fast and affordable broadband. Communities like Cedar Falls have banded together to commit to broadband that works by bringing in new competition, leveraging municipal investments, and forming new partnerships to bring world-class Internet to places like this small Iowa town.

High-speed, low-cost broadband is paving the way for economic revitalization not just in Cedar Falls, but in places like Chattanooga, TN, Kansas City, MO, and Lafayette, LA — all of which have Internet speeds nearly 100 times faster than the national average and deliver it at an affordable price. To help more communities achieve these results, support economic growth, and promote a level playing field for all competitors, the Obama Administration is:

- Calling to End Laws that Harm Broadband Service Competition:** Laws in 19 states — some specifically written by special interests trying to stifle new competitors — have held back broadband access and, with it, economic opportunity. Today, President Obama is announcing a new effort to support local choice in broadband, formally opposing measures that limit the range of options available to communities to spur expanded local broadband infrastructure, including ownership of networks. As a first step, the Administration is filing a letter with the Federal Communications Commission (FCC) urging it to join this effort by addressing barriers inhibiting local communities from responding to the broadband needs of their citizens.
- Expanding the National Movement of Local Leaders for Better Broadband:** As of today, 50 cities representing over 20 million Americans have joined the Next Century Cities coalition, a nonpartisan network pledging to bring fast, community-supported broadband to their towns and cities. They join 37 research universities around the country that formed the Gig.U partnership to bring fast broadband to communities around their campuses. To recognize these remarkable individuals and the partnerships they have built, in June 2015 the White House will host a Community Broadband Summit of mayors and county commissioners from around the nation who are joining this movement for broadband solutions and economic revitalization. These efforts will also build on the US Ignite partnership, launched by White House in 2012, and which has grown to include more than 65 research universities and 35 cities in developing new next-generation gigabit applications.
- Announcing a New Initiative to Support Community Broadband Projects:** To advance this important work, the Department of Commerce is launching a new initiative, BroadbandUSA, to promote broadband deployment and adoption. Building on expertise gained from overseeing the \$4.7 billion Broadband Technology Opportunities Program funded through the Recovery Act, BroadbandUSA will offer online and in-person technical assistance to communities; host a series of regional workshops around the country; and publish guides and tools that provide communities with proven solutions to address problems in broadband infrastructure planning, financing, construction, and operations across many types of business models.
- Unveiling New Grant and Loan Opportunities for Rural Providers:** The Department of Agriculture is accepting applications to its Community Connect broadband grant program and will reopen a revamped broadband loan program, which offers financing to eligible rural carriers that invest in bringing high-speed

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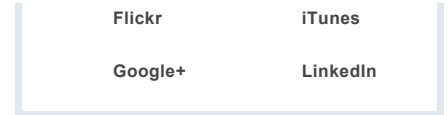
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broadband to unserved and under served rural areas.

- Removing Regulatory Barriers and Improving Investment Incentives:** The President is calling for the Federal Government to remove all unnecessary regulatory and policy barriers to broadband build-out and competition, and is establishing a new Broadband Opportunity Council of over a dozen government agencies with the singular goal of speeding up broadband deployment and promoting adoption for our citizens. The Council will also solicit public comment on unnecessary regulatory barriers and opportunities to promote greater coordination with the aim of addressing those within its scope.



Background: A National Need, And Solutions That Are Working

Today, too few Americans have affordable and competitive broadband choices, but some communities around the country are choosing to change that dynamic. As a result – as outlined in a new [report](#) being issued today – cities like Lafayette, Chattanooga, and Kansas City, have broadband that is nearly one hundred times faster than the national average, yet still available at a competitive price. By welcoming new competition or building next-generation networks, these communities are pioneers in broadband that works, and tomorrow in Cedar Falls, Iowa, the President is highlighting their remarkable success stories and providing municipal leadership and entrepreneurs new tools to help replicate this success across the nation.

Americans in even our busiest cities often find only one or two providers offering broadband service, and often none providing them with fast, fiber-optic connections — despite the fact that many of cities are already equipped with fast fiber-optic broadband. At the same time, in too many places, residents do not have access to broadband in their home, or their speeds continue to lag while their monthly bills continue to grow.

Both of these challenges are driven by the lack of broadband choice in many American markets. In fact, three out of four Americans have no competition or no service at speeds increasingly required for many online services. Rarely is the problem a lack of demand — too often, it is the capital costs of building out broadband infrastructure and a combination of laws that prevent communities from providing incentives to attract providers. Competitive markets translate to lower monthly prices, better products, and better customer service. In cities across the country, new competitors entering markets have provided consumers with new and often faster alternatives, spurring investment from incumbents and providing consumers with more choice.

Many of the communities that have taken aggressive steps to improve their broadband have residential and business Internet speeds among the fastest in the world — faster, even, than in San Francisco, New York City, or Los Angeles:

What sets these top-performing cities apart is that they have all taken dramatic steps to bring in more competitors, and enter into new partnerships to deliver top-quality broadband. Some specific examples of how creative thinking and partnerships are delivering faster, better broadband across the country include:

Chattanooga, TN — After investing in a visionary 1 gigabit per second broadband network, the City of Chattanooga is transforming itself into a regional center for technology and innovation. Today, Chattanooga is attracting entrepreneurs and computer programmers from around the country and boasts new business incubators and state-of-the-art public facilities. Investors have responded in kind. Since 2009, Chattanooga has gone from hosting close to zero venture capital to at least five organized funds with investable capital of over \$50 million.

Wilson, NC — Through inspired leadership and the community mobilization, Wilson has been transformed from “the ‘World’s Greatest Tobacco Market’ to ‘North Carolina’s First Gigabit City,’ delivering speeds up to 100 times the national average, at a price North Carolinians can afford. Unanimously approved by the city council, Mayor Bruce Rose believes this infrastructure “is absolutely essential to improve the economy and quality of life.”

Kansas City, MO — Kansas City was the first city to successfully compete for Google Fiber, the search giant’s entry into broadband service to homes and businesses, and today is being nationally recognized for attracting new start-ups, retaining existing business, and providing better municipal services and education as a result of this new and affordable broadband.

The new [report](#) released today by the National Economic Council and Council of Economic Advisers examines these remarkable stories in greater depth.