

## **S. 88 (Broadband Internet Access Act of 2001) Information Sheet**

This bill is intended to help bridge the digital divide in rural and underserved areas and expand the supply of high-speed (or broadband) Internet access. It will provide a tax credit to anyone who invests in bringing broadband access to consumers in rural and underserved parts of the country. The bill also helps to promote the "next generation" of broadband services by providing a tax credit for investments in the most powerful services to any residential customer. Both of these credits will help to make sure rural and under served areas receive better service by giving companies an incentive to expand their services. This bill supports any type of technology, both incumbent and competitive telecommunications companies, and sunsets five years after passage.

### **Overview of bill**

#### **"Current generation broadband" requirements:**

- To qualify for a 10% credit a service must allow a consumer to download 1,500,000 bits of data per second, and upload 200,000 bits per second.
- This level of service is comparable to the best "DSL," cable broadband, wireless, and satellite services available in affluent urban areas today.
- For comparison, current "dial-up" Internet access service allows customers to download only 56,000 bits per second – more than 25 times slower than the broadband services that will be promoted by the bill!
- To get the credit you must provide service to "rural consumers" or "underserved consumers":
- Rural consumer: A "rural consumer" is a person living in a county with less than 500 people per mile, and living more than 10 miles from a town of 25,000 people.
- Underserved consumer: An "underserved consumer" is a person living in an underserved area, such as an "empowerment zone" or other economically challenged areas identified in last year's New Markets Tax Credit.

#### **"Next Generation Broadband" Credit:**

- To qualify for a 20% credit a service must allow a consumer to download 22,000,000 bits of data per second, and upload 5,000,000 bits per second.
- Only services for residential customers are covered by the credit.
- "Next generation broadband" services are the next wave of Internet access service. They will allow full-motion video, robust e-commerce, lightening-fast communication, and will have the capacity to link a wide array of household computers and devices.