

**FOR IMMEDIATE RELEASE**

**STUDY: OVER 1.2 MILLION NEW U.S. JOBS POSSIBLE  
FROM WIDER USE OF BROADBAND TECHNOLOGY**

***Current Telecom Sector Job Slide Could Be Reversed by 2008***

**Washington D.C. September 17, 2003** – As many as 1.2 million new jobs could result over the next decade from widespread adoption of existing and advanced broadband technologies, according to a study released today by the New Millennium Research Council. The new report from Criterion Economics L.L.C. concludes that the more than 250,000 telecommunications service and equipment sector jobs lost between 2000-2003 could be restored inside of five years.

Criterion Economics Senior Vice President Hal Singer said: “This study documents quantitatively what many others have only hinted at qualitatively. The 1.2 million jobs reflects the economy-wide stimulus that results from telephone and cable industries competing to roll out DSL and cable modem service, and gradually to roll out advanced broadband service to residential and small business customers, assuming they were constrained only by consumer demand and underlying costs.”

Criterion Economics Chairman Robert Crandall noted: “According to the U.S. Department of Labor, employment in the communications services sector decreased from 1.2 million in December 2000 to 1.0 million in January 2003—a total of 170,100 lost jobs. Employment in the communications equipment sector decreased from 290,000 in December 2000 to 200,900 in January 2003—a total of 89,100 lost jobs. Across these two sectors of the communications industry, over a quarter of a million jobs were lost over the 25-month period. We estimate that the capital expenditures by broadband providers would more than restore those job losses by the end of 2008 if residential adoption follows this faster growth scenario.”

The new Criterion Economics L.L.C. study shows that the new investments initially would focus on today’s broadband technologies. Before accounting for the effect of more advanced access technologies, the authors estimate that capital expenditure on today’s broadband technologies will reach \$63.6 billion by 2021 and create a cumulative increase in gross domestic product (GDP) of \$179.7 billion.

Singer said that: “The emphasis in investment would gradually change over time, with fiber optic in the ‘last mile’ eventually replacing more than one-third of today’s broadband technology. Despite this displacement, the net effect of advanced broadband investment would be \$82 billion of investment by 2021 under the slower deployment scenario.”

Criterion Economics Chairman Robert Crandall noted: “Unleashing the full potential of broadband communications could generate \$300 billion per year in consumer surplus. As we found in our earlier study, accelerating the adoption rate of current generation broadband technologies could increase the present discounted value of consumer benefits by as much as \$500 billion.”

According to the study, wider availability of broadband would result in large benefits for the retailing, transportation, home entertainment, and health care sectors. In addition, the computer industry would experience a surge in demand because consumers would acquire new PCs with more random access memory, faster bus speeds, better sound, and much higher capacity hard drives to take full advantage of advanced broadband services.

Dr Crandall said: "Lifting all remaining regulations on broadband would have an immediate impact on the economy by stimulating greater investment and accelerated job and income growth ....". For these investments to be justified, however, regulators must assure investors that the returns from investing in broadband technologies will not be appropriated through the regulatory process. The estimates of benefits assume that incumbent cable operators and local exchange carriers have an incentive to invest, which will require not only unbundling relief, but also elimination of existing common carrier regulations."

A copy of Criterion Economics study is available at [www.newmillenniumresearch.org](http://www.newmillenniumresearch.org).

CONTACT: Christine Kraly, (703) 276-3258 or [ckraly@hastingsgroup.com](mailto:ckraly@hastingsgroup.com).