

Prepared Remarks of FCC Commissioner Mignon Clyburn
“Broadband Adoption: Traveling the Consumer’s Last Mile”

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Thank you Ralph, and good afternoon everyone. It is an honor and a privilege to join you today. For nearly 40 years, the Joint Center for Political and Economic Studies has been instrumental in improving the lives of all Americans by focusing exclusively on issues of particular concern to African Americans and other people of color.

The Joint Center is a great model for success in the public policy arena and a carrier of a mission that its President and Executive Director not only preaches but practices. I am both moved and challenged by Ralph Everett’s charge: to lead the way for a more promising America for all people, by relentlessly exploring policy options and inspiring action at all levels of society. This is a charge that we all must keep. And by your presence here today, you are affirming that this is a charge that we all must keep.

For the record, I want to assure you that this is a charge that I know I must also keep. I proudly recognize and am humbled by the fact that but for the sacrifices and the investments of the Ralph Everetts of the world – not to mention the Bill Kennards, Michael Powell’s and the Emily Clyburns – I would not be standing before you today, poised to uphold this Center’s mission of improving the socioeconomic status and overall health of our communities.

I will continue to look to Ralph and other members of his staff for their thoughts on how to tackle some of the most challenging issues we face in this ever changing world of communications.

I am sure you all know that the FCC has been busy working on the National Broadband Plan, due to Congress in February, which seeks “to ensure that all people of the United States have access to broadband capability.” I’m sure we all accept the premise that broadband has the potential to positively transform the lives of all Americans. But if we, as a collective, fail to meet the challenges that come with this stated goal, we risk turning our digital divide into a digital canyon. Broadband is changing and will continue to change the way we receive essential services and interact with one another.

Deploying broadband to all corners of the country is obviously one priority. But merely making broadband available to all sectors of this nation is simply not enough. While it can be said that most of the country is currently wired for some kind of broadband, a large percentage of Americans – and a disproportionate number of African Americans – have not adopted broadband in their homes.

The price of broadband is clearly one factor. For some people – especially in these tough economic times – without assistance, no measure of desire to have broadband will get them connected. But price is only one factor. Reputable studies make clear that millions of Americans have chosen not to adopt broadband for reasons other than price. It’s a point that bears repeating – even where affordability is not an issue, many people aren’t making broadband a priority.

My goal is to better understand why, and to take the steps necessary to ensure that all Americans understand what’s at stake. We are at a technological crossroads, and we need our broadband plan to make a difference when it comes to adopting the technology.

If we are to approach the issue of adoption appropriately, we cannot look for a one-size-fits-all solution. Rather, we must strive to understand what makes all kinds of consumers tick, and we must learn, accept, and address the reasons why those who have rejected broadband have done so.

The African American community presents an excellent template for this project. It is well documented that advanced technology is often not a stumbling block for African Americans. Wireless adoption – the use of handheld, mobile devices among African Americans is off the charts. Just perhaps, by exploring why mobile has been such a success among African Americans, we can identify better ways to encourage the adoption of broadband in that particular community.

Before delving into the nitty-gritty, however, let's first take a step back and look at what the FCC has in front of it for the next five months.

In order to produce a thoughtful, meaningful plan by February, the Commission has had to mobilize quickly to build a robust record in a remarkably short period of time. To accomplish this, in August, the Commission initiated a series of workshops designed to bring together well-known experts on communications networks and policy, along with new voices from other backgrounds and other disciplines—including those from The Joint Center. The workshops – which are still ongoing – are addressing both the big, overarching issues of a national broadband strategy – deployment, adoption, benchmarking and the like – as well as more discrete issues, such as broadband's impact on energy independence and the future of the nation's transportation system.

If it weren't apparent already, the workshops have made crystal clear how essential broadband is to our well-being. Not only has broadband begun to transform many aspects of our daily lives – just think about email, online banking, YouTube, websites that help consumers compare prices – but it is imagining anew what our basic social fabric looks like.

Perhaps the best example is telemedicine. Those of you in the audience from South Carolina know full well that the best health care simply does not reach some of the poorest, most rural and isolated areas of the state.

With telemedicine – the ability to exchange essential and real-time information with a physician in a distant community – Americans once relegated to second class healthcare, have a chance to receive the care they deserve. A broadband linkup can – and this is no exaggeration – be the difference between life and death.

Broadband can also drive job creation at a time when it is sorely needed. For example, at one of our broadband workshops, we heard from Timothy McNeil, the Director of Development for the National Conference of Black Mayors, who told the story of a small rural community in Georgia just a connection away from landing a critical call center contract. Representatives of the National Conference met with a major airline to pitch the idea of moving some of their overseas call center operations to a rural community outside of Atlanta, which has been devastated by the economic downturn. The idea appeared to be a winner but for one key component. The airline uses voice over IP technology to operate its call centers. And that community simply did not have access to high speed services. With no broadband, talks ceased, and that community, already hard-hit by the loss of manufacturing jobs, lost out on a golden opportunity.

This is an example where unencumbered Internet access could have been an incredible economic stabilizer. Indeed, when a community has access to broadband – and an unencumbered Internet – it can be the great equalizer. It permits any individual or group with a great idea to have equal access to the public.

Just last week, my office met with a telecom carrier from out west, in cattle country. Remarkably, in a very rural area, his company makes DSL available to nearly every single one of its subscribers. Within this company's rural service territory is a business that teaches English over the Internet, to people in South Korea and other countries. This business, which obviously could not exist without broadband, provides part-time employment for 400 people. Another example from the same company: thanks to broadband, ranchers can sell their cattle over the Internet with the help of video, saving the burdensome transportation and related costs of displaying their animals in person, and adding to their bottom line.

Now, I can't tell you the difference between a bull and a steer, but as a former small business owner myself, I can tell you from personal experience that savings of this kind can make or break any small operation.

The bottom line is this: We are rapidly becoming a world in which the Internet will be the only way that people can accomplish their most essential tasks and apply for critical services. Each day, more and more employers accept only on-line applications for jobs. Before long, many government services – federal, state, and local – will only be accessible through the Internet. Internet billing – both receiving and paying – is becoming ubiquitous. And, if I am invited back someday – who knows – you may all be seeing a virtual Mignon Clyburn instead of the real thing.

It is a must that we focus on how we get broadband out to those Americans who are not yet “passed” by it. We have to find ways to encourage investment, and consider if we should provide more universal service support for broadband.

There are many hard at work on this problem, and I intend to work closely with my fellow Commissioners and the Commission staff to find solutions. But what I will be spending much of my waking hours tackling over the coming weeks is the issue of broadband adoption. You see, while nearly 90% of Americans have broadband available to them in one form or another – putting the definition of broadband aside for the moment – only 63% of Americans actually subscribe. When it comes to African Americans and those in poverty, the numbers drop considerably: Only 46% of African Americans use broadband at home, and only 35% of Americans with an annual household income below \$20,000 use broadband at home. And while individuals in many categories have shown strong adoption growth over the past couple of years – including senior citizens, who have nearly doubled their adoption rate -- from 19% in 2008 to 35% in 2009 – adoption rates among African Americans have remained stagnant.

It goes without saying that these figures are alarming. And it is essential that we understand why these adoption rates are so anemic.

Again, there is no doubt that the price of broadband is one stumbling block. According to the Pew Internet and American Life Project – the source of most of the data I’m using today – the average monthly bill for broadband service in April 2009 was \$39, a 12% increase from the previous year. Moreover, broadband users who say they have just one provider where they live – which is 21% of home high-speed users – report an average monthly bill of nearly \$45, or \$540 annually. For many Americans, these prices represent a serious investment.

But studies and other anecdotal evidence make clear that price is but one factor in why many Americans have yet to bring broadband into their homes. According to Pew, one-half of American adults who do not use the Internet cite “relevance” as the reason why they don’t use broadband. Not availability, not affordability, but relevance to their lives.

On the adoption side, our challenge is to figure out exactly why those Americans who could otherwise afford broadband decide not to use it. The one thing I know is that there is not one simple answer.

In the telecom world, we are always talking about the “last mile”: the physical piece of wire, or fiber, or cable that takes the network out to the customer premises. But when it comes to broadband, I tend to think of the last mile not as a mile, per se, but rather as two half-miles. Yes, we have to make sure that broadband infrastructure reaches everybody. But as we know, deployment is only half of the battle. The other half – the other half-mile, if you will – is all about whether or not the consumer chooses to engage with the technology. We can extend broadband infrastructure to every single person in America, but if the consumer says “no, thanks,” have we really made progress? Is that consumer better off? Is the country better off?

In my view, the answer is no. If we solve our deployment challenges, but too many Americans are still no closer than they were to the benefits that broadband has to offer, then the last mile might as well be a thousand.

In short, the adoption half of the last mile is every bit as important as the deployment half. And only when we come to understand each consumer's mindset, will we be able to develop a viable and robust plan for adoption. Are there racial or ethnic considerations? Geographical components? Is age a factor? Is there a mistrust of technology? How do we convey relevance to people in remote areas, including Indian country?

In other words, we have to hear from consumers and really listen to what they tell us about their lives. Listening and learning are paramount.

The answers to these and related questions should give us a better insight into the adoption patterns of African Americans. If we can take some of the lessons from our wireless experience – and I can tell you right now I think we can – and apply them to broadband, we have a good shot at success. If we look the other way, however, I can pretty much guarantee you that these patterns will linger.

And quite frankly, many of these answers will not be found in Washington, D.C. We can and should study the problem here from one dimension, but if we want to view broadband through the people's eyes, we have to put on our community glasses. We have to get out on the road, meet and talk with consumers, and have them share their thoughts about broadband. For me, my outside-the-Beltway inquiry will begin on October 6 in Charleston, South Carolina. I'll be holding a formal workshop on adoption in the "Holy City," and then will venture out into rural Charleston County to hear directly from consumers about broadband. And at every opportunity between now and February, whenever I travel, I will make time to meet with real consumers – not just focus on the statistics on the page – and talk about why they have or have not adopted broadband. And I will be particularly focused on the groups that have lagged behind in adoption.

None of what I've said so far is meant to dispute that our National Broadband Plan must be data-driven. We must know, with as much specificity as possible, where broadband is deployed and where it isn't; who is buying broadband and who isn't; which markets are competitive and which are not; what speeds are available, and how much customers are paying. Assembling and sorting through all this data is one of the greatest challenges the FCC faces over the next five months.

My concern is merely that we cannot get completely lost in our charts and graphs and forget that, when it comes to broadband adoption, we are talking about the individual needs of diverse people. Put differently, I see this human element not as a substitute for the factual foundation for a decision; but rather, a critical enhancement of it.

I hope you can all tell that I am excited and passionate about our National Broadband Plan. To date, the FCC has done many things the right way – being focused on transparency, attempting to foster public participation, and involving staff from all parts of the agency. But if we are to end up with a successful product that reflects the view of American consumers, we must now go find them, talk to them, and learn from them, and ensure that they are at the heart of everything that we do and a central component of our analytical framework.

Again, I thank the Joint Center for inviting me to speak, and I thank all of you for coming today. The FCC is eager to have your input on the Plan, so I hope we can keep this dialogue going. Together, we can work to ensure that the rich promise of our technological future reaches all Americans, from our urban centers to our rural hamlets to our tribal lands.

I thank you.

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