



NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

FOR IMMEDIATE RELEASE
March 10, 2010

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STATEMENT OF COMMISSIONER MIGNON CLYBURN REGARDING BROADBAND AFFORDABILITY AND COMPETITION

“Yesterday I had the honor of presenting one of the recommendations in the upcoming National Broadband Plan aimed at encouraging some of the 93 million Americans who do not currently have broadband at home to get on-line. In particular, I previewed the Plan’s recommendation that we create a National Digital Literacy Corps in order to help individuals who are unfamiliar with or intimidated by the on-line world develop the skills they need to be comfortable on-line and to take full advantage of all it has to offer.

“The same day we announced these important recommendations designed to usher more Americans into the digital age, however, I learned that another major broadband provider is raising its rates for its lowest tiers of broadband service. This news came on the heels of plans unveiled by other major providers throughout the country to increase prices as well. So, just as we are in the process of proposing steps to ensure that more people are comfortable signing up for broadband service, providers of that very service are raising prices.

“If we are serious as a nation – both public and private sectors – about connecting America; about leading the world technologically and economically; about ensuring that *all* Americans have meaningful access to on-line education, healthcare, and information essential to citizenry, then we should be very concerned about these ominous signs. For if our push to increase broadband adoption – including through Lifeline subsidies – merely results in higher prices for the lowest-income consumers, programs like the National Digital Literacy Corps will be for naught.

“This is an issue we must examine closely going forward. Thirty-six percent of non-adopters cite a cost-related reason as their main barrier to adoption, with 15 percent pointing to the monthly cost of service, and 9 percent saying they do not want a long-term service contract or find the installation fee too high. Across-the-board price increases, especially on those who can least afford it, should raise a red flag for the Commission. When prices rise across the industry, and where there are only a limited number of players in the game, we have to ask ourselves whether there is any meaningful competition in the marketplace. Moreover, when executives from major broadband providers indicate that they will only roll out faster speeds in the few markets where they have competition, our fears about whether meaningful competition exists should grow. If we fail to think deeply about these issues, consumers will suffer, and low-income Americans in particular will be left long behind.”

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