

**Prepared Remarks of Chairman Julius Genachowski
Federal Communications Commission**

Minority Media & Telecom Council Broadband and Social Justice Summit

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I appreciate this opportunity to talk about the importance of broadband to our economy and our country, and what we at the FCC are doing to seize the opportunities of the broadband revolution.

All of us are here because we recognize that broadband is indispensable infrastructure for our 21st century economy.

I had a recent experience that really drove this point home. Two weeks ago, I was out in Las Vegas for the annual Consumer Electronics Show, the nation's biggest showcase for the latest technological breakthroughs.

A couple of things worth noticing:

First, virtually every product on the floor was connected to the Internet, wired and wireless. If you had shut down Internet access, pretty much nothing there would have worked.

Second, in the past virtually everything at CES was the kind of home entertainment product you'd give to a family member during the holidays. I was struck by the number of products this year on the floor that related to education – like digital textbooks; and health – devices to monitor insulin levels, for example; and energy – machine-to-machine Internet sensors for all sorts of appliances; and small businesses – tools and apps to help improve efficiency and boost productivity.

Broadband is no longer a luxury. It is a necessity for full participation in our 21st century economy and society.

It is a platform for economic growth and job creation – creating opportunities and opening markets that allow businesses to start, grow, and hire.

As CES makes clear, it is increasingly essential to solving national challenges like health care, energy, and education.

Indeed, broadband can be the great equalizer – giving every American with an Internet connection access to a world of new opportunities that might previously have been beyond their reach, and expanding their opportunities to succeed and thrive in a digital economy.

As we all know, we've got work to do if we hope to seize the opportunities of broadband.

Roughly one-third of Americans still have not adopted broadband. That's almost 100 million people.

And up to 24 million people couldn't sign up for broadband, even if they wanted to.

As you know, many groups find themselves on the wrong side of a digital divide. Even with a 22 percent jump in their adoption rate last year, only 56 percent of African-Americans have broadband at home.

Less than half of Hispanics, low-income Americans, and rural Americans have adopted broadband.

The digital divide is seriously troubling; more troubling now than in the past, because the costs of digital exclusion are rising.

This is true, for example, when it comes to jobs – where job postings are increasingly only online, and increasingly require online applications. If you're not online, you can't find or apply for a job.

The costs of digital exclusion are rising too when it comes to education and health care.

That's why closing this divide is one of the most important civil rights issues of our time.

And it's an important foundation of the country's first National Broadband Plan, which we released last March.

The Plan lays out an ambitious strategy to promote private investment and build a world-class broadband infrastructure that unleashes innovation and brings the benefits of high-speed Internet to all Americans.

As MMTC has recommended, the Plan proposes modernizing our Universal Service Fund from supporting yesterday's telephone service to tomorrow's broadband access service.

The plan addresses the important topic of literacy, a key barrier to broadband adoption. The Plan proposes establishing a Digital Literacy Corps to make sure all Americans have the skills they need to be active participants in 21st century society.

We want to help small businesses improve their digital skills, too. As recommended in the National Broadband Plan, the FCC is working with the Small Business Administration to create public/private partnerships to improve broadband education and training for small and diverse businesses.

On the topic of adoption, I'm pleased to report that, in connection with the recently approved Comcast/NBC Universal merger, Comcast will take some significant steps to enhance broadband deployment and adoption.

For approximately 2.5 million low-income households, Comcast will make available high-speed Internet for less than \$10 a month, plus personal computers, netbooks, or other computer equipment at a price of less than \$150.

Comcast will also improve the broadband landscape by extending its networks to include an additional 400,000 homes, and providing free broadband to 600 new anchor institutions, such as schools and libraries, in underserved, low-income areas.

These are real and material public interest benefits.

Looking ahead, one item at the top of the FCC's agenda in 2011 will be unleashing spectrum to support broadband.

When we talk about broadband, we're increasingly talking about wireless.

For all the reasons that broadband in general is important for jobs and businesses, and for education, energy and health care, mobile broadband has particular promise, and will be an important part of our work around broadband adoption and digital literacy

Our mobile networks rely on spectrum – what we call our invisible infrastructure.

Spectrum is finite, and with the explosion in demand for mobile, we're heading toward a wall that could cost America its lead in mobile innovation.

We're tripling the amount of spectrum available for mobile data, but traffic is projected to increase 35x over the next 5 years.

This looming spectrum crunch could cost us jobs and economic growth, and could leave frustrated consumers with the choice of lousy service or sky-high prices.

To understand the practical impact of the spectrum crunch, let me take you back to the Consumer Electronics Show, where everybody and everything was online.

If you tried to make a mobile call or get Wi-Fi access at CES, chances are you had problem with

dropped calls and spinning pinwheels. When CES touts that it offers a glimpse of the future, I know that the frustrations of spectrum congestion isn't what they have in mind. In fact, quite the opposite. The Consumer Electronics Association has been fighting for measures to tackle the spectrum crunch, like incentive auctions.

The spectrum crunch is a particular concern for minority communities. Mobile devices are now the primary pathway to the Internet for minority Americans, as African-Americans and Latinos have adopted mobile broadband at a faster rate than the general population.

But just last week, USA Today ran a story with the following headline: "For Minorities, New Digital Divide Seen."

The story's point was that some people believe African-Americans' and Latinos' tendency to adopt broadband through mobile devices might leave them with inferior service to those with wired connections. The article cites the fact that all job applications are moving online, but it can be tougher to update your resume or apply for a job on some mobile phones.

Increasing broadband adoption rates for minority communities is very important, no matter how the Internet is being accessed.

And with new mobile devices like tablets hitting the market, and wireless carriers beginning to roll out 4G networks, which will offer a high-speed Internet experience comparable to what many enjoy on desktops, the mobile broadband experience will only get richer. As will – potentially – the benefits for broadband adoption.

That is why the FCC is pursuing a robust, multipart mobile broadband agenda.

One, we need to make more spectrum available for broadband. So we are eliminating unnecessary restrictions on the use of spectrum. We're on track to repurpose 110 megahertz of wireless communication service – WCS – and mobile satellite service spectrum-- all toward our goal of freeing up 500 megahertz of spectrum for broadband, almost double what is currently available.

Two, we need to encourage more innovative and efficient uses of spectrum.

We recently freed up "white spaces" spectrum in the television bands, the most significant amount of unlicensed spectrum made available by the FCC in 25 years. This robust spectrum will bring innovations like Super Wi-Fi – faster and stronger than current Wi-Fi, and with greater coverage.

Third, we must empower consumers and entrepreneurs by driving widespread adoption of mobile broadband, increasing digital literacy, and promoting competition, transparency and

vibrant innovation on the mobile platform.

Fourth, we need to spur the deployment of wireless infrastructure. That's why we're removing barriers to the build-out of wireless infrastructure – reforming tower siting, pole attachments and other such areas.

One of the biggest ideas that's been proposed is voluntary incentive auctions, which would incentivize reallocation of spectrum to more efficient uses, giving broadcasters, for example, the choice to contribute their licensed spectrum to the auction and participate in the upside.

Incentive auctions would be a big win for our country. Consumers, companies and our economy would benefit from freeing up spectrum for mobile broadband. Auctions of contiguous spectrum would unlock value and billions of dollars. And the current holders of spectrum, such as minority broadcasters, could reduce transmission costs and receive a capital infusion that could help them stay and succeed in the video business.

Broadcast television continues to serve an important role in our communications landscape, even as viewers generally receive broadcast TV programming over cable and satellite.

Let's work together to strengthen broadcast TV as a multiplatform video programming service, serving the public interest and meeting the traditional goals of localism and diversity, while recovering spectrum for mobile broadband to strengthen our economy and lead the world in mobile innovation.

These are all bipartisan goals, and I'm pleased that the voluntary incentive auction proposal has received bipartisan support in Congress. In addition, the President has endorsed the proposal and launched the administration's Wireless Broadband Initiative to free up spectrum and drive U.S. global leadership in mobile.

As our nation works its way out of this historic economic downturn, people are looking for solutions that will help turn things around.

Few things have greater potential to open new opportunities for economic growth, job creation, education and health care than driving world-leading broadband deployment and adoption.

I look forward to working with you to seize the opportunities of broadband and bring the benefits of broadband to all Americans.

Thank you.