

FCC CHAIRMAN JULIUS GENACHOWSKI
REMARKS ON PLAN TO CREATE 100,000 NEW BROADBAND-ENABLED JOBS

JEFFERSONVILLE, INDIANA
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Thank you. It's great to be in Jeffersonville, Indiana. I've very pleased to be here with Congressman Todd Young from Indiana's 9th District.

Let me begin by thanking someone who's not here - Carl Grivner, former CEO of XO Communications. Last year we were discussing communications technology and job creation. We found ourselves violently agreeing that high-speed Internet is a powerful platform for job creation in the US. One example: broadband creates a real opportunity to create in the US call and contact center jobs that have been moving overseas. We left the discussion agreeing that we'd do everything we could to prove the concept that broadband access can drive job growth.

And here we are. Announcing commitments from this coalition of forward-looking companies to create 100,000 jobs over the next two years. And announcing the creation of 175 jobs here in Jeffersonville, Indiana - and 2000 call center jobs company-wide over the next two years. Jobs at a customer center that will service Charbroil, the outdoor cooking business, and the retailer BJ's Warehouse.

We're also announcing today 100 new jobs in Newark, New Jersey, 300 new jobs in Holland, Michigan. And 4,000 new jobs in St Lucie, Florida where unemployment is 12.5 percent.

This initiative involves meaningful job creation that will have a meaningful impact across America.

Thank you, Jim Kohlenberger, for leading this effort.

Thank you to my fellow speakers – Mark Boehmer of the American Teleservices Association, and Tim Searcy of Accent Marketing. I applaud your strong efforts, and I applaud all the businesses that are part of the Jobs4America coalition.

Today's announcement wouldn't be possible if it weren't for the leadership of these forward-looking business leaders who are willing to make the investments to bring jobs home and create new ones.

And today's announcement wouldn't be possible without one more thing: broadband – high-speed Internet.

Broadband is the indispensable infrastructure of our 21st century economy.

Consider the service center being constructed behind me. Processing transactions; making VOIP phone calls, accessing records and information; emailing, live text chatting, managing accounts. Almost all the operations of this new facility will rely on high-speed Internet.

If you unplugged broadband, you might as well send all the workers home.

If you didn't have robust broadband in this area, you wouldn't bother building this facility full of new jobs.

And broadband doesn't just power service center facilities like this; it can make your home a virtual service center. Many of the jobs we're announcing today will be at-home positions – jobs for people with disabilities who can't make it into an office, jobs for stay-at-home parents who need flexible schedules, jobs for veterans returning from war and transitioning back into the economy.

That's because virtually everything it takes to be part of a service center - talking, emailing, IMing, accessing records, processing transactions - can be done at home.

As long as there is broadband connectivity at the home.

20 percent of call center jobs in America today are at-home jobs, powered by broadband. And according to a study by Novo 1, bringing a call center back to the U.S. from overseas can save companies about 15% when you look at the full picture.

So broadband really is enabling new economic opportunities, creating jobs and revitalizing communities – including some communities that thought their best days might be behind them.

40 years ago, Danville, Virginia was the economic hub of its region with booming textile and tobacco industries. At the turn of the 21st century 11 years ago, local unemployment was over 15% and the future looked bleak. But Danville invested heavily in its broadband infrastructure, and now the town is booming again, attracting IKEA's first North American manufacturing plant and even opening a data center in an old vacant mill.

A few months ago I was in the small town of Diller, Nebraska. I visited Blue Valley Meats, which may not sound like a high-tech company, but using broadband to sell beef online, this small business has increased revenue 40 percent and more than doubled its workforce, even during the darkest days of the recession,

In Detroit, energetic entrepreneurs are turning auto parts warehouses into tech centers and business incubators.

Bringing broadband to your town and home in the 21st century is like bringing in electricity in the 20th – connecting you and your community to the larger economy and opening up new worlds of commerce and opportunity.

Broadband is already helping breathe economic life into hard-hit communities – and it can do a lot more.

For the past two years, our primary focus at the FCC has been on seizing the opportunities of broadband for the American people – promoting job creation, innovation, and investment across the broadband economy.

During that time, we've seen a number of strong and positive developments, and I believe the broadband economy will be a leading light as we continue to work our way back from a historic economic downturn.

Across the broadband ecosystem, innovation and investment are everywhere.

The smartphone market has taken off in the last two years, with the devices and networks getting smarter and faster every day, and with sales up 45% just in the last year.

Tablets – an amazing game-changer – didn't exist two years ago. In 2011, Americans will buy 26 million of these mobile marvels, and 83% of Fortune 500 companies are already testing or deploying iPads.

The apps economy on smartphones and tablets continues to grow, with more than 80,000 developers creating 500,000 unique apps – providing benefits to consumers, and creating jobs.

We've seen strong growth not just in innovation, but also investment.

In 2010, broadband providers invested \$50 billion in broadband networks, a 5 percent increase from 2009. Investment in mobile networks – also measured in the billions – was up 20%, and that trend is continuing in 2011 as providers have accelerated the deployment of 4G.

2011 is going to be the biggest year for tech IPOs in more than a decade, with many more billions being invested.

Often overlooked is the job creation from many of these and other companies in this broadband-based sector, including companies like Google, Facebook, Twitter, LinkedIn, Zynga, Pandora, Groupon and LivingSocial.

Those last two companies alone – Groupon and LivingSocial – have created over 10,000 jobs in the last two years, including thousands of sales jobs all over the country.

So yes, the Internet is a disruptive force, bringing substantial challenges to some businesses and even job loss. But the net effect is dramatically positive. According to a new McKinsey study, the Internet creates 2.6 new jobs for every one job lost.

And again, not just jobs in Silicon Valley. More than 75% of broadband's economic impact is in traditional businesses, which are using broadband to boost productivity and efficiency, reach customers in new markets and develop new products and services. Broadband means more revenue and also lower costs by switching to cloud-based services. That means more profit for businesses large and small, and more jobs.

While most trends point in the right direction, we do have more work to do.

Roughly one-third of the American people haven't adopted broadband – nearly 100 million people. Not only will those people miss out on the at-home job opportunities we're talking about today, they're missing out on new job listings altogether, which are moving almost exclusively online.

And more than 20 million people couldn't even get broadband if they wanted it.

Meanwhile, the tremendous growth in mobile demand is rapidly outstripping the supply of spectrum required for mobile service. If we don't solve this, we'll see mobile growth choked by spectrum congestion, and consumers - both individual and business consumers - facing deteriorating service and needlessly rising prices.

For all these reasons, the FCC is continuing to pursue a strong communications technology agenda.

On broadband deployment, we're in the homestretch of major overhaul and modernization of the multi-billion dollar Universal Service Fund. USF delivered phone service to virtually all Americans. We need to transition this program to broadband, promoting greater fiscal responsibility, efficiency and accountability to make sure we are getting more bang for our USF buck, deploying broadband to more unserved areas, and serving the interests of all communications consumers.

On broadband adoption, we recently announced a new task force with government and industry executives to identify big ideas and practical strategies to increase broadband signups.

Finally, on spectrum we need to move forward on a market-based solution known as voluntary incentive auctions. This solution will bring substantial amounts of spectrum to the market, many billions of dollars to the Treasury, and will drive growth and job creation in our mobile broadband economy. I hope Congress soon passes this broadly supported, bipartisan initiative.

Let me close with this. Our economy is not where we want it to be. But there ARE things we can do. There are smart actions government can take to spur our broadband economy, there are big steps private companies can take to seize the opportunities of broadband to grow their businesses and create jobs, and there are public-private partnerships that can bring real benefits.

I want to thank the members of the Jobs 4 America coalition for stepping up to seize the opportunities of broadband to create jobs.

Today's announcement is a big deal, but it's just a start. I urge more companies to come on board, and I look forward to working with the leaders of Jobs 4 America to harness the power of broadband to grow our economy and create jobs.