FCC CHAIRMAN JULIUS GENACHOWSKI
REMARKS ON BROADBAND ADOPTION
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Thank you to the PEW Charitable Trusts for hosting us, and for all the work you've done to bring first-rate research and analysis to the topic of broadband.

Thank you to all of the companies and nonprofits that have come together to help meet the vital national challenge of connecting all Americans to broadband Internet and its benefits.

Just last week, as part of the FCC's commitment to consumers, we announced our plan to accelerate broadband build-out – wired and wireless – to unserved homes, businesses, and anchor institutions in rural America through the Connect America Fund. It would put our nation on the path to universal broadband access and bring massive consumer benefits.

Right now, 18 million Americans live in areas with no broadband infrastructure. Our plan to reform the Universal Service Fund and intercarrier compensation system would bring broadband to millions of unserved consumers, helping them find jobs, save money, access educational opportunity and better health care. It would boost job creation, enabling new construction jobs and empowering small-town small businesses that will finally have a chance to compete.

And the immense consumer benefits of this reform are not limited to helping the unserved. The reform will save landline and mobile phone subscriber's money on their long-distance bills, with wireless consumers alone receiving benefits of more than $1 billion every year. The reform will keep hundreds of millions more dollars in the pockets of telephone consumers everywhere over the next several years by constraining the growth of the Universal Service Fund, which consumers pay for. And the reform will help businesses all across the country – including small businesses – expand their markets and create jobs by extending their markets to 18 million Americans that broadband does not now reach.

The goal of deploying broadband networks to every American is vital. So is empowering every American who has access to broadband to adopt it.

Right now, 100 million Americans – including the 18 million Americans I mentioned – aren't adopting high-speed Internet at home. That's one-third of our population – a 67 percent adoption rate. Compare that to South Korea and Singapore where adoption rates top 90 percent.

The digital divide is more troubling than ever because the costs of digital exclusion are rising. That's true for education, where student opportunity suffers if they can't do online research at home and if teachers can't connect with families. That's true for health care, where patient care suffers if seniors, for example, are shut off from remote diagnostics or online health information.

Take finding a job. More than eighty percent of FORTUNE 500 companies post their job openings online only – and require online applications. So if you're not online – or if you're not digitally literate – the digital divide is now wider and deeper than ever before, hitting workers at all levels.

Without home Internet, people are denied access to good jobs being created in America today.

Yesterday, I joined the American Teleservices Association, which announced new commitments from several companies to on-shore or create tens of thousands of call center jobs here in the U.S. Many of these jobs can – and will – be performed from home, thanks to broadband. Yesterday's commitment is part of an effort the FCC helped initiate, called Jobs4America, which last month announced 100,000 new call center jobs in the U.S. within two years. The effort is ahead of schedule – and that's good for our economic recovery and good for America's long-term global competitiveness.

Lack of broadband access hits every day in so many ways. One study found that savvy consumers who are broadband subscribers can save more than $7,000 a year from discounts available exclusively online.

Low-income Americans, rural Americans, seniors, and minorities disproportionately find themselves on the wrong side of the digital divide and excluded from the $8 trillion dollar global Internet economy, and all of its benefits. In the 21st century, having one-third of Americans sitting on the sidelines is as unthinkable as having one-third of our country without electricity in the 20th.

All of us are here today because we want the adoption gap to be seen as an adoption opportunity.

Imagine what having millions of more Americans digitally empowered can mean for the economy: millions more customers for online businesses, more Americans using cost saving e-government services, and more Americans with the digital skills needed to find and land the jobs of today and tomorrow.

We're leaving opportunity on the table every day. A recent study found that closing the broadband adoption gap would create $32 billion in annual economic value.

That's why, beginning with the National Broadband Plan, we have focused on the importance of closing the broadband adoption gap. The FCC formed a Broadband Adoption Initiative that consulted with a broad range of experts. And in May, I challenged all players in the broadband ecosystem to step up and help close the adoption gap. I applaud the response, very important elements of which we see here today.

There's been very important research done in this area here at PEW, in the context of the National Broadband Plan, and, importantly, by NTIA. There are three primary reasons Americans currently don't adopt broadband: first, relevance, or the value consumers perceive from broadband; second, the lack of basic digital literacy, including a lack of trust, or concern about privacy and safety issues online; and third, the cost of a device and connectivity. I'll focus today on the first two. I'll have more to say about the third in the coming weeks.

Not surprisingly, our work has shown that there is no silver bullet to closing the adoption gap. No single program or actor alone – government, nonprofit, or private sector – can solve this national challenge. It will take all of the above, playing smart, mutually re-enforcing roles, acting boldly for both the near-term and long-term, and building on the increasing volume of best practices and data.

It also needs to build on the important work that's been done and continues to be done at NTIA. Under the direction of Assistant Secretary of Commerce Larry Strickling, they've been a strong leader in this space through their Broadband Technology Opportunities Program.

With respect to government, we need to accelerate e-government at the federal, state, and local levels. Right now, government spends hundreds of millions of dollars each year on paper communication with citizens, with most of those interactions with communities that are also low broadband adopters. If we move more services from paper to the Internet in smart and creative ways – showing citizens the value of Internet access – we can both incentivize broadband adoption and make government more efficient, ultimately generating significant savings that we can reinvest in knocking down barriers to adoption.

Save money, invest in e-government, and incentivize adoption. That's an action plan that will pay real dividends for our country.

We're seeing some terrific initiatives at the federal, state, and local level. For example, veterans are now able to go to the VA website, click a simple "blue button," and download or print their personal health records to share with their doctors outside of the VA. Since the program was soft-launched in September, the system has provided more than 100,000 health record downloads, helping improve health care and reduce costs.

We also need to reform and modernize government programs and efficiently point them to the needs of today and tomorrow, not yesterday.

I mentioned that we are in the midst of a major reform of the rural deployment programs of the Universal Service Fund. Later this year as part of reforming and modernizing the Lifeline program, which currently helps low-income Americans throughout the country get affordable phone service, we will be announcing a new broadband adoption pilot program.

And building on a big idea developed in the National Broadband Plan, we're proposing to work with America's schools and public libraries to launch a Digital Literacy Corps to help promote and teach digital literacy.

Digital literacy refers to the basic skills necessary to seize the opportunities of broadband Internet – how to use a computer, navigate the web, or take actions like preparing and uploading an online resume, or processing a basic Internet transaction. If you're not digitally literate you're at a significant disadvantage in the workforce. 50 percent of today's jobs require some technology skills – and this percentage is expected to grow to 77 percent in the next decade.

As LinkedIn CEO Jeff Weiner recently wrote in *Fortune*, while some unfilled jobs require engineering or extensive computer software expertise – and it's vital we have enough highly skilled talent in the U.S. to fill those jobs - many open positions require only basic digital skills. We need to ensure that all of our population has at least those skills required for participation in our digital economy.

The data confirms the existence of this skills mismatch. In twelve large metropolitan areas, the ratio of job postings to unemployed people is one to one. That's one job posting for every person looking for a job. These jobs aren't getting filled because too many job seekers don't have the right skills. The skills gap is a national problem that has left businesses without a crucial supply of skilled workers and left many Americans without the right skills to land the jobs of the 21st century.

In the coming weeks and months, we are going to work with schools and libraries and tap their experience and wisdom to develop the best ways those institutions can help to close America's digital skills gap.

For millions of Americans, libraries are the only place where they can get online. For millions more, libraries are an important complement to at-home connectivity, and they remain, as they always have been, a trusted resource in communities.

During the day, libraries have become job centers and librarians career counselors – and after school a place where many students go to do homework online. Last year, more than 30 million Americans used library connections to seek and apply for jobs, and 12 million children used them to do homework. Millions of others are using library connections for health information. Many – but not enough – of America's 16,000 public libraries have become vital centers for digital literacy.

Librarians are helping meet some of the vast need -- and I applaud them. But according to a recent Gates Foundation-funded survey, only 38% of all libraries offer a basic digital literacy class. In rural areas, in places like West Virginia, it's only 25% of libraries. That's a big missed opportunity. We should aim to double those numbers.

The E-Rate program – one of our most successful programs – connects schools and libraries to the Internet. Senator Jay Rockefeller, the great champion of E-Rate who, along with Senator Olympia Snowe and others, created the program, once said, "Our classrooms and our libraries are often the only way that our children and citizens can tap into the wonders of computers and the links to a vast world of information and knowledge. We want schools to be a place where children delve into computers. We want libraries to be vibrant centers of learning for families."

In that spirit, we plan to launch a proceeding to explore how the E-Rate program can expand access to digital literacy training at more public libraries and schools across the country and, ultimately, forming a Digital Literacy Corps.

Working with the Institute of Museum and Library Services (IMLS), including its Director Susan Hildreth, who's here with us today, a Digital Literacy Corps could help Americans, young or old, English- or Spanish-speaking, get the skills they need to find and apply for a job, to access educational classes, find health care information, and utilize e-government resources, helping accelerate e-government and reduce spending on paper.

We will also look to support digital literacy training to schools participating in the FCC's "School Spots" program, which we adopted last year to remove an unnecessary barrier that prevented schools from keeping their computer labs open after hours for their communities.

The idea here is to get more basic digital literacy to more corners of America, from struggling rural towns to hard-hit urban areas, to get it by testing ideas with real promise, and identifying efficient and effective ways to support programs where the data shows a real return on investment.

As I mentioned, tackling the broadband adoption gap will require efforts by private sector and non-profits, as well as government. That's why today, I'm pleased to participate in the announcement of "Connect to Compete," a first-of-its-kind, nationwide initiative to tackle America's broadband adoption challenge. It is a major effort to promote broadband adoption and digital literacy for all Americans.

I applaud the companies and non-profit organizations that have joined together to launch this effort, focused on bringing digital literacy and jobs skills to all Americans. The technology

retailer Best Buy has announced it will put its 20,000 Geek Squad agents to work beginning in 20 cities to train Americans in basic digital literacy. The Geek Squad will also train trainers, working with community groups to train others how to teach digital literacy.

Microsoft has announced it will build a state-of-the-art online digital literacy training center, with videos and other easy-to-follow content, so if you're in a city without an in-person digital literacy class, you can still log-on at a local library, school, or other community center and get the skills you need.

Joining Best Buy and Microsoft in digital literacy efforts are some of the nation's leading community-based organizations that are already hard at work in America's towns and cities. Their role is critical because this battle will be won or lost on the ground.

I'd like to thank the National Urban League, 4-H, the Boys and Girls Club, Goodwill, Connected Nation, the NAACP, the League of United Latin American Citizens, the National Council of La Raza, and the Asian American Justice Center for their commitments. Thank you for all you have done and will do in the coming months to increase adoption and be a part of this web of literacy trainers in our communities.

Basic digital literacy is necessary, but it's not sufficient. While many open jobs require basic digital literacy, many other available jobs require more advanced digital literacy skills. For example, job openings for IT staff, which require more than a high school diploma but not a four-year degree, are featured prominently among the top ten "hardest to fill" jobs of 2011. Positions like these – entry-level and more advanced – are staying open for months on end. Sixty-three percent of hiring managers say a talent shortage is the primary reason.

Training Americans with digital literacy skills and job certifications can help the United States close the jobs gap.

To help close this gap, Microsoft, beginning in 15 states over the next three years and quickly expanding nationwide, has announced it will work with its partners to deploy training in Microsoft Office through its retail stores, local schools, libraries and community colleges.

Careerbuilder.com has announced it will release a "skills gap monitor" that lists the top five jobs nationwide where online training or certification could make a difference between finding a job and not. It will also provide online certification for many of those jobs for low-income Americans in areas like technology and health care.

Monster.com is already in the process of identifying middle-skills jobs for which there are more openings than qualified candidates, as well as the skills and certifications job seekers will need to land those jobs. The company has announced it will also provide job search resources tailored to the needs of Americans new to broadband.

MetrixLearning, an e-training company, has announced it will provide free online training for job seekers needing to hone their basic skills to get hired, from basic math to interview skills. This training will be available not only in English, but in Spanish and Mandarin Chinese.

Brainfuse, a company that helps job seekers and students, has announced it will provide individualized application and resume-writing assistance for free to the nation's hardest-pressed job seekers.

And Arise Virtual Solutions, one of the largest virtual services company, has announced it will provide customer service jobs training, virtually, free to unemployed, low-income Americans, in addition to online train-the-trainer sessions in digital literacy.

When it comes to the long-term value of digital literacy for America's children, accessing educational content online is a key element. Students with broadband at home have a 7 percent higher graduation rate.

Recognizing that, Discovery Education has announced it will contribute online educational content to help bolster student achievement. With topics ranging from two-digit addition to American history, proven resources for student success will be accessible – free of charge – to our country's neediest students and their parents.

And Sesame Workshop has announced it will provide content including games, videos, and other educational materials from its outreach projects on hunger and economic hardships.

I applaud these commitments to help close the broadband adoption gap, and I also welcome the announcement by these companies and non-profits of the formation of Connect to Compete, a new non-profit initiative, to execute the commitments announced today. It will build a new portal to host the jobs and educational content, develop a database with digital literacy classes, and help train digital literacy instructors across the country. It will also work closely with Nicol Turner-Lee and the Joint Center for Political and Economic Studies to measure its effectiveness each step along the way.

Connect to Compete will be housed at One Economy and led by its CEO, Kelley Dunne. One Economy, as many of you know, has long been a leading and respected non-profit focusing on digital inclusion. I am pleased that leading and expert non-profits will participate on the Connect to Compete advisory board, including Computers for Youth, Connected Nation, the Broadband Opportunity Coalition, Common Sense Media, and a host of private sector companies. The Knight Foundation has announced that it will provide initial support to this new, independent organization.

Today's announcements are a very important step – though everyone here recognizes that the hard work lies ahead. Addressing the broadband adoption gap will be a multi-year effort that will require broad participation, ongoing data-driven experimentation, a willingness to invest in what works and to stop what's not working.

I'd like to thank all of the organizations here today for their commitment to the goal of broadband inclusion. With an ongoing focus on the opportunity and challenges, we can make a real difference for tens of millions of Americans and for our country.

Let's get to work.