

CHAIRMAN JULIUS GENACHOWSKI
REMARKS ON BROADBAND ADOPTION
WASHINGTON, D.C.
NOVEMBER 9, 2011

Thank you Principal Moore for welcoming us to the Langley Education Campus – and for all you do every day to prepare the next generation for a broadband world.

Thank you, Commissioner Clyburn, for joining us.

Commissioner Clyburn has been a tremendous partner over the past two-plus years.

She brings great experience and perspective to our work, including her time on the South Carolina Public Service commission, and her years running a community newspaper.

No one at the FCC understands the challenges real people face in their day-to-day lives better than Mignon Clyburn.

She's been a consistent voice for the voiceless since she arrived at the Commission.

And in particular a consistent advocate for greater broadband adoption.

Thank you to my friend and distinguished predecessor Michael Powell for NCTA's strong commitment to promoting broadband adoption, for your leadership on this effort, and for your many years of support for children and education.

We wouldn't be here today without your tremendous dedication and vision.

Thank you to Pat Esser.

And I'm thanking you not just for your leadership at NCTA, but because the Initiative we announce today is built on work you personally started in Cox cable systems in California, reflecting both your creativity and your longstanding commitment to extending broadband to the less fortunate in the communities you serve.

Thank you Karen Cator, the Director of Education Technology at the Department of Education, and your boss, Secretary Arne Duncan for helping to prepare America's students for the digital world.

Thank you to all of the companies and the national and grassroots organizations that have come together to help meet the vital national challenge of connecting all Americans to high-speed Internet and its benefits.

And thank you to the FCC's broadband adoption team – Jordan Usdan, Melissa Conway, Sarah Citrin, and others – and to Josh Gottheimer, who led the effort for the Commission.

Your tireless work has helped make today's announcements possible.

I'm proud to be joined today by so many people committed to this effort, but I'm even prouder to be able to announce an unprecedented – and affordable – opportunity for the tens of millions of people who are unconnected to broadband.

Roughly 100 million Americans aren't online at home.

That's one-third of our population – a 68 percent adoption rate.

Compare that to South Korea and Singapore where adoption rates top 90 percent.

It used to be that being disconnected was an inconvenience. Not any more.

Whether we're talking about jobs, education, or health care, in this day and age, getting online is a necessity, not a convenience.

We can't afford to have a third of the country frozen out of the broadband economy.

Closing the digital divide is about achieving the basic American promise of opportunity for all.

The benefits are clear, and so are the opportunity costs – to your child's education, to the job prospects of millions of Americans, to our health and safety.

Take finding a job. Today, more than 80 percent of FORTUNE 500 companies post their job openings online only – and require online applications.

And landing a job increasingly requires digital skills.

Studies show that 50% of today's jobs require technology skills, and this percentage is expected to grow to 77% in the next decade.

Broadband is now a basic requirement to participate in the 21st century economy.

And it's increasingly essential for education. A Federal Reserve study found that a student with a computer and broadband at home is more likely to graduate than a similar student without broadband at home.

Without broadband at home, students can't do online homework assignments that teach them 21st century skills, and their parents and teachers can't take advantage of great tools to communicate and help kids succeed.

How about health care? A senior's ability to access online health information or receive remote diagnostics and treatment can be life-saving.

Same for whether people have access at home to broadband during times of emergency or disaster.

Broadband even helps you save money.

One study found that savvy consumers who are broadband subscribers can save more than \$7,000 a year from discounts available exclusively online.

Getting all Americans online is key to our nation's economic success.

The online marketplace is the new Main Street in America.

Increasing adoption will help businesses all across the country – including small businesses – expand their markets and create jobs by extending their markets to tens of millions of Americans who are currently offline.

If we fully close the broadband adoption gap, we'd increase the size of the American online market by 50%.

We should close the broadband adoption gap because it's the smart thing to do, and also because it's the right thing to do.

As FDR once said, "In our seeking for economic and political progress, we all go up – or else we all go down."

Closing the digital divide is one of the great civil rights challenges of our time.

Being on the wrong side can determine whether you can get a job or not; whether your small business can survive or not.

It affects whether you can get the best education.

It affects whether grandparents can connect to their grandchildren in another state, and whether parents can connect to their children in military service overseas.

Broadband can be the great equalizer – giving every American with an Internet connection access to a world of new opportunities that might otherwise be beyond their reach.

But many groups disproportionately find themselves on the wrong side of the digital divide: African-Americans, Latinos, seniors, people with disabilities, rural Americans, low-income Americans.

We must close this divide.

Two weeks ago, the FCC approved a once-in-a-generation overhaul of the multi-billion Universal Service Fund, modernizing it from the telephone age to the Internet era.

The reforms will drive broadband build-out – wired and wireless – to the millions of unserved homes, businesses, and community anchor institutions in rural America.

The new Connect America Fund and Mobility Fund will put our nation on the path to universal broadband access and bring massive consumer and economic benefits – closing our deployment gap and helping to close the adoption gap.

But even with those reforms, we still have way too many Americans who aren't getting the benefits of broadband, even though they could connect at home.

According to both Pew and our National Broadband Plan, there are three primary reasons people who can adopt don't adopt.

The first is relevance – too many Americans don't perceive broadband as having value for them.

Second, non-adopters too often lack basic digital literacy – the ability to use a computer to search for information, or to upload, say, a job application.

Third, the cost of a device and of connectivity is, for too many Americans, an important barrier.

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 us, 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.

Federal policymakers have already been making meaningful progress in this area.

Under the direction of Assistant Secretary of Commerce Larry Strickling, NTIA has been a strong leader in promoting adoption through their BTOP Sustainable Broadband Adoption and Public Computing Center programs.

In fact, NTIA's Digital Nation report released this morning confirms that about one-third of Americans have not adopted broadband at home.

Last year, the Department of Education released America's first National Education Technology Plan, which recognized home broadband adoption as a critical component of 21st century education.

And federal CTO Aneesh Chopra and CIO Steve VanRoekel and his predecessor Vivek Kundra have been pushing to accelerate the transition to e-government, which can make a big difference in demonstrating the value and relevance of broadband to large numbers of non-adopters.

At the FCC, we have been focused on universal broadband, starting with our National Broadband Plan, extending through the major recent overhaul of the outdated Universal Service Fund, and continuing with development of reforms to Lifeline, to modernize the program so that it can be part of the solution to the broadband challenge.

Last year, as part of our reform of the E-Rate program, which helps schools and libraries connect to the Internet, we launched a pilot competition for schools to offer mobile broadband access to students.

This past May, I challenged all players in the broadband space to step up and help close the adoption gap and digital skills gap.

I'm pleased that many companies and non-profits have stepped up in a serious way to meet this national challenge.

Four weeks ago, along with leaders of businesses and non-profits, we announced the creation of "Connect to Compete," a first-of-its-kind national effort to address the barriers to broadband adoption.

The focus in that announcement was on improving digital literacy and closing the skills gap.

As part of that effort, many major companies made significant commitments to tackle digital literacy and promote adoption.

For example, Best Buy announced it will put its 20,000 Geek Squad Agents to work beginning in 20 cities to train Americans in basic digital literacy.

The non-profit Connect to Compete is being led by Kelley Dunne, who is here today.

Kelley is also CEO of One Economy, which was founded and is still chaired by Rey Ramsey, and has long been a leading and respected non-profit focusing on digital inclusion.

We are fortunate to have such strong and capable leaders of this critical effort.

Today, we are taking on the difficult challenge of cost – the primary obstacle to adoption for tens of millions of Americans, especially minorities and those hardest pressed in these challenging economic times.

I am pleased to join the stakeholders here today to announce unprecedented steps on the part of the private sector to close the adoption gap.

These commitments total up to \$4 billion in value and can benefit millions of Americans.

Today's biggest announcement comes from the cable industry.

Thanks to the leadership of Michael Powell and the CEOs of large and small cable companies across the country, NCTA cable companies will offer a new low-cost broadband service.

Low-income families with children eligible for the National School Lunch Program will be able to sign up for broadband Internet for \$9.95 a month, with no installation fees, no activation fees, and no modem rental fees.

That's a roughly 70% percent discount for school-lunch families.

What's that mean? Millions of children and their families, in all 50 states, would be empowered to get online at home.

Six months ago, when I issued that challenge to help close the adoption gap, this is the kind of response I was aiming for.

It's a remarkable offer from the industry. It's a big deal. It's a game-changer.

Allow me to thank each of the participating companies that are making this possible: BendBroadband, Bright House Networks, Cablevision, Charter, Comcast, Cox, Eagle Communications, GCI, Insight, Mediacom, Midcontinent, Sjoberg's (SHOW-BERGS) Cable, Suddenlink, and Time Warner Cable.

Special recognition is due to Tom Rutledge and Cablevision and Pat Esser and Cox Communications for their early commitment to addressing broadband adoption.

In fact, it was Cox's own initiative years ago to offer low-cost broadband plans to low-income families that served as a foundation for today's announcement.

Comcast has also been an early and important leader with their Internet Essentials Initiative.

Ten bucks a month for broadband. That's great.

But most of the families who don't have broadband at home don't have a computer either.

And it doesn't help if you have broadband but don't have a device to get online.

Studies show that the upfront cost of computer technology has been as substantial a cost barrier as the broadband service itself.

That brings me to our second big announcement.

Redemtech, a technology refurbishment company has committed to offering refurbished laptops or desktop PCs for \$150 plus tax.

These computers will be corporate grade, with Core 2 Duo processors, 4 GB of RAM, Windows 7, and Microsoft Office. The software alone is valued at \$250.

And starting early next year, Microsoft and its partners will introduce a series of laptops and desktops – brand new, with Windows 7 and Microsoft Office, and designed for students – starting at \$250.

Even with these offers, there are school-lunch eligible families for whom 150 or 250 dollars doesn't fit into their budgets.

Morgan Stanley has committed to developing a microfinancing plan to help families afford the upfront cost of a PC.

We need to find more ways to help eligible families without access to financial services such as banking accounts or credit cards.

I urge others to follow Morgan Stanley's lead in developing innovative and responsible ways to make sure low-income families can take advantage of these remarkable offers.

On top of these announcements to tackle the challenge of cost, I'm pleased to announce new commitments to help Americans get the digital skills they need as part of the "Connect to Compete" initiative.

Many of these partners are here today to talk about their commitments.

First, I'd like to recognize several new nonprofit partners who have offered to spread the word about the importance of adoption.

We all know that this effort will be won in America's communities, not in the halls of Washington.

These nonprofit partners include United Way Worldwide and Common Sense Media, who are here today and are joining the ranks of more than a dozen community-based organizations.

Also joining the initiative are Opportunity Nation, iKeepSafe and America's Promise.

I'd also like to recognize other private sector and governmental actors who are making substantial commitments to the Connect to Compete effort and are helping close the adoption gap.

These include oDesk, which is here today.

Also joining are the Appalachian Regional Council and the Delta Regional Authority, which have committed to helping with planning and implementation of the initiative.

Finally, I'd like to recognize Glassdoor.com, Indeed.com, and Learning Express, companies that have offered to provide valuable jobs and education content to the Connect to Compete portal.

In this difficult economy, everyone needs to work together and be part of the solution.

Broadband access and adoption fuels job creation, economic growth, and broad opportunity.

I applaud the companies and nonprofits that have stepped up to the challenge and are helping solve real problems and seize real opportunities.

Now, as the great basketball coach John Wooden used to say, "Never mistake activity for achievement."

We're not going to close the adoption gap at press conferences; we're going to have to make progress on the ground, in our communities, one family at a time.

Between the partners we've assembled today, and the members of the Connect to Compete coalition, we've got the team to do it.

And the Joint Center for Political and Economic Studies will promote accountability by measuring our effectiveness each step along the way.

And I'm pleased to report that Commissioner Clyburn is going to be playing an active role in mobilizing the ground game as we move forward. I can't think of a better leader.

Between our Connect to Compete announcement a month ago, universal service modernization two weeks ago, E-rate reform last year, our upcoming reform of the Lifeline program, and today's announcement, we're building tremendous momentum in our efforts to connect every American and seize the benefits of broadband.

We couldn't do it without the help of everyone here.

Thank you.

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