

**REMARKS OF FCC CHAIRMAN JULIUS GENACHOWSKI
CONNECT 2 COMPETE PILOT
SAN DIEGO, CALIFORNIA
MAY 31, 2012**

Thank you all for joining us.

Thank you Horace Mann Middle School for hosting us.

As if there weren't already enough reasons to love San Diego, this School District is one of 20 in the country participating in the FCC's Learning-on-the-Go program, which is helping schools implement mobile learning solutions like interactive digital textbooks.

Today, we're here to talk about a major initiative to maximize the benefits of broadband Internet for people in San Diego and across the country.

This past fall, I joined leading cable companies, technology companies, and non-profits to announce the Connect2Compete initiative – an unprecedented public-private partnership to promote broadband adoption.

Thanks to continued follow through, here we are – 6 months later – to announce the launch of the first Connect2Compete pilot program. It will offer 39,000 San Diego families high-speed Internet service and high-powered computers at dramatically discounted prices.

Thank you to Connect2Compete's new Chairman Ben Hecht, who is here today.

Also, thank you to Cox CEO Pat Esser, who has long been a leader on promoting digital opportunity. Without Pat's early initiative, Connect2Compete simply wouldn't have been possible.

And thank you to Dave Bialis from Cox California for joining us today.

Thank you Carlos Slim for joining us and for the work of you and your foundation to extend the benefits of digital opportunity to some of our hardest hit communities.

Thank you to Jill Vaske of Redemtech, whose company is a key partner of Connect2Compete.

Also thank you to HITN, the MAAC project, and Brent Wilkes, President of LULAC, who are some of the many grassroots partners who've agreed to help spread the word about Connect2Compete's offerings on the ground.

Special thanks to LULAC for their community technology centers that are offering free Internet access and digital skills training in underserved Latino communities across the country.

Finally, thank you for the vital support we've received from the National Cable Television Association, most notably their CEO Michael Powell and Vice President James Assey.

Why is the Connect2Compete program important for low-income families and for our country?

Broadband is our central platform in this 21st century for economic growth, innovation, and information.

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.

But roughly 100 million Americans are being bypassed by the broadband revolution.

About 68% of Americans are connected at home.

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

Certain populations find themselves particularly on the wrong-side of this digital divide.

Less than 50% of African Americans, Latinos, seniors, and rural Americans have adopted broadband.

Only 46 percent of low-income families have adopted broadband, compared to 90% of wealthy families.

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

Almost all Fortune 500 companies post their openings only online.

And they require online job applications – from Wal-Mart to Exxon Mobil.

In today's world, you need broadband to find a job and apply for a job.

Being connected at home not only allows you to search for jobs, it can also help you develop basic skills – like how to prepare and upload your resume online.

Learning slightly more advanced digital skills can be your ticket to a new job. Basic online certifications, for example, that qualify people for new jobs in health care.

There is growing evidence of a “skills gap” in America, with jobs going unfilled because our labor pool doesn't have the right skills.

And while some jobs require engineering or extensive computer software expertise, many only require basic digital skills – knowing how to use a computer, search, upload, or process a transaction.

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

Look at the role broadband is already playing in education.

Students increasingly need to go online to complete their homework assignments.

But one-third of all students and a majority of low-income children can't.

When roughly one-third of American kids are offline, it hurts all students.

It keeps teachers from assigning Internet-based homework if a significant percentage of their students don't have broadband at home.

Teaching to the lowest digital denominator doesn't work for our children or our country.

Every high school graduate in the US should be digitally literate, but we're not there. More than 60 million Americans aren't comfortable online.

The Connect2Compete Initiative will help ensure that more Americans enjoy the education, health and economic benefits of broadband.

Getting millions more Americans online is a win-win for consumers and for businesses.

More Americans will enjoy the benefits of broadband; and there will be more customers connected to our broadband economy.

That's why the work of Connect2Compete to enlist the private sector and nonprofit community to close the broadband adoption gap and expand the opportunities of broadband to more Americans is so important.

And that's why I'm pleased to be here to announce real progress being made by Connect2Compete, and some new developments.

In early May, Connect2Compete began piloting the \$9.95 broadband offering in San Diego.

Cox is making \$9.95 a month broadband to the families of 39,000 students in the San Diego area.

The pilot is running through June 30, and we encourage all eligible families to participate.

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.

Good PC, whose parent company is Redemtech, is offering refurbished laptops or desktop PCs for \$150 to eligible families.

The challenge now is getting eligible families to take advantage of it.

That brings me to our next big announcement.

Starting January 2013, the Ad Council will begin a 3-year, national, multi-lingual campaign promoting digital literacy and broadband adoption.

The campaign will also promote the existence of free digital literacy training classes in thousands of communities across the country.

Carlos Slim is here today representing his foundation.

They have committed to supporting the bilingual marketing campaign and provide digital literacy resources in Spanish to Connect2Compete.

Also, the Carlos Slim Foundation will become a founding member of the Connect2Compete governing board.

Thank you to Carlos Slim, Cox, Good PC, and all the partners of Connect2Compete who have made today's announcements possible, and are helping maximize the benefits of broadband for all Americans.