



Executive Summary: Comment on A National Broadband Plan For Our Future, Notice of Inquiry, FCC GN Docket No. 09-51.

One Economy’s Recommended Approach | Broadband with a Purpose and a Social Dividend

For the country to fully utilize broadband with a purpose, we must implement a national prescription with two key elements.

First is to mitigate barriers and problems, the second is to maximize opportunities so that the nation can move from the notion of digital divide to the reality of a digital opportunity.

In developing the National Broadband Plan (National Plan), the FCC should create “Broadband with a Purpose and a Social Dividend,” a national plan that harnesses market forces to advance an important public purpose and serve other national priorities. Spectrum and Universal Service Fund subsidies are both valuable public resources, and the Commission has a responsibility to align these resources in a way that stimulates economic development, improves health outcomes and advances educational opportunities. Developing a National Plan geared to these public purposes should yield an important social dividend, benefiting underserved and unserved sectors. In the case of broadband, this social dividend must focus on bridging the digital divide for low-income individuals and those left out of the first wave of broadband Internet expansion and adoption.

The creation of the National Broadband Plan is a landmark opportunity for the United States to aim for real global leadership in broadband. While Organization for Economic Co-ordination and Development (OECD) and other broadband rankings necessarily loom large as the Commission undertakes this proceeding, we urge the Commission to be intentional about their goals and objectives and to consistently measure them against those benchmarks. Through a bold yet focused assortment of incentives and policy directives, and stimulating, but not usurping the private sector, the FCC can play a dramatic role in reshaping the United States as a global broadband leader and unleashing the unfulfilled promise of broadband in impacting employment, education, health, and GDP growth.

Broadband Deficit | Intentional Focus on Low-Income Populations

Due to barriers to broadband adoption, low-income individuals in underserved and unserved communities were most frequently left behind in the first wave of broadband deployment in the United States. For those with annual incomes under \$20,000, just 25% access broadband in the home. Additionally, only 42% of those with a yearly income under \$30,000 have access to broadband. In stark contrast to both these numbers, 82% of

families earning more than \$75,000 each year have accessed broadband in the home¹. For 92% of Americans, one broadband option is available in addition to satellite, yet 57% have accessed broadband in the home^{2,3}. To significantly increase broadband penetration in the U.S., this 35% gap between availability and adoption – the Broadband Deficit – must be overcome.

Free Market Principles | Focus on Supply AND Demand

Increasing the demand for broadband is as important, if not more so, than increasing the supply. We can overcome the 35% Broadband Deficit by concentrating on the three “A’s”:

- Availability (Supply) – Sufficient, desirable and competitive broadband options
- Affordability (Supply and Demand) – Where price is compatible with a person’s ability to pay
- Adoption (Demand) – Sustainable usage and uptake of broadband as spurred by the following five elements:
 - Affordable broadband connections
 - Affordable hardware choices
 - Awareness of broadband options and benefits
 - Promotion of digital literacy
 - Prevalence of relevant content

Leapfrogging | Next- Generation Networks for Underserved and Unserved

Whenever possible, we should incentivize the installation of next-generation, high-speed networks at affordable prices in underserved and unserved communities. This infrastructure investment, a direct deposit on the potential social dividend, could have a profound impact on the delivery and utilization of applications for education, employment, healthcare and economic development. A 2009 study by Leonard Waverman, of the Haskayne School of Business at the University of Calgary, found that by adding ten more broadband lines per 100 individuals across the U.S. (~30 million new broadband lines) would raise U.S. GDP by over \$110 billion (Connectivity Scorecard 2009)⁴. Additionally, the Information Technology and Innovation Foundation (ITIF) forecasts expenditures on IT to have three to five times more impact on productivity than other capital expenditures. By “leapfrogging” older generation technologies and installing updated services for unserved and underserved populations, the Administration’s National Plan can maximize the benefits of this National Strategy and set a model for the rest of the world.

¹ Horrigan, John B. “Home Broadband Adoption 2008.” Pew Internet & American Life Project. July 2008.

² National Cable & Telecommunications Association. “Moving the Needle on Broadband: Stimulus Strategies to Spur Adoption and Extend Access Across America.” March 2009.

³ Horrigan, John B. “Home Broadband Adoption 2008.” Pew Internet & American Life Project. July 2008.

⁴ Waverman, Leonard and Kalyan Dasgupta. “Connectivity Scorecard 2009.” LECG/Nokia Siemens Networks. March 2009.

The North Star | Government's Role as a Free Market Stimulus

The first role of government should be to establish national goals and interim benchmarks, setting the North Star for U.S. progress in broadband. We recommend the creation of a **Broadband Progress Board** to establish a five-year plan with transparent benchmarks and annual performance measurements. In addition to addressing speed, affordability, availability, and adoption, these benchmarks should also include demand principles, as outlined above, and national priorities such as:

- Healthcare: Tele-Health, Health record Management, and Aging in Place
- Education: E-Learning, Education in the Classroom, After-School, and In the Home
- Economic Development and Employment: Job Training and Re-Training, Career Coaching, and Job Growth
- Rural Economic Development
- Home-based Access to Broadband
- Digital Literacy

The government should establish a system of incentives and policy directives to increase supply and demand, promote public-private partnerships, drive innovation, and ensure affordability for low-income people. These incentives will be incorporated to spur private sector investment and personal adoption, and thereby stimulate the market and meet the public test of creating a social dividend. This approach, rather than burdensome regulation, should neither be a means nor an unintended consequence of this National Plan.

The government should also create a **National Emergency Network**, a meet-you-where-you-are digital framework and delivery system for natural and man-made emergencies. This Network must have an intentional focus on the poor, as they are most often deprived of information and resources that are critical in coping with an emergency, most evident in the events leading up to and the aftermath of Hurricane Katrina.

Civic Engagement | Gathering Opinions and Asset Mapping

A National Plan should fully consider the needs and opinions of unserved and underserved people and regularly gather their feedback through community assessment surveys and field hearings. This requires intentional government action so that individuals and communities left behind in the first wave of broadband deployment receive the attention and services that will catalyze adoption in their communities.

Policies and initiatives ought to enable individuals and communities to maximize the benefits of the Internet so that everyone can receive a social dividend. Broadband Availability, Affordability and Adoption are requisites for implementation. In turn, the capacity to use broadband and its tools will enhance civic engagement since so much public dialogue has shifted to the online space. Internet media engages users and provides them with the opportunity to learn about their government, increase their knowledge of the political structure and creates awareness of the most recent happenings of all levels of government.