



Obama's High-Speed Internet Plan: Broadband or Boondoggle?

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FOXNews.com

Monday, March 02, 2009

President Obama has taken a major step in closing America's "digital divide" by allotting \$7.2 billion in stimulus funds to bring broadband lines to rural areas -- and to put thousands of people to work making it possible.

But some critics say the effort will prove fruitless, because many Americans don't want high-speed Internet -- including people who already have access to it.

Just 57 percent of Americans use broadband services, although 91 percent of American homes have access to them, according to a report released last month by the Pew Internet & American Life Project. And one-third of Americans who don't use broadband said cost would prohibit them from buying it.

"In the end, you have to ask yourself the question: What is the cost compared to the benefits?" said George Ford, chief economist at the Phoenix Center, a Washington-based think tank.

"There's a number that that value has, and the question is whether that cost is too high. If you're going to throw money around, I suppose it's good as anything. But we are spending money on the last frontier of broadband here, so the incremental value is going to be small."

But Blair Levin, a member of the president's Technology, Innovation and Government Reform Team, said a "world-class broadband platform" will prove vital in a number of areas, including modernizing health care records and reforming education.

"The president has set out a very ambitious broadband agenda for the country," Levin told FOXNews. "He understands correctly ... that a world-class broadband platform is essential."

Levin noted a recent report that ranked the United States 16th in the world in access to high-speed Internet. He said Obama has called on the Federal Communications Commission to create a comprehensive strategy for broadband Internet within one year.

"It doesn't take a futurist to understand that not having a device tied to the broadband network in 10 years or so is going to be like not having electricity or indoor plumbing," he said.

John Horrigan, the author of the Pew report, said the relatively high cost of broadband is just part of the reason more Americans aren't already using a high-speed Internet connection. Access to computers and their relevance overall also play a role, he said.

"Half of non-broadband users said they simply don't want to use the Internet or don't find it relevant to their daily life," Horrigan said. "People's perception that the technology isn't relevant to them is a bigger barrier than cost."

Andrew Jay Schwartzman, president and CEO of Media Access Project, said it will take time, money and effort to bring those people around. "Once it becomes available," he said, "people will discover the value of [broadband].... But it's going to require a lot of education and hand-holding."

Others questioned the lack of specified benchmarks in the plan.

"We have a lot of people arguing about speed and availability, but we don't have any way to measure success," Ford said. "We have to make rational decisions on what we can really expect and what we really need, and nobody's doing that. The policy is unguided -- it's not clear what the nation's targets are for broadband."

Ford said a reasonable target for broadband access would be 95 percent availability within five years. He also questioned the need for coverage in every corner of the country.

"Some places are just too expensive to serve," Ford said. "The idea that we're going to give [high-speed service] to a place in the middle of nowhere is a pie in the sky. You could spend all of that [\$7.2 billion] trying to get the last 1 or 2 percent connected."

Rey Ramsey, chief executive of One Economy, a nonprofit group that provides technology in low-income communities, said broadband prices of \$10 to \$15 per month would likely generate a "major uptick" in usage. The current average monthly price is about \$35, he said.

"You want to make sure everyone has the opportunity to engage in it," Ramsey said. "There's a direct nexus between quality of life and quality of information available to an individual But we've got to move the meter in terms of adoption, and if we don't, we've got to say we didn't get the job done."