

Broadband Adoption Initiative for HUD Communities

Executive Summary of Application Submitted by One Economy Corporation on 3/15/2010

One Economy, as the proposal applicant, brings together an unprecedented national public-private partnership of Internet Service Providers (ISPs), computer technology companies, and nonprofit partners (“Consortium”) committed to stimulating broadband adoption and generating 250,000 new broadband subscribers and computer users in low-income housing. Our efforts have been supported by the Department of Housing and Urban Development (HUD) and the Federal Communications Commission (FCC). Our entire Consortium – consisting of One Economy, Connected Nation, AT&T, Dell, Intel, Microsoft, the National Cable Telecommunications Association (NCTA), and US Telecom – is bolstered by HUD’s active engagement and desire to support broadband adoption and provide access to personal computers in their communities. One Economy has provided much of its services over the past decade to HUD residents, helping to connect thousands of HUD units to WiFi, developing housing-centric digital literacy programs, and creating online content specifically targeted to the HUD community.

The proposed program is built upon our consensus that an effective means for increasing broadband adoption among vulnerable populations in the United States is a comprehensive approach that addresses awareness of the benefits that broadband affords, digital literacy training, and affordable broadband subscription service and computers. Therefore, we aim to provide over two million of the nation’s multi-family public housing units with the opportunity to obtain access to affordable broadband service, computers and free digital literacy training. This proposed project will overcome barriers to broadband adoption and leverage technology to produce enhanced socio-economic outcomes.

A) Problem/Need: The United States faces a twin problem. First, the paradox of the Digital Age is that, while technology has the capacity to bring people together and connect people to information, it simultaneously presents the threat of deepening the divide between society’s information “haves” and “have nots”, often referred to as the digital divide. Second, as a nation, we have failed to realize the potential of technology to deliver socio-economic progress.

B) Our Approach: One Economy, working with members of the Consortium, will meet these twin problems head on. We recognize the need to simultaneously focus on removing barriers to broadband adoption while also innovating to maximize socio-economic progress from our work. Our approach understands that, in the Digital Age, individuals, regardless of income, demand information on a 24/7 basis in ways that meet their needs in terms of time, place, literacy, and language. Our goal is to produce what we call the “social dividend” or value for individuals by way of improved socio-economic opportunities, such as educational advancement, improved health, and increased employment. One Economy’s adoption approach is multi-faceted – it provides eligible participants with awareness of the potential that broadband affords, digital literacy training, and discounted broadband service and computers. We have a proven track record of success- at least 50% of One Economy’s audience has sustained their broadband adoption after 5 years. Furthermore, according to a 2010 Stanford Institute for Economic Policy Research paper, “if targeted correctly, private or public programs that educate households about the benefits from broadband (e.g., digital literacy training), expose households to the broadband experience (e.g., public access) or directly support the initial take-up of broadband (e.g., discounted service, hookup fees, and/or computers) have potential to increase overall

penetration in the United States.” This proposal presents a comprehensive approach to stimulate broadband adoption for residents of HUD multi-family properties by bringing together nonprofit, private, and government resources. The proposal spans over two years.

1) Access. The home is the essential place to deliver 24/7 access to broadband. ISP partners will offer discounted broadband service to households eligible for the program. The particular discounted offerings may vary among individual ISPs and will be set forth in accompanying Term Sheets, but such offers will include up to a 50% discount on monthly broadband subscription service over two years and free standard installation to participating residents of HUD multi-family developments that do not, or have not, over the prior three months, subscribed to residential broadband service. Further, ISP partners are also expected to include at least a 50% discount on the purchase or rental of necessary broadband modems.

2) Affordable Computers. The program offers a minimum \$175 instant rebate for participating residents of HUD developments to purchase a personal computer (PC). Participants will be able to choose from a broad selection of PCs (laptops and desktops) from multiple OEMs.

3) On-The-Ground Training and Awareness. The program will provide digital literacy training and awareness to public housing residents to overcome the barriers often faced by this population. One Economy and Connected Nation will implement training programs across participating HUD developments. Programs will include direct training sessions as well as strategies to train local youth. These local youth ambassadors have the local and cultural understanding to enable them to best train other residents. Further, such a strategy will ensure that trained ambassadors with the knowledge to impact their community will continue these efforts beyond the life of this program. Ensuring that residents are aware of the benefits of broadband and the opportunity we are presenting is another important component of the proposal. One Economy and Connected Nation, with the support of HUD, will lead these efforts, harnessing our experience and the commitment of all Consortium members, PHAs across the nation, and local community stakeholders. We will engage local community champions who understand and will help communicate the value of this proposal to HUD residents. At the local level, we will also run promotional campaigns at selected HUD properties that may include a kick-off day to promote the broadband opportunity to public housing residents. The proposal will bring a community-level approach to our training and awareness campaign efforts not only to reach the most residents possible, but also to ensure the greatest utility from the program. We will also develop online and print outreach materials describing the program tailored to the education, literacy and language skills of HUD residents and an easy-to use online and in-store ordering process, delivered in the resident’s reading and digital literacy levels and in multiple languages.

4) PSA Campaign. The ISP members of the Consortium will donate Public Service Announcements (PSAs) for an estimated worth of \$1.5 million to build awareness of the program in the early months of the campaign.

C) Areas to Be Served: Our initial target market for this program will be all HUD multi-family development residents (public housing, project based section 8, and multifamily assisted), provided that an ISP who has agreed to provide match to this consortium can provide service in that location. Depending on conditions on the ground and HUD recommendations, we may expand into other markets.

D) Qualifications: One Economy is the largest digital adoption organization in the United States. Our 10 years of work serves as a proof of concept for effective and sustainable digital adoption. We have established partnerships and raised approximately \$63 million in private dollars. Our digital literacy, public-purpose media, and housing based broadband deployment initiatives are now being utilized in nearly all fifty states.

Connected Nation is an internationally recognized nonprofit organization with nearly 10 years experience expanding access to and use of broadband and related technologies that are enabled when individuals and communities have the opportunity and desire to connect. Connected Nation has worked with hundreds of communities to mobilize thousands of local technology champions to overcome the key challenges to broadband and digital inclusion, particularly among vulnerable populations. Connected Nation works with consumers, community leaders, states, technology providers, foundations and other nonprofits to develop and implement technology expansion programs with core competencies centered around a mission to improve digital inclusion for people and places previously underserved and overlooked.

E) We estimate that through our program we will save or create 5,000 jobs.

F) The total cost of the project is \$78,630,490 (\$52,105,490 of which is being requested through this proposal).