



**Testimony
of
Rey Ramsey
Chief Executive Officer of One Economy Corporation
Before the House Committee on Energy and Commerce**

June 24, 2008

Chairman Markey, Ranking Member Stearns, I thank you for the opportunity to be here today. My name is Rey Ramsey, and I am the chief executive officer of One Economy Corporation.

One Economy is a global nonprofit that leverages the power of technology and information to connect low-income people to the economic mainstream. We bring broadband into the homes of low-income people, produce public-purpose media, and train and employ youth to enhance communities' technology capacity. Our work has taken hold in four continents, from big cities to small rural towns. Since our founding in 2000, our work has reached 15 million people.

Today, as we discuss the importance of universal service and universal access to low-income communities, I would like to highlight the challenges we face in encouraging families to adopt that access in their homes.

When we look at the data on broadband, we see both good news and bad news.

Most Americans have *access* to broadband service—by which I mean it is available where they live if they want a connection to their home computer. In fact, according to the Federal Communications Commission's zip-code level data, in more than 90 percent of the United States, consumers can choose from three or more broadband providers. Nearly 60 percent of Americans have *adopted* broadband by paying for a high-speed connection.



But those positive trends in broadband availability should not overshadow the significant inequality between rich and poor communities. According to the most recent Census Bureau data, while 76 percent of households earning more than \$50,000 per year are connected, only 35 percent of homes with annual income less than \$50,000 have adopted broadband in their homes.

Universal access is particularly important to these low-income communities. We have seen the power of broadband to give low-income people tools for improving their education, their health, and their economic lives.

For example, 70 percent of working families who receive the Earned Income Tax Credit (EITC) pay for professional help preparing and filing their taxes and as many as 25 percent of families who qualified for the EITC did not receive it. This year, we partnered with H&R Block and E*TRADE to make free tax preparation and filing available online. Families using our site, the Beehive (www.thebeehive.org), received nearly \$10 million in state and federal refunds. In addition to the \$1000 average refund, broadband made possible the education and support these families needed to file for themselves, saving hundreds of dollars in fees.

Broadband is also giving low-income people tools to improve their health. Chronic diseases affect millions of Americans and disproportionately impact low-income communities. Broadband can bring into homes the resources people need to handle the day-to-day management of a disease like diabetes. These tools can be accessed by people who may not be able to seek in-person assistance because of their location or the cost of these services.

Perhaps the most dramatic changes we have seen are in the area of education. Greene County, North Carolina—a rural, economically distressed area—struggled with high rates of poverty and low attainment



of higher education. Beginning in November 2003, a diverse team of stakeholders, including the Greene County local government, the school system, grassroots leaders, and social service providers, used technology and its tools to positively impact the pressing economic needs in the area. The technology infusion began at the school-level by bringing Apple iBooks to each 6th through 12th grader.

The schools and the community quickly realized that without broad-based, affordable access to the Internet, the benefits of technology would be limited. In November 2003, Greene County leaders began working with One Economy to help create Internet tools and content for the community. Since then, Greene County has developed free Internet hotspots at schools and fire stations and a municipal broadband solution for the entire County.

Today, Greene County has improved educational outcomes—including higher SAT scores, more students attending college, and dramatically reduced teen pregnancy. These outcomes are detailed in Appendix 1.

These opportunities to improve health, education, and economic livelihood in low-income communities demonstrate that while universal access is an important goal, it is only a starting point. Our experience has shown that additional steps—efforts that are less about a specific technology and more about education and creating a culture of use—are needed to ensure that the benefits of the Digital Age are reaching the communities that need them most.

Independent research and our own experience suggest that the principle barriers to people adopting broadband in their homes have less to do with access and affordability and more to do with helping people to understand the value of broadband, helping to alleviate concerns about online safety, and a series of other educational and cultural issues. A 2007 survey by the Pew Internet and American Life project asked non-Internet users why they are not online. You might expect the number one reason to be cost. In fact, one-third of people not using the Internet said they are just not interested.



This is not to discount the importance of cost and the work that still needs to be done in that area, but these findings show that even when broadband is available and affordable, other concerns remain to be addressed.

At One Economy, we have recently begun work with the Warm Springs Indian Reservation in Oregon, home to nearly 4,000 members of the Warm Spring, Wasco, and Paiute tribes—thanks in part to the efforts of a former member of this committee, Congresswoman Elizabeth Furse. Broadband access is already available on the reservation; the Warm Springs Tribe built a Motorola canopy-based wireless solution to provide broadband to the local government and individuals. But uptake among residents has been slow, in part because the average monthly cost is \$50—out of reach for many members of the tribes.

In the coming months, we will work with leaders in the reservation to make broadband a relevant and affordable tool. In addition to lowering the cost of home access and creating public access points, we will use broadband and the applications it makes possible to expand tribal member participation in government, support small business development, preserve native culture, and improve members' digital skills. Young people will be trained in technical and leadership skills so they can become cultural bridges between their community and technology.

Government can play a role in stimulating demand, as the tribal government in Warm Springs is doing. Creating public-purpose online media—media that puts vital information and tools directly in the hands of citizens—can demonstrate the value proposition of bringing broadband into their lives and homes. For low-income people, who are often caught in a web of government programs and services, simple and direct online access to those programs can mean the difference between missing a day of work to stand in line at a municipal building and getting help in the comfort of one's home.



At One Economy, we believe that the time has come for a broad-based effort to provide these kinds of information and tools online. To that end, we have created the Public Internet Channel (*PIC.tv*): public-purpose programming designed to inform, engage, and help people take action. The Public Internet Channel grew out of our experience delivering culturally relevant, multilingual information to low-income and low-literacy audiences. The millions of people who have taken advantage of our online resources to file their taxes, find better schools for their children, start new businesses, and take other steps to improve their lives demonstrate the need for such an effort. See Appendix 2 for detailed outcomes.

Again, I appreciate the committee's interest in how universal access to broadband stands to benefit low-income communities. I believe that a policy that brings the traditional conception of universal service into the digital age, while addressing the broad spectrum of reasons why people are not online, stands to improve the lives of millions of Americans.



Appendix 1

A Replicable Model: Greene County, North Carolina

Greene County, North Carolina is a rural, economically distressed county in the eastern portion of the state. According to the 2000 U.S. Census, 20.2% of the county's population lived below the poverty line, a number that is notably higher than national statistics and only 8.2% of the population had a bachelor's degree or higher, another staggering statistic when compared to the national rate of 24%. However, through Greene County's collaboration with One Economy Corporation, a multi-national nonprofit organization, significant positive changes have occurred throughout the community.

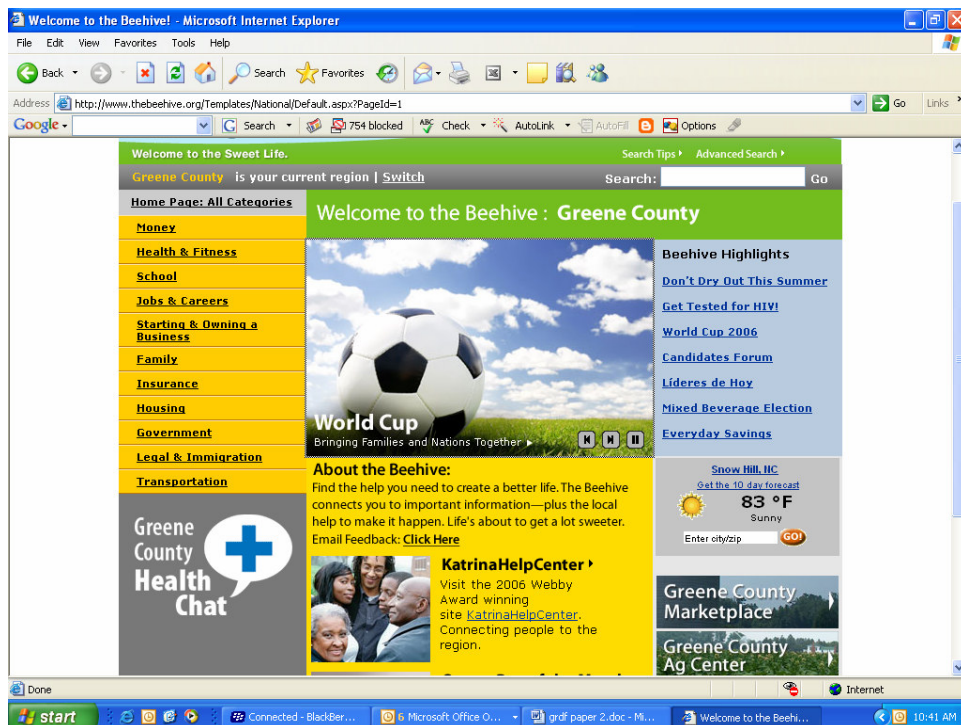
Beginning in November 2003, a diverse team of stakeholders, including the Greene County local government, the school system, grassroots leaders, and social service providers, used technology and its tools to positively impact the pressing economic needs in the area. The technology infusion began at the school-level by bringing Apple iBooks to each 6th through 12th grader in the County. However, the schools and the community quickly realized that without broad-based, affordable access to the Internet, the benefits of technology would be severely limited in the community. In November 2003, Greene County Leadership began working with One Economy to help develop Internet tools and content for the community. Over the next 24 months, Greene County developed free Internet hotspots at schools and fire stations. The County then contracted with Internet Service Provider, Wavelength, to create a municipal broadband solution for the entire County.

Today, all of Greene County now has affordable high-speed access. Moreover, Greene County launched a county-specific Beehive website which includes non-tobacco agriculture options, online marketplace, small business development, and career-building opportunities (www.beehivegreene.org). Through this site, Greene County residents are actively participating in the local election process, discussing health issues with medical experts from East Carolina University, and learning about educational opportunities in



their community. The site is pioneering web-based solutions for rural America through locally-generated content such as the “Greene County Marketplace” and “Pest Alert.”

This website is made available through a county-wide deployment of affordable broadband service and a mobile training lab which is used by faith-based institutions and community organizations to train their clients on how best to use this new technology. Furthermore, Greene County has 31 technologically trained young people that are working throughout the county to teach others how to use the site and become a part of the 21st century technology economy. A screenshot of the Greene County Beehive is below:



The success of technology infusion has greatly impacted all sectors of the Greene County community:



Improved Broadband Availability

- **400 households are now connected to the Internet** and nearly 200 households are waiting for connection on the county's wireless. Greene County schools and government are the anchor tenants.
- 89% of Greene County has access to broadband
- Nearly 25% of the households have purchased broadband for their home
- *Embarq*, with approx. 500 customers, has increased its coverage area, providing more competition and choice for residents.
- More than two dozen church and community buildings have **become hot spots for free internet access.**
- More than **600 residents have received free computer training.** 30% of the people trained were senior adults.
- Residents share service with neighbors--early beginnings of community wireless.

Building a Digital Community in Greene County

- The Greene County's Beehive (www.beehivegreene.org) received **4000 hits in its first month** and **200 unique visitors use the site weekly.** With only 1000 households connected to the internet, this represents 25% usage of the site each month.
- **111 Digital Connectors are involved** in the program providing computer training to Greene County residents. They have logged **1000 hours of teaching and business and technical support** to date.

Impact in Schools

- **1600 students have their own laptops** (in grades 6-12). 93% of these computers travel home with the student every evening.



- High school SAT composite scores increased 41 points in 2 years from 930 to 971.
- 84% of the 2007 senior class applied to college, compared to less than 26% the year prior to the iTech program's launch in 2003.
- High school proficiency scores increased from 53% to 78.4 % in the first year and they have met adequate yearly progress each year.
- Decrease in student drop out rate.
- Increase in Honors Courses taken due to classes being offered online with other educational partners.
- Teenage pregnancy dropped from 2nd in the state to 18th (out of 100 counties).
- Higher parent / community confidence.

Economic Impact

- **20 new businesses were attracted and opened** in Greene County in 2 years, reversing several years of negative business growth.
- Before *Beyond Tobacco*, less than 5 of the 200 small businesses had websites. In the second year, **nearly 25% of the county's small businesses have websites** and most are reporting increase revenues due to their online presence.
- In 2007, **2 companies reported 50% growth in sales** due to online purchases and marketing.

The success in Greene County is due, in part, to the partnerships One Economy creates with local residents and diverse groups of stakeholders and the work that we do by providing access to technology and the Beehive. In the course of our work in Greene County, One Economy facilitated the county's transformation from what had been a historically tobacco-dependent agrarian lifestyle to one rich with the enhancements of technology. In partnership with the Greene County local government, the school



system, grassroots leaders and social service providers, One Economy set out to plan, develop, and launch a digital community in Greene County, North Carolina. Through our work in the county, One Economy and its partners accomplished the following objectives:

- Improved communications infrastructure. In order to address problems of access and lack of hardware that would be necessary for the creation of a digital community, One Economy worked with the community to contract a wireless company to build an Internet network that covers the county. This county-wide deployment of affordable broadband service made it possible for 90% of the residents in Greene County to get affordable high-speed access.
- Encouraged the growth of small business and agricultural enterprises. See the below description on the Greene County Ag Center and the Entrepreneur's Center, located on the Beehive (www.beehivegreene.org).
- Used technology as an accelerator for educational advancement. To integrate technology into Greene County schools, Apple computers worked with the school system to develop a program where laptops were provided to every 6-12 grade student, teacher and administrator. One Economy created relevant education content on the Beehive allowing students and parents to access educational resources and homework help.
- Built a replicable model for other rural communities. Greene County, North Carolina and the immense success that One Economy's pioneering work there achieved is proof of the positive impact that the "Digital Community" model can have on a region.

Today, Greene County residents have more opportunities to live, work and prosper than they had 5 years ago. Thanks to a committed and visionary leadership team in Greene County, the commitment of key



partners and the technical assistance of One Economy, the future of this rural community is brighter. We believe that the Greene County model that can be implemented successfully in other communities.



Appendix 2

The Beehive (*www.theBeehive.org*), our multilingual self-help web portal, has been visited more than 13.5 million times, including 2.4 million visits by Spanish-language users.

Education:

- Over 545,000 high-schoolers have gotten help with their homework
- Students received over 9,000 hours of free online tutoring, resulting in more than a full grade level improvement in Math.
- Over 112,000 people learned about how to achieve their GEDs

Health & Family:

- 444,000 people found information about Diabetes
- 472,000 people have gotten help finding and evaluating child care
- 177,000 people learned about Alcoholism, including more than 30,000 in Spanish
- 477,000 people have learned about Medicaid
- More than 512,000 people have learned how to safeguard their computers

Employment:

- 20,000 people have created and saved business plans on the Beehive Entrepreneur's center
- 33,000 Spanish-speakers got information on finding a job
- 778,000 people have learned about filing for unemployment benefits

Economic Livelihood:

- 550,000 people have learned about creating a family budget
- During the 2007 tax season, \$5 million in tax refunds were returned through the Earned Income Tax Credit program to users who filed their taxes on the Beehive.
- Over 233,000 people learned how to write a check

Numbers as of 3/12/2008



SUMMARY

- Positive trends in broadband availability should not overshadow the significant inequality between rich and poor communities. According to the most recent Census Bureau data, while 76 percent of households earning more than \$50,000 per year are connected, only 35 percent of homes with annual income less than \$50,000 have adopted broadband in their homes.
- A 2007 survey by the Pew Internet and American Life project asked non-Internet users why they are not online. You might expect the number one reason to be cost. In fact, one-third of people not using the Internet said they are just not interested.
- Our experience has shown that additional steps—efforts that are less about a specific technology and more about education and creating a culture of use—are needed to ensure that the benefits of the Digital Age are reaching the communities that need them most.
- Government can play a role in stimulating demand, as the tribal government in Warm Springs is doing. Creating public-purpose online media—media that puts vital information and tools directly in the hands of citizens—can demonstrate the value proposition of bringing broadband into their lives and homes.
- At One Economy, we believe that the time has come for a broad-based effort to provide these kinds of information and tools online. To that end, we have created the Public Internet Channel (*PIC.tv*): public-purpose programming designed to inform, engage, and help people take action.