

Wireless Internet Will Be Key To Minority, Low-Income Areas

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WASHINGTON (Dow Jones)--Cellphone companies may have an unexpected ally in a newly formed coalition of civil rights and minority groups asking federal regulators to prioritize disadvantaged communities in a national Internet plan.

The group on Monday echoed repeated statements from wireless companies like Sprint Nextel Corp. (S) and T-Mobile USA, a unit of Deutsche Telekom AG (DT), that mobile Internet access is a central part of any national broadband plan.

Smaller wireless firms including Leap Wireless International Inc. (LEAP) specialize in marketing wireless services to low-income and minority communities.

Internet applications for cellphones could be a particular boon to disadvantaged groups that are reluctant to invest in computers, members of the newly formed civil rights coalition said during a conference call.

The coalition believes government should go beyond the \$7.2 billion it has set aside for broadband deployment and provide additional aid to people who can't afford to wire up or don't understand why they should.

"There is a profound lack of awareness in minority communities of what broadband is," said Janet Murguia, president of the hispanic advocacy group National Council of La Raza, or NCLR. "Forty percent of broadband nonadopters are from communities of color."

NCLR is partnering with the National Urban League, the National Association for the Advancement of Colored People, the Asian American Justice Center, and the Minority Media & Telecommunications Council, among others, to urge regulators to make minority communities and minority-owned businesses a priority in its broadband plan.

The Minority Media & Telecommunications Council successfully lobbied regulators earlier this year to ensure that minority-owned businesses would be able to access broadband economic stimulus funds.

In comments to the Federal Communications Commission, MMTTC said regulators should ensure that "diversity in contracting and employment and service becomes a priority," said David Honig, the council's executive director.

Cellphones could hold one of the keys to connecting disadvantaged communities, said Rey Ramsey, chief executive of One Economy, a nonprofit Internet deployment group. One Economy also is a member of the civil rights broadband coalition.

Ramsey said culture-specific cellphone applications could help non-English speakers learn English or communicate with a doctor while on a bus to their workplaces.

More cellphone Internet options also could boost earnings for lower income people, according to Mobile Future, a group of companies and nonprofits advocating for growth in wireless services.

"Prepaid wireless users - who are typically lower-income and more likely to be self-employed - are almost twice as likely to credit their mobile phones with increasing their earning power," Mobile Future said in separate comments to the FCC.

Mobile Future lists AT&T Inc. (T) and Cisco Systems Inc. (CSCO) among its members.

The FCC is collecting thousands of comments from industry, state and local governments, and nonprofits about the national broadband plan it will craft over the next eight months. Many comments focus on how the FCC should regulate (or not) new Internet connections in hard-to-reach areas.

Telecom giants like AT&T, Verizon Communications Inc. (VZ), and Comcast Corp. (CMCSA) are emphasizing the massive investments from private sector in offering Internet to the nation, but they all agree more needs to be done.

Verizon said pointedly in its written comments that "intrusive new regulations" would stifle sustained private-sector investments in the future. Comcast Executive Vice President David Cohen said in a recent blog that he hopes the FCC will "avoid the extreme in favor of the practical."

But Internet advocacy groups like the Media Access Project and Free Press say the FCC should require open access to government-funded Internet networks.

Free Press went so far as to say that "the private market does not care about the public need for robust broadband infrastructure," asserting that large carriers want to squelch openness and other rules so they can "squeeze out higher revenues."

By contrast, the Free State Foundation, a free-market think tank, called for "built-in flexibility" for private-sector providers. FSF President Randolph May said "rigid goals, production quotas, input costs, output prices, and the like" are akin to Soviet-era planning.