

ONE HUNDRED ELEVENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
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MEMORANDUM

May 10, 2010

To: Members of the Subcommittee on Communications, Technology, and the Internet

Fr: Democratic Committee Staff

Re: Hearing on The National Broadband Plan: Promoting Broadband Adoption

On Thursday, May 13, 2010, at 10:00 a.m. in room 2123 of the Rayburn House Office Building, the Subcommittee on Communications, Technology, and the Internet will hold the fourth in a series of hearings addressing issues raised in the National Broadband Plan. The hearing, entitled “The National Broadband Plan: Promoting Broadband Adoption,” will examine recommendations in the National Broadband Plan for increasing broadband adoption, including ways to ensure that all Americans are able to subscribe to broadband and educating consumers about broadband’s benefits.

I. BACKGROUND

As part of the American Recovery and Reinvestment Act (ARRA), Congress required the Federal Communications Commission (FCC) to submit to Congress a National Broadband Plan (NBP) to ensure that every American has “access to broadband capability.”¹ On March 16, 2010, the agency released the plan, which made numerous recommendations for action by the FCC, the executive branch, Congress, and state and local governments.² On March 25, 2010, the Subcommittee on Communications, Technology, and the Internet held its first oversight hearing to explore the NBP. Since that time, the Subcommittee has held two subject-matter specific hearings concerning the means to promote greater deployment of last mile facilities and stimulation of innovation in and competition in the market for set-top boxes and other video navigation devices. This hearing will explore certain recommendations contained in Chapter Nine of the NBP relating to broadband adoption.³

¹ The American Recovery and Reinvestment Act, Pub. L. No. 111-5 §6001(k) (2009).

² Federal Communications Commission, *National Broadband Plan*, (2010).

³ *Id.*, at 49.

II. NATIONAL BROADBAND PLAN POLICY RECOMMENDATIONS

In conjunction with its efforts to develop a record for the NBP, the Commission conducted a comprehensive survey (hereinafter called the “NBP Survey”) focused on those that could subscribe to broadband service at home but do not (so-called “non-adopters” of broadband).⁴ Through the NBP Survey, the Commission identified three major barriers to the adoption of broadband: Cost, digital literacy, and relevance.

A. Cost

The NBP Survey found that 36% of non-adopters cite cost as the primary barrier to the adoption of broadband at home.⁵ These costs include the charges for monthly service, as well as the cost of computers and other equipment necessary to use broadband. To address this barrier, the NBP recommends, in part, that the Commission consider expanding the Lifeline and Link-Up programs in the Universal Service Fund.

Currently there is a substantial gap in adoption between low-income households and those households that are at or above the median income level. For those households with an annual income of \$20,000 or less, for example, the adoption rate is 40%. By comparison, households making over \$75,000 a year have an adoption rate of over 91%.⁶ To help address this gap, the NBP also recommends expansion of the Lifeline and Link-Up programs of the Universal Service Fund. Since the 1980s, these two programs have provided discounted phone service and reduced home phone connection charges for low-income households. By reducing these barriers to telephone service, these mechanisms have helped increase telephone subscribership among low-income families from 80% in 1984 to almost 90% in 2008.⁷ The NBP proposes expansion of these programs to include not only voice service, but also service offerings that include voice and broadband services.

B. Digital Literacy

The NBP Survey further found that almost 22% of non-adopters cite a lack of digital

⁴ *Id.*, at 168.

⁵ *Id.* More than 66% of non-adopters cited cost as a barrier when allowed to select more than one reason. Federal Communications Commission, Horrigan, John B., *Broadband Adoption and Use in America*, at 31 (online at hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-296442A1.pdf) (2010).

⁶ *Broadband Adoption and Use in America*, at 7.

⁷ *National Broadband Plan*, at 172.

literacy as the reason for their decision to not subscribe to broadband.⁸ As the NBP explains, the concept of digital literacy is an evolving and generally refers to the technical and cognitive skills necessary to interact with the technology that is integral to experiencing the benefits that broadband can provide.⁹ To ensure that all Americans have the basic level of skills needed to interact effectively with and use broadband services, the NBP recommends the creation of a National Digital Literacy Program. Additionally, the NBP recommends increasing the capacity and resources of anchor institutions, such as public libraries, in communities around the country as a way to increase digital literacy.

Specifically, the plan recommends the creation of a Digital Literacy Corps within the National Telecommunications and Information Administration (NTIA).¹⁰ The Digital Literacy Corps would coordinate its volunteer and outreach work with the Corporation for National and Community Service (CNCS), which through its work with AmeriCorps, Senior Corps, and Learn and Serve America, has worked in communities across the nation to help educate Americans about matters that impact their lives. Leveraging this experience, the Digital Literacy Corps would target segments of the population that are less likely to have broadband at home, including low-income families, racial and ethnic minorities, those living on tribal lands, senior citizens and persons with disabilities.¹¹

In addition to the Digital Literacy Corps, the plan recommends taking steps to increase access to anchor institutions, such as libraries, in recognition of the critical role they play in providing free Internet access to their communities.¹² As the NBP notes, for example, more than half (51%) of African Americans, 43% of Hispanics, and 27% of white Americans use these anchor institutions as their Internet access point.¹³ The plan proposes expansion of existing grant programs, such as the Library Services and Technology Act, to ensure that anchor institutions are able to meet the demand for Internet access and employ personnel with the skills necessary to provide assistance.

C. Relevance

Finally, the NBP Survey found that 19% of non-adopters did not feel that digital content is compelling enough to justify receiving broadband at home.¹⁴ Many non-adopters in this

⁸ *Id.*, at 168.

⁹ *Id.*, at 174.

¹⁰ *Id.*, at 175-176.

¹¹ *Id.*, at 175.

¹² *Id.*, at 176.

¹³ *Id.*, at 176, n.88.

¹⁴ *Id.*, at 168.

category have a perception that the Internet is “a waste of time” and an “avenue to irrelevant content.”¹⁵ The average age of people identifying relevance as the main barrier to adoption of broadband is 61. Senior citizens in minority populations lag even further behind than senior citizens in general, with 1.2 million African Americans and Hispanic seniors lacking broadband in the home.¹⁶

To promote a better understanding of the benefits of broadband for older Americans, the NBP recommends that the FCC, in conjunction with the National Institute on Aging (NIA), conduct a survey of older Americans to more clearly identify barriers to their adoption of broadband technology.¹⁷ Once these barriers have been identified, the NBP recommends that the FCC and NTIA develop adoption programs that target these adoption barriers and incorporate them into the National Digital Literacy Program.¹⁸ In addition to this federal effort, the NBP suggests that the private sector, in collaboration with non-profits that serve older Americans, launch a competition to invite development of applications that enhance the benefits of broadband for older Americans.¹⁹ These programs are intended to provide older Americans with a better understanding of the benefits of having broadband service in their homes.

IV. WITNESSES

Carol Matthey
Deputy Chief
Wireline Competition Bureau
Federal Communications Commission

Rachelle Chong
Special Counsel
Office of the Chief Information Officer
State of California

Rivkah Sass
Director
Sacramento Public Library System

¹⁵ *Id.*, at 178.

¹⁶ *Id.*, at 179.

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Id.*, at 180.

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