

**National Broadband Plan Hearing in House Communications, Technology and Internet Subcommittee
of Energy and Commerce**

Testimony of Howie Hodges, Senior Vice President Government Affairs, One Economy

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My name is Howie Hodges and I am the Senior Vice President of Government Affairs at One Economy Corporation (www.one-economy.com). Our Interim President and CEO, Moustafa Mourad sends his apologies for not being able to join us today as he is in Haiti on business for One Economy.

I want to first thank you for this opportunity to speak on behalf of One Economy, a global nonprofit that leverages the power of technology and information to bring low-income people into the economic mainstream. I also want to take this opportunity to thank the FCC for its bold steps in creating a blueprint for broadband adoption with the United States' first National Broadband Plan. The FCC should also be applauded for one of the most open, transparent and participatory processes in creating this plan.

I also want to applaud Congress and Congressman Markey for their vision and leadership in mandating that the FCC create the National Broadband Plan. This is a critical first step in bridging the digital divide and ensuring digital inclusion for every person in the United States. It is also a vital step in ensuring this country's economic recovery and stability as broadband and technology are essential to economic development today.

ONE ECONOMY'S HISTORY AND EXPERIENCE

For the past ten years, One Economy has been a leader in bringing, and more importantly, *keeping* underserved communities online. Broadband adoption requires a comprehensive approach that mitigates the barriers to broadband adoption and maximizes broadband opportunities. In the 21st century, broadband must be thought of as a 24/7 interface comprised of the home, school, workplace and community through the added feature of mobility.

Working hand in hand with community and political leaders, major telecommunications and cable companies, Internet Service Providers, and affordable housing developers, One Economy with these key stakeholders creates sustainable information ecosystems that are the foundation of broadband adoption. From bringing high-speed Internet access to affordable housing and infusing communities with digital literacy skills, to creating engaging, localized online content, our goal is to facilitate each step for low-income individuals **to enter into the 21st century economy.**

BARRIERS TO BROADBAND ADOPTION

According to the 2010 National Telecommunications and Information Administration (NTIA) report, 40% of Americans do not use high-speed Internet, and those without high-speed Internet are disproportionately people of color. According to studies, one of the major barriers is access. One Economy works with affordable housing communities to bring high-speed access into the home. To

date, we have brought broadband access to more than 375,000 low-income people in 42 states nationally (urban, rural and tribal communities) and globally.

Another barrier to sustained broadband use is affordability. According to the most recent Census Bureau data, while 76% of households earning more than \$50,000 per year are connected, only 35% of homes with annual income less than \$50,000 have adopted broadband in their homes. Low income families are also less likely to have the money for broadband subscriptions and adequate hardware to connect to the Internet. Working with Internet service providers and cable companies, One Economy provides free multi-year service contracts with the option to renew at a reduced rate. Once residents understand the benefits of the Internet, the majority are willing to make an investment in high-speed Internet. In a low-income housing complex in Atlanta, 65% of the residents who received two years of Internet service opted to pay for services at a reduced rate in the third year.

Digital literacy is yet another barrier to broadband adoption. Many people do not know how to access or find the information that they need once they are connected. Digital Connectors is One Economy's youth technology, leadership and mentoring program that provides high-risk youth, ages 14 to 21 with certified technology training, builds leadership skills and prepares students to enter the 21st century work force. Participants in the Digital Connectors program then give back to their community by training family members and residents on how to use technology effectively. To date, 3,000 at-risk young people from diverse backgrounds have been trained as One Economy Digital Connectors and these youth have contributed more than 77,000 hours of service to their communities, spreading digital literacy as technology ambassadors. Many corporations, including Comcast and AT&T, have sponsored Digital Connectors programs and their staff volunteer at Digital Connectors sites providing mentoring and workforce development training for enrolled youth.

The Pew Research Center's Internet and American Life Project states that 50% of those without in-home broadband believe the Internet is not relevant to their lives. One Economy demonstrates the value proposition for those currently unconnected and the platform of that proposition includes language preference, literacy comprehension, and connection speed, all of which are principal barriers to adoption. Therefore to get people online, we not only have to provide affordable access and digital literacy training, but we also need to connect people to the information that matters most.

One Economy uses a participatory process in creating easy to use online programming, resources and tools that meet the special needs of local communities. We call this online programming **public purpose media**. Our public purpose media network includes the Public Internet Channel (pic.tv), which has engaging and award winning online programming and series designed to help people take action to improve their lives.

One of the features of pic.tv is the **MAKE IT EASY TOOLBOX**, which connects audiences with dynamic, relevant, local resources related to the featured programming. Additionally, we create multi-lingual community web portals referred to as Beehives. The Beehives offer local resources on filing taxes, finding doctors, jobs, and other vital information throughout the United States and globally. To date, One Economy has reached more than 18 million visitors with our multi-lingual web properties. In 2009

alone, low-income households received \$12.5 million in refunds after filing taxes via One Economy's free online resource at the beehive (www.thebeehive.org). Two million Americans applied for unemployment benefits and 1 million people worldwide received help in writing their résumé in Arabic.

BRINGING BROADBAND TO MOST UNDERSERVED COMMUNITIES

Finally we must address another major barrier to broadband adoption, ensuring that we are bringing 21st century technology to underserved communities. Those without high-speed Internet in-home are disproportionately people of color. Fifty-four percent of African Americans and 60% of Latinos do not have in-home broadband. One Economy formed a partnership with the Broadband Opportunity Coalition (BBOC), a historic alliance of the leading civil rights and policy organizations in the United States. These organizations have joined together to overcome barriers to adoption of technology in communities of color. The BBOC members include:

- Asian American Justice Center (AAJC)
- Joint Center for Political & Economic Studies
- League of United Latin American Citizens (LULAC)
- Minority Media & Telecommunications Council
- The National Association of the Advancement of Colored People (NAACP)
- National Council of La Raza (NCLR)
- The National Urban League

The BBOC brings these organizations together for the first time to advance broadband opportunities in unserved and underserved communities. This collation will leverage One Economy's history in implementing broadband adoption to low-income communities to bring the wide and diverse constituents of the BBOC online. Recently, One Economy and the BBOC were selected by the U.S. Department of Commerce, National and Telecommunications and Information Administration (NTIA) for a \$28.5 million grant through the Broadband Technology Opportunities Program (BTOP). This grant was provided through the American Reinvestment and Recovery Act. Additionally, One Economy facilitated an almost one-to-one match through public-private partnerships (\$23 million). The public-private partnerships include AT&T, Comcast, National Association of Broadcasters, Cisco, Google and CTIA—the Wireless Association with members including AT&T, Sprint, T-Mobile, and Verizon.

Additionally, One Economy is in a partnership with an unprecedented group of Internet service providers, computer technology companies and nonprofits to help bring broadband to low-income homes throughout the United States. The Digital Broadband Adoption Coalition would work with the U.S. Department of Housing and Urban Development to improve broadband access, services and technology in approximately 250,000 low-income households nationwide. One Economy filed an application on behalf of the coalition through BTOP on March 15.

DEFINING ADOPTION

One Economy is thankful that the FCC and the United States government recognize the importance in investing in our poorest and most underserved communities: the people who are not aware of the importance of using 21st century technology in entering the economic mainstream.

It is because of our firsthand, on-the-ground experience in breaking down the barriers to broadband adoption, One Economy urges the FCC to fully commit to a comprehensive approach to broadband adoption and measuring broadband adoption and a proactive approach to ensuring its success. Just as there is a comprehensive approach to breaking down the barriers to broadband adoption, there must be a comprehensive approach to defining and measuring adoption. Subscribership is important, however it is equally as important to understand how people are using broadband and the impact that broadband is having on the quality of their lives.

True adoption occurs when people, regardless of income level are using 21st century technology to improve their lives. We can measure its success by looking at Ubiquity, Usage and Utility.

Ubiquity focuses on how many individuals are served by broadband and what is the average cost per person. Usage refers to what people are connecting to online, what type of information they are able to access, and utility refers to the action that users take once they connect to these online resources. Are users building resumes and getting jobs online? Are seniors finding health care information? Are schools providing 24/7 access to education?

Importantly, the home must be at the center of this ecosystem. For a small business owner or a 21st Century employee with school-age children, working from home is no longer merely an option; it is often a necessity, and broadband transforms that necessity into a reality. For a student, parental interaction and involvement is vital to a healthy education. Broadband in schools, community centers, and libraries is also key to this ecosystem and to creating a culture of positive broadband use by enabling the next generation of in-class technology and applications.

Too often, those who can least afford are asked to make the greatest sacrifices. America must make an affirmative and proactive decision to put the poor first in line for broadband when it thinks of creating a 21st Century ecosystem. Emphasizing alternative means of broadband access instead of home usage will have the unintended consequence of depriving low-income Americans of the benefits of broadband where they need it the most – in the home. With the home at the center, important services such as telemedicine, job training, distance learning, and basic education will benefit those most in need.

RECOMMENDATIONS

The first role of the government should be to establish national goals and interim benchmarks, setting the North Star for U.S. progress in broadband. We recommend the creation of a five-year plan with clear benchmarks and annual performance measurements. In addition to addressing speed, affordability, availability, and adoption, these benchmarks should also include demand principles, as outlined above, and national priorities such as:

- Healthcare: Tele-Health, Health record Management, and Aging in Place
- Education: E-Learning, Education in the Classroom, After-School, and in the Home
- Economic Development and Employment: Job Training and Re-Training, Career Coaching, and Job Growth
- Rural Economic Development
- Home-based Access to Broadband
- Digital Literacy

The government should also create a National Emergency Network, a meet you-where-you-are digital framework and delivery system for natural and man-made emergencies. This Network must have an intentional focus on the poor, as they are most often deprived of information and resources that are critical in coping with an emergency, most evident in the events leading up to and in the aftermath of Hurricane Katrina.

The National Plan should fully consider the needs and opinions of unserved and underserved people and regularly gather their feedback through community assessment surveys and field hearings. This requires intentional government action so that individuals and communities left behind in the first wave of broadband deployment receive the attention and services that will catalyze adoption in their communities.

Policies and initiatives should enable individuals and communities to maximize the benefits of the Internet so that everyone can receive a social dividend. Broadband availability, affordability and training are requisites for adoption. In turn, the capacity to use broadband and its tools will enhance civic engagement since so much public dialogue has shifted to online forums. Internet media platforms engage users and provide them with the opportunity to learn about their government, get involved at a local level, and make their community a better place for them and their families to live.

Providing communities with technology does not guarantee success on its own; people must feel a sense of ownership over that technology to maximize the benefits that they receive from it. With this philosophy in mind, One Economy has produced public-purpose media projects around the world with intensive stakeholder engagement process aimed at building consensus in the target communities, developing relationships with local NGO's and other partners, and identifying the key developmental issues that technology solutions should address.

To encourage community participation, we recommend that the FCC continue to take a grassroots, bottom-up assessment that facilitates a participatory process, including community meetings, focus-groups, and household surveys to ensure the maximum participation among a wide cross-section of the United States.

Through community assessment surveys and regular field hearings, the government can assess several questions: What is important to the local community? How will they use technology? What do the people of this community care about? How much are they spending? How can this national plan be

implemented to meet the needs of the local community? At what price point do low-income individuals find sufficient utility in broadband to adopt it in their homes?

As stated earlier, broadband efforts should focus on both removing barriers to adoption and maximizing unique opportunities. Broadband adoption programs should include the following:

- **Affordable broadband connections** – Broadband Internet access must be made available at affordable price points for low-income populations. The price in-and-of-itself is a limiting statistic because it does not accurately reflect a person's ability to pay, while conversely, affordability takes into account a person's socioeconomic standing.
- **Affordable hardware choices** – Computer, mobile phones, and other broadband-related hardware options must also be made available at affordable price points. In some instances, rebates or reductions will bring the price of that hardware into the affordable range. In other instances, the knowledge of affordable options will be sufficient, especially as the price for hardware, with the advent of netbooks and other light-weight options, has decreased. When given the proper information and an affordable option, low-income populations, as is the case with other sectors of the population, will act in their own best interests and save in order to make the hardware purchase.
- **Awareness of broadband options and benefits** – Awareness outreach should be directly connected to increasing utilization of broadband by targeted populations. Non-adopters need to understand the benefits of broadband and the resources that are available. This awareness outreach should include online education and skill development programs provided by local governments, communities and the private sector.
- **Promotion of digital literacy** – Enhancing or developing the necessary and vital digital literacy skills is key for the target population to use broadband technology effectively for beneficial, enriching purposes. Digital literacy programs include: development of technology skills, training in how to obtain and use technology, excelling in academic arenas, and preparation for 21st century work place.
- **Relevant content – Content** should be relevant to specific user populations. For instance, low-income populations may require targeted, local information on education, jobs and entrepreneurship, while Native Americans may require specific content relevant to Indian nations. Included among the many valuable and enjoyable aspects of broadband should be the provision of informative content that serves a public purpose.

The role of a National Broadband Plan should be to incentivize private corporations and non-profit organizations to deliver the 3As (Access, Affordability, Adoption) and develop a regulatory framework that protects capital investment, encourages competition, and rewards innovation.

CONCLUSION

The mission of One Economy is to bring people and information together through the most powerful tool available, the Internet. The impact of this mission has been profound. While One Economy has laid a foundation for broadband adoption, we know firsthand that it will take the commitment and investment of a wide range of community, government and corporate leaders. When One Economy started in a basement 10 years ago, many people – even corporate and political leaders – viewed technology and the Internet as a luxury. Today, it has become evident, with a general consensus amongst the private and public sectors that the United States cannot afford to lag behind the rest of the world in broadband adoption. An investment in broadband adoption, the implementation of a US National Broadband Plan is critical to the economic strength and growth of this country.

Thank you for giving me this time.