

**Prepared Remarks of FCC Commissioner Mignon L. Clyburn
National Rural Assembly
St. Paul, Minnesota
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Thank you, amalia, for that warm introduction. It is wonderful to be back in Minnesota, and I am honored today to speak before the National Rural Assembly, a network that cares as deeply as I do about the issues facing rural America.

I am a proud daughter of the south, and my family has strong, rural South Carolina roots. When I was a child, the green fields and the dirt roads on my grandparents' farmland were my playground. Today, the remoteness of the countryside is just as beautiful to me, but I know that many of the hardships I witnessed back then remain today. Poverty is a challenge, the population has grown older, and small towns and rural communities struggle to survive.

While each rural community has different obstacles it must overcome in providing for their residents, broadband has the potential to address many of the challenges they face. This is a principle that I embrace with open arms in my role as an FCC Commissioner. With high-speed broadband, schools, health care clinics and hospitals, local governments, businesses and residents can not only survive, but thrive.

All of the communities in this great nation deserve the level of investment that will solidify a future where financial security and clean energy are a reality. Our children deserve high quality education and healthcare, supported by the best technology in the world—no matter where they live. Lawmakers and policy makers must consider the necessary changes that will best address the needs of rural America. The objectives you seek to achieve are goals our entire country will benefit from realizing. I want to thank you for your hard work in shining a light on these issues and in your advocacy at all levels of government.

At the FCC, we are endeavoring to implement policies that should help rural areas prosper. We have been working toward expanding broadband access to unserved and underserved areas, including rural and low-income communities. In the two years I have been at the Commission, a number of steps have been taken to reduce the gap in broadband service and ensure that every citizen has affordable high-speed Internet service.

We have tackled broadband costs—both in wireline and wireless deployment, and we continue to work on other significant reforms. One noteworthy change we made was to the E-rate Program, which provides subsidized phone and Internet service in schools and libraries, which can now obtain even faster Internet service from the lowest cost providers by tapping into pre-existing high-speed networks. Rural schools and libraries can benefit tremendously from this simple modification. With the faster broadband connections offered through E-Rate, they can be stronger anchor institutions. Libraries can better serve their patrons, and schools can better educate the next generation of Americans.

Through broadband, we can connect children and adults to a significant array of educational materials. In rural school districts, students can take a class that may not otherwise be offered due to limited resources, and can connect with other students in other areas. Through wireless devices, children can have multiple textbooks at their fingertips and very light book bags on their backs. Our children should have the best available learning tools that our country can provide, and we are well on our way to meeting that goal.

Just last week, Chairman Genachowski released an update to the *Rural Broadband Report* to highlight the continuing gaps, as well as all of the efforts that are under way to address those gaps by the FCC and our sister agencies, NTIA and RUS. Today, 26 million Americans are still without broadband access, and roughly 73 percent of those individuals are rural residents. Moreover, one-third of Americans don't subscribe to broadband even when they do have access to it, and in rural America that gap is even greater. What's the main reason? Cost. Additionally, some don't know how to use broadband, or even why it's relevant to them. These are the critical factors that are driving the policies that I work on every day.

It is unacceptable to me that so many citizens are being left behind. Rural residents need to have the same access to broadband services and applications as their urban counterparts. Current data cited in the Chairman's *Rural Broadband Report* suggests a correlation between broadband levels and education and income levels. Every American must have the opportunity to tap into the unlimited possibilities that come with high-speed Internet access. They need to have broadband offered in their communities and in their homes, and they need to have the ability to purchase it.

It is important, of course, to recognize and credit the efforts already made by the private sector. Large, mid-sized, and small, wireline and wireless companies have invested tens of billions of dollars in broadband infrastructure in many areas across our nation, and several are working on increasing adoption rates by low-income families. But they cannot do it alone. As such, the Commission is undergoing reform of the Universal Service Fund and intercarrier compensation regime. Together, these mechanisms have provided voice service to many high-cost areas and low-income consumers for years, but it has not provided broadband to everyone. Of course, this was an unintended effect, but one which we must remedy so that all rural areas and all low-income citizens have the access they need to broadband.

We are working to restructure the current Universal Service Fund and ICC mechanisms in a way that recognizes the range of diverse issues within rural America. By the end of this year, it is my great hope that you will see the results of that work in an Order issued by the Commission. Our objective is to equip every citizen with the communications access they need in order to stay connected, whether they live in an urban or rural environment.

It is not sufficient that we simply promote policies that make broadband available everywhere. We also have to address the significant adoption gap for low-income families and people of color. We need to shine a light on why people are not adopting broadband at

home, and rectify the circumstances that keep a significant percentage of our fellow Americans disconnected.

For rural and low-income families, it is critical that we address their connectivity needs because without broadband, they may not achieve their full potential—falling even further behind in our 21st Century digital economy. And we all have reason to be concerned. Broadband adoption for low-income households lags significantly at only 40% for families with an annual income of \$20,000, as compared to 91% for those with annual income above \$75,000. Moreover, one analyst recently found that 40% of U.S. households have absolutely no discretionary income after paying for their food, shelter, transportation, and health care needs. There is no money left over for these families to pay for broadband, yet it will be even more difficult for these households to improve their circumstances if they are not connected.

Broadband must be affordable, and citizens need to know how to use it. Only then can we claim that all citizens have access, and only then will we attain as many advantages as possible from a completely connected nation. This is a defining issue of our time, and we cannot leave portions of our population behind. Rural Americans, those who are struggling financially, youth and senior populations—all need the same opportunity to connect in order step into the future on an equal footing with their fellow citizens.

I am pleased that the private sector has been tackling this issue head on. Both Comcast and CenturyLink laid out significant adoption programs for low-income consumers in their recent merger commitments. For qualifying consumers, each company will offer a \$9.95 service per month and will provide computer equipment for \$150. They also will be supporting digital literacy in the low-income communities they serve. But these programs will not work or address the critical needs of our communities if we fail to ask questions, inform residents of their availability, and challenge these and other providers to develop similar and better models. I encourage—and urge—all communications companies, to adopt similar plans, in order to reduce the technological divide that separates our nation along socioeconomic lines.

If their resources are merged with your connections to the targeted communities, great things can happen. Earlier this month, I was inspired by One Economy's graduating class of Digital Connectors in North Charleston, South Carolina. Many public-private partnerships, like this one between One Economy and Comcast, have the potential to forever alter the lives they touch. It is inspiring to see young adults graduate with the skills they need to navigate the digital world, and to see previous grants under the Recovery Act, matched by private sector gifts, making a tremendous difference in our communities.

As you know, there are numerous efforts around the country to address the digital divide. Right here in Minnesota, NTIA approved a grant, under the Recovery Act, of almost \$5 million to reach each of Minnesota's 80 rural counties through education, training, and technical assistance. The Minnesota Intelligent Rural Communities has also brought in \$1.3 million from private partners, and as a result, Minnesota's rural residents and small businesses will have access to job growth and wealth creation through broadband service and digital literacy programs.

All of these continuing efforts are important. The FCC, I believe, continues to have a role to play in ensuring that all American citizens, no matter their means, have access to affordable broadband. And the proposals for reforming the Lifeline program—which has provided telephone service to millions of low-income Americans—to support broadband service, should be fully considered sooner rather than later. The FCC must do its part in order to best meet the broadband needs of all American consumers.

I was so pleased to hear our Chairman's recent announcement that he is focusing on broadband adoption, and I am working with his office to ensure that the best minds inside and outside of the agency are collaborating on the possible solutions to these challenges. I want to thank you for your efforts to bring us your concerns and suggestions on how to improve our Lifeline program and broadband adoption.

Both the *Rural Broadband Report* and the Commission's recent *Seventh Annual Broadband Progress Report* stressed the need for the Commission to continue working towards improving our data collection. It is essential that the FCC properly assess our successes and failures so that we can make proper adjustments going forward. In conjunction with a broader evaluation of the impact broadband deployment and adoption has on local communities and our nation, we should discern the totality of the benefits that result.

As we undergo USF and ICC reform, we must hold those companies accountable to serve those areas for which they receive funds. This is where you all have a great opportunity to help us figure out what is working and what isn't so that we can learn from our investments, and from each other, to inform future policy and programmatic decisions. Your efforts in keeping us informed about how companies and various projects are performing at the local level are invaluable to shaping new approaches at the Commission. Organizations such as the ones represented here today can play a critical role in educating us about what is and is not working.

The challenges before us are not easy, but we all stand to benefit from confronting these hurdles together. Ubiquitous broadband service that every person can use to improve his or her life is a noble goal. I thank you for your commitment to help me in this effort. I believe that once our nation is fully connected to high-speed broadband and with everyone educated to use it, it will be well worth the hard work. Thank you again for inviting me to speak today, and enjoy the rest of the event.