

**REMARKS OF
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BEFORE THE
NATIONAL URBAN LEAGUE POLICY INSTITUTE AND TIME WARNER CABLE RESEARCH
PROGRAM ON DIGITAL COMMUNICATIONS**

“BROADBAND, MARKET TRENDS, AND THE EMPOWERMENT OF INDIVIDUALS”

**NATIONAL CABLE & TELECOMMUNICATIONS ASSOCIATION
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[AS PREPARED FOR DELIVERY]

I thank the National Urban League Policy Institute and Time Warner Cable Research Program on Digital Communications for your efforts on broadband adoption issues. In particular, I also thank Marc Morial, for his leadership at the National Urban League, Madura Wijewardena, Chanelle Hardy, and Valerie Wilson, for their work authoring this broadband adoption report, and Fernando Laguarda for his involvement with the partnership between Time Warner Cable and the National Urban League.

As many of you know, last fall the FCC accomplished a monumental task by reforming the high cost program of the Universal Service Fund (USF). We repurposed it to focus on broadband while adhering to a budget for the first time in its history. Not only was our effort historic, it was bipartisan and unanimous as well. Our reforms will help ensure the subsidy supports deploying high-speed Internet technologies to those Americans who are currently unserved by any broadband provider. Although our overhaul was a major accomplishment, the FCC has much more to do to implement USF reform and in rescuing the fund’s failing contribution methodology; that is, who is going to pay for these subsidies and

how? With that in mind, I look forward to continuing our collegial work on these issues at the FCC, and hopefully with two new Commissioners.

I agree with our hosts today that in addition to expanding broadband deployment, another key component to ensuring academic and career success for Americans is improving the broadband adoption rate in our country. Increased broadband adoption will help grow America's economy as well.

And, today we have before us some good news. The National Urban League's study has found that the overall broadband adoption gap between African Americans and white Americans narrowed between 2009 and 2010. Of course, more can be done. Simply put, let us all work together to ensure that the day when there is *no* gap comes sooner rather than later.

One way to close that gap is to examine, respect and encourage already existing market trends. American consumers are choosing to "cut the cord" as they purchase wireless broadband services over fixed wireline offerings. Already, more than 30 percent of America's households are wireless only for their phone service.¹ Let's connect that powerful fact with another one: minorities are more likely to use mobile devices than whites, according to a Pew Research study.² Furthermore, minorities are more likely to use their mobile devices for Internet access.³ And, when we take a step back from these details we can see an encouraging trend more clearly: the Internet is going mobile, and American minorities are leading the way.

¹ STEPHEN J. BLUMBERG & JULIAN V. LUKE, WIRELESS SUBSTITUTION: EARLY RELEASE OF ESTIMATES FROM THE NATIONAL HEALTH INTERVIEW SURVEY, JANUARY–JUNE 2011 (National Center for Health Statistics, Center of Disease Control and Prevention, 2011).

² PEW INTERNET & AMERICAN LIFE PROJECT, MOBILE ACCESS 2010 (2010).

³ *Id.*

As government adopts policies in this arena, and as the private sector invests and innovates, all of us should work together to determine how we can strengthen these natural market trends. We should avoid adopting policies that may have the best of intentions but ultimately backfire or undermine the very goals they seek to attain. Allowing consumers to make informed choices in a competitive marketplace best serves the public interest.

This maxim holds especially true when we examine even more good news. When it comes to the ability to access the world's most valuable commodity, information, American consumers have never been more empowered. Market-led leaps in computing power and decreases in its cost have spurred the most advancement. For example, in 1965, MIT had its own computer, and that was a big deal for a university back then. It cost U.S. \$11 million in today's dollars.⁴ Today, the microprocessor in your mobile device is more than one million times smaller, one million times less expensive and a thousand times more powerful.⁵ That equates to more than a billion-fold increase in the amount of computing power you can buy per dollar.⁶

Put another way, who could have imagined at the time of the first moon landing in 1969, when America was still in fresh mourning over the loss of Dr. Martin Luther King in the previous year, that all Americans, including African Americans, could have far more computing power in their hands than the entire Apollo program for a few dollars per month, all within less than one lifetime? Within the next 25 years, experts estimate that we will enjoy yet another billion-fold increase in processing power for the same dollar.⁷

⁴ See Ray Kurzweil, *Making the World a Billion Times Better*, WASH. POST, Apr. 13, 2008, at B4.

⁵ See Michael Green, *Ray Kurtzweil on 'The Singularity' Future*, Information Week (July 3, 2010).

⁶ *Id.*

⁷ See Kurtzweil, *supra*.

Exponential increases in capacity and decreases in costs have resulted in more information being shared with more people and that helps all Americans including people of color. Cisco estimates that by 2014, the Internet will be nearly four times larger than it is now.⁸ It would take more than five years for one person to watch the amount of video that will cross global IP networks every second in 2015.⁹ Put another way, during each second in 2015, one million minutes of video content will travel through the Internet. These developments are all the more astounding when you consider that the first use of the strange word “Internet” in the *Washington Post* was on September 26, 1988 ... in the far back of the financial section in an advertisement. And for every job the Internet disrupts, it creates 2.6 new jobs, according to a recent McKinsey study.¹⁰ How far we have come, and how fast ... all due to naturally evolving market trends.

If we encourage these trends, rather than create obstacles that may impede them, I am optimistic that we will continue to enjoy the fruits of the greatest explosion of entrepreneurial brilliance in human history. The cycle of investment, innovation and competition will continue to grow the economy, create jobs, and improve the human condition unlike any other time in history, *if* we allow it.

Thank you for inviting me to this terrific event today. The unveiling of your research is very inspiring. Your thoughtful and scholarly work will provide many in the

⁸ See Cisco Visual Networking Index: Forecast and Methodology, 2009 – 2015 (Jun. 2, 2011) at 2.

⁹ *Id.*

¹⁰ McKinsey Global Institute, *Internet Matters: The Nets Sweeping Impact on Growth, Jobs, and Prosperity*, MCKINSEY & CO., at 3, 21 (May 2011), http://www.mckinsey.com/Insights/MGI/Research/Technology_and_Innovation/Internet_matters (last visited Feb. 21, 2012).

private and public sectors with salient statistics that will yield great benefits. Your contribution is an important component to a multifaceted effort to ensure America continues to lead the world in the 21st Century.