

**Prepared Remarks of Chairman Julius Genachowski
Federal Communications Commission**

“Connecting the Nation: A National Broadband Plan.”

**The Clinton Presidential Library
Little Rock, Arkansas
November 24, 2009**

Thank you, Senator Mark Pryor, for your kind introduction and for your southern hospitality. I have had a wonderful visit here to Arkansas and Senator Pryor has been such a gracious host and tour guide. I noticed the sign in Senator Pryor’s office says “Arkansas comes first” -- and that’s certainly true.

Thank you for your leadership on the Commerce Committee, where you have been a champion for universal broadband and making sure all Americans enjoy the benefits of modern communications. I’d also like to acknowledge Governor Mike Beebe, who took the time to meet yesterday. The Governor is committed to seizing the opportunities of technology and communications, and we spoke about the various important ways he is pursuing universal broadband in Arkansas.

Finally, I want to thank the Clinton Presidential Library for this opportunity to talk with you about the Federal Communications Commission and, in particular, the National Broadband Plan we are drafting. Yesterday, I had the pleasure of touring the Clinton Presidential Library. Having worked at the FCC during the Clinton administration, it sure was a blast from the past.

One thing in particular struck a chord. There was a plaque that read: In 1994, only 3 percent of U.S. schools were connected to the Internet. By the year 2000, over 90 percent of U.S. public schools were online. Connecting our kids to the Internet at breakneck speed did not happen by accident, and it speaks to the moment we find ourselves in today.

In 1994, President Bill Clinton and Vice President Al Gore announced the goal of connecting every classroom and library in America to the Internet. Senators Jay Rockefeller and Olympia Snowe and Congressman Ed Markey shared this vision and led the effort in Congress to create a program called “eRate” to provide discounted Internet access in schools and libraries.

The FCC implemented the plan and our country has made real progress. As the plaque indicated, almost all instructional rooms in the U.S. are online thanks to eRate, a higher percentage than any other country.

With the eRate program, President Clinton showed us that with a vision and a plan, the U.S. can and will lead the world. By contrast, until now, our country has never had a national strategy for delivering broadband to all homes and businesses.

The result? We are lagging compared to the rest of the world in broadband deployment and adoption. With schools, we still have very high levels of connectivity, but half of teachers say their connection speeds are too slow for what they need.

Why does it matter if the U.S. is in the middle of the pack in broadband deployment? Rather than throw a lot of stats at you -- I'll do that later -- I'd like to share a story.

I was fortunate recently to visit our troops in the Middle East. I spoke with senior officers at CentComm about the importance of communications to their vital mission -- and learned about the ways in which the military is tackling issues very similar to the ones that confront us at home.

One of those issues is education. I learned about the creative ways that the military is using broadband connectivity to give troops abroad the ability to finish college degrees or engage in ongoing education and development. I visited an extraordinary distance learning center at our Air Force base in Qatar.

I also learned about the ways in which the military is focused on broadband and health care. Soldiers often have to carry hard copies of their medical records with them so that accurate information can be available to military medical personnel if ever needed. The military is working on ways to seize the opportunity of electronic medical records that can be accessed in a secure way over the Internet, wherever and whenever necessary.

Another issue is public safety. The military is focused on ensuring interoperable communications among different services, and we had very good discussions about sharing information, best practices, and technological solutions.

The final issue is morale and family connectivity. The Internet now provides a low-cost way for troops overseas to stay in touch -- in real time -- by video, with their spouses and kids. I was told that nothing is improving the morale of our troops more than broadband and access to its benefits.

Broadband has immense power to improve the quality of lives of our citizens in innumerable ways -- whether it's our troops serving in Iraq or a family living in Little Rock.

Governor Mike Beebe, Senators Mark Pryor and Blanche Lincoln, and the rest of the Arkansas delegation are fiercely focused on broadband because it is key strategic infrastructure to advance prosperity and opportunity for all Americans.

If I may quote Senator Pryor, "Access to high-speed broadband is not a luxury; it is a necessity. Investing in broadband access for all Arkansans is crucial to growing our economy, improving our health care system, and providing the best possible education for our children."

I couldn't agree more.

Last year, the President and Congress addressed broadband in the Recovery Act adopted in February in two ways.

First, the Recovery Act sets aside about \$7 billion for near-term broadband grants -- to create jobs, and as a first step to driving universal broadband. These grants are being administered by the U.S. Commerce and Agriculture Departments.

Second, the Recovery Act entrusts the FCC with the responsibility of developing a medium- and long-term National Broadband Plan for our country. That Plan is due in February. We are tackling this assignment with great seriousness.

We believe that broadband is a critical infrastructure challenge of our generation. It is to us what railroads, electricity, highways and telephones were to previous generations -- a platform for commerce and economic competitiveness, for helping address major national challenges like education and health care. As a country we were able to make sure that in each of those cases we achieved the goal of universality. It took time and a national commitment -- but we got there.

But we have a lot of work to do when it comes to broadband. We have work to do on deployment -- ensuring that broadband connectivity is available everywhere in the U.S., including our small towns and rural areas. Nationally, about 10 percent of the country doesn't have broadband available. Here in Arkansas, that number is somewhat higher -- about 13 percent.

We also have a lot of work to do on adoption and affordability -- ensuring that everyone has a real chance to seize the opportunities of broadband. In Arkansas, the non-adoption rate is around 50 percent -- higher than the national average of about 37 percent. Some of that may reflect data we're seeing nationally -- non-adoption rates of about 55-70 percent in certain communities: rural, low income, minorities, and the elderly.

There are a number of obstacles to adoption. Often, people don't see the value of the Internet in their homes, or don't have the skills necessary to take advantage of connectivity. Others cite price -- they aren't able to afford the service or the hardware.

We have to improve the deployment and adoption numbers for three core reasons:

1. Broadband is crucial to our nation's economic success.
2. Broadband helps tackle national challenges like education, health care, energy, and public safety.
3. Broadband allows citizens to engage their communities and representatives more effectively.

First, let's discuss why broadband is so crucial to our economic success. Broadband is essential for us to have an enduring engine for job creation, small-business success, and competitiveness in the U.S. and globally.

Our Information and Communications Technology (ICT) sector represents about one-sixth of the U.S. economy, and an even greater percentage of GDP growth. According to a world-wide study, a 10 percent increase in broadband penetration corresponds to a 1.2-1.5 point increase in GDP. Another study found that full broadband deployment in Arkansas could bring in over \$2.6 billion to the state economy and create 8,200 new jobs.

Across market sectors, broadband has the potential to drive expanded markets as well as productivity gains and improved standard of living in a wonderful win-win for businesses and consumers.

Consider trucking. The \$500 billion national trucking industry has saved \$16 billion annually through the use of on-board computers -- used while not driving -- that allow companies to better track and more efficiently dispatch trucks.

Consider agriculture. High-speed Internet -- wired and wireless -- can help farmers and ranchers plan crops, sell goods and livestock, buy feed and seed, and obtain vital weather information when they need it. In fact, there is evidence that farmers can earn more, while consumers pay less, as a result of broadband-driven efficiencies.

During my first week as Chairman, I met a farmer in Erie, Pennsylvania who grew up thinking computers and connectivity had no relevance to him. He now thinks farmers can't live without broadband -- and real-time access to weather, commodity pricing, and agricultural information -- to do their jobs successfully. One recent study put it this way: "The degree to which farmers take advantage of the New Economy will increasingly determine their competitive success."

Broadband is also an essential part of the jobs equation. About 3 million Internet jobs are already connected to ICT -- both in the network and on the edge of the network. Consider that 600,000 Americans run small businesses through eBay all over the country, including small towns and rural America.

And consider another part of the equation on broadband and jobs -- finding a job. As of 2005, 77 percent of Fortune 500 companies did not accept paper applications for jobs posted online. In many cases, if you can't access the Internet you can't find out about good jobs. And increasingly, basic knowledge of the Internet is required for jobs. So Digital Literacy is an important skill that we need to foster and develop and work on together.

In addition to the economic benefits, broadband helps address what the Recovery Act calls "national purposes." The law requires the plan to focus on the ways that broadband can help tackle national challenges like education, health care, and energy independence. It asks us to look at how broadband can advance public safety communications.

It is impossible to overestimate the importance of these topics and of the connection between broadband and success. As Senator Lincoln has said, “Broadband access is critically important to Arkansas, providing opportunities to dramatically improve the quality of life for our citizens.”

Broadband can allow students everywhere -- both in rural America and inner cities -- to access the best teachers and information, and develop the skills they need to succeed in a 21st century economy.

Broadband connectivity can also bridge critical access gaps to medical information and services. Remote monitoring and virtual diagnostics can help reduce health care costs and improve the quality of medicine, particularly in rural areas, if broadband connectivity is available.

Recently, Senator Pryor, Senator Lincoln, and members of the Arkansas delegation announced that Arkansas had received grants from the federal government to promote distance learning and telemedicine. Two examples are very instructive.

First, a grant to Baptist Health Facilities in Chicot, Van Buren, Phillips, Bradley, Pulaski, Independence and Mississippi Counties will help fund a critical care medical network connecting six rural medical centers and a major hospital hub site at Little Rock.

And second, a grant to Coassatot Community College of the University of Arkansas will help upgrade interactive classrooms and create an online learning laboratory, allowing more students to gain college-level courses without having to relocate.

There are also benefits for energy use and the environment. Smart grid technology will help America become more energy efficient and spur investment in green jobs. But broadband is needed for smart grids to work. In fact, a 5 percent increase in grid efficiency would equate to eliminating fuel and greenhouse gas emissions from 53 million cars.

Public safety also benefits from broadband. We need to continue our efforts to ensure that our nation’s first responders have mission-critical, interoperable voice communications and broadband services that meet the needs of our communities for the 21st century.

Broadband helps us stay connected to the ones we love. Just days after being sworn in as Chairman, I visited a downtown computer clinic in Cleveland, Ohio where seniors were learning how to send pictures to their grandchildren in other states. I met a woman who had found a job using the Internet, and another using it for health care information.

The final core reason for universal broadband is that it will allow citizens to engage their communities and representatives more effectively. The Recovery Act asks us to address the ways in which broadband can enhance civic participation and drive improved delivery of government services.

Our team is looking at ways to enable expert government agencies to provide people with the information they want, wherever they are. For example, in the 6 months after it launched, the Center for Disease Control's flu.gov was viewed nearly 150 million times.

What's more, high-speed, ubiquitous connectivity will ensure that government services are deployed more efficiently. Broadband has already allowed the government to save money by enabling online tax returns -- it costs 8 times more to process a paper return than an electronic return. The IRS found that mandating an electronic system would save more than \$66 million.

Working on the National Broadband Plan has given me the opportunity to learn about the exciting things that are happening across the country. And Arkansans should be proud of the work by your political leaders.

I know well the commitment that Governor Beebe, Senators Pryor and Lincoln, and the rest of the Arkansas delegation are making to broadband and the future of Arkansas and her people. Just a little over two years ago, Governor Beebe signed the Connect Arkansas Broadband Act into law to ensure the creation of a competitive broadband infrastructure that will enhance the economic opportunities of all Arkansans.

There are real challenges here in Arkansas. According to a 2008 study that ranked states based on their ability to compete in the new economy, Arkansas ranked 47th in the nation. Recently, Senator Pryor, Senator Lincoln, and members of the Arkansas delegation announced that Arkansas will receive funding from the National Telecommunications & Information Administration (NTIA) to increase broadband access and adoption through better data collection, mapping, and broadband planning.

Everywhere I go, I see that we all share a common goal: to empower Americans with the resources and the opportunities they need to succeed in their communities, in our country, and in the world. I want to work with you on real answers for Arkansas and for the country. Please feel free to let us know about any insights or concerns that you might have. The FCC stands ready to be a resource to Arkansas as the state proceeds on these important efforts. Thank you.