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U.S. Broadband Adoption Goal Remains Elusive Despite Government's Assistance

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By *Bryce Baschuk*

Oct. 29 -- Internet stakeholders said the government should continue to address the lack of broadband adoption among low income citizens, the elderly and populations situated in remote geographic locations during a Senate Commerce Communications Subcommittee hearing.

Witnesses at the hearing Oct. 29 sparred over exactly what the federal government's role should be in the effort to expand U.S. broadband adoption. Lawmakers on the panel acknowledged the hurdles to broadband adoption and pressed witnesses to describe what strategies would help connect those who currently lack access.

Subcommittee Chairman Mark Pryor (D-Ark.) said policymakers cannot lose sight of the importance of broadband adoption efforts. "Even today, nearly 30 percent of the Americans who have access to broadband do not subscribe to those services," said Pryor. "That is millions of Americans who are at risk today of being on the wrong side of the digital divide."

Subcommittee Ranking Member Roger Wicker (R-Miss.) said he was particularly concerned about Federal Communications Commission data that said the broadband adoption rate in non-urban areas is significantly lower than in urban areas. "So, while tens of millions of Americans now have access to broadband, they are choosing to remain offline," he said. "The primary reasons for non-adoption include lack of 'digital literacy,' questions regarding the relevancy of broadband in their lives, and the cost of equipment and service," he said.

Federal Grants Ongoing

In 2009 Congress passed the American Recovery and Reinvestment Act (P.L. 111-5) which allocated \$7.2 billion for two broadband grant programs, the Broadband Technology Opportunities Program (BTOP) and the Broadband Initiatives Program (BIP).

As of June 2013, BTOP grant recipients have deployed more than 105,000 new or upgraded network miles in 51 states and territories and connected or improved service to more than 17,000 "anchor institutions" like schools and libraries, according to data compiled by the National

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Telecommunications and Information Administration (NTIA). To date, the Department of Agriculture's Rural Utilities Service (RUS) has issued a total of 320 BIP awards, according to federal data.

Former Sen. John Sununu (R-N.H.), who is now an honorary co-chair of Broadband for America, told the panel that policymakers should now focus on educating citizens about the benefits of broadband adoption. "It is all about digital literacy, it's all about education and it's all about showing people the value to them," Sununu said.

Sununu said the government should adhere to a light-touch regulatory approach as it seeks to expand broadband adoption and avoid lifting the moratorium on taxing Internet goods and services. "It's basic economic fact, when you tax something you get less of it," Sununu said. "We want to make sure this infrastructure is as economically sound and robust as possible and it helps to prevent not just the federal government, but states, cities and towns from taxing it," he said.

Broadband Subsidies Needed

Sunne Wright McPeak, president of the California Emerging Technology Fund, told lawmakers that the urban poor predominantly lack broadband access and said policymakers "will not achieve adoption into low income areas without a broadband Lifeline program."

Rep. Doris Matsui (D-Calif.) introduced legislation in April to expand the Universal Service Lifeline program and permit eligible users to use federal subsidies to acquire broadband services. If enacted, Matsui's Broadband Adoption Act (HR-1685) would require the FCC to expand the Lifeline program from landline and wireless services to help Americans subscribe to most broadband Internet services.

Comcast Downplays Cost Issue

Comcast Executive Vice President David Cohen said a federally regulated broadband lifeline program would fail to address broader adoption hurdles like the cost of computers and a general lack digital literacy among some populations. Instead, Cohen urged a more holistic approach that works with a broad spectrum of partnerships with private sector and charitable organizations, something he called "the secret sauce to drive adoption."

Cohen downplayed the financial hurdles to broadband adoption and said only 15 percent of non-broadband users cite the price of connection as the main barrier of connection. Cohen lauded proposals to update the FCC's E-Rate program and said policymakers should seek to support a modern digital learning environment.

The E-Rate program, which provides the nation's educational facilities with broadband Internet connectivity, was first authorized by the Telecommunications Act of 1996. Cohen said the E-Rate program has "been around for a long time and was created at a time when a very different set of technologies ruled," thus there is a need to modernize it.

Sununu said the federal E-Rate program and Universal Service Fund "have lost their focus." Sununu urged policy makers need to "roll up their sleeves" and target federal broadband adoption programs towards those communities that lack broadband access due to economic or geographic factors.

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