

## BROADBAND EQUITY TODAY

America's economic future depends on our investment in opportunities for everyone and building systems that support innovation. Broadband is now indispensable for almost every facet of society: getting healthcare to hard to reach places, helping our kids learn, building our small businesses and helping them compete; and insuring that we all get the information we need to participate in our democracy. Our economic future depends on everyone having access to this vital resource. **Poor communities and communities of color must not be left behind.**

A Federal Communications Commission survey (FCC) shows that *the disconnected* tend to be older, poorer, less educated, and people of color.<sup>1</sup> While rural areas belong at the top of this list, disconnection is an urban problem, too. As Congressman Bennie G. Thompson of Mississippi's 2<sup>nd</sup> Congressional District told representatives of AT&T, his office can't get the high-speed Internet service he wants on a major boulevard in the largest city in the state. "I can get it if I'm on the other side of Jackson, so it's an urban problem too."

It's an urban and rural problem with a disproportionate impact on African American and Latino households. Federal statistics show on average 69% of American households have broadband at home, but only 59% of African American households and only 49% of Latino households have broadband.

**We can't depend on the telecommunication giants to make this a priority for us.** America has fallen behind the rest of the world when it comes to expanding our broadband infrastructure. In the last decade we dropped from fourth to well below 20<sup>th</sup>. Why? One reason is digital redlining. People of color, thanks to a history of housing discrimination and poverty, tend to live in older buildings and communities. Telecoms avoid investing in these communities because of the cost of upgrading the infrastructure and the impact on their profit margin. Their neglect leaves communities of color in the digital dark, less able to create technology jobs in their communities, less able to help kids compete in a 21<sup>st</sup> century economy and unable to get connected to the rest of the world.

**It's a model that doesn't work, it's a model without equity, and it's a model that will hobble our economic future.**

We applaud the FCC's efforts to develop a national plan to expand broadband access. And it must deliver this essential service to all of our communities.

We stand with others calling for a national broadband plan with equity. A plan with equity will support social venture models that deliver low-cost, high-speed Internet service, in community

---

<sup>1</sup> U.S. Department of Commerce: National Telecommunications and Information Administration "Falling Through the Net: A Survey of the 'Haves' and 'Have Nots' in Rural and Urban America" 1995

and private partnerships. A plan with equity also means creating a Universal Service Fund similar to what already exists for telephone service and helps poor families afford service. A national plan must give us also data to demonstrate broadband is getting where it's needed most.

### **Communities of color are digitally redlined.**

- Because of the enormous cost of installation, cable came first to wealthy communities where cable companies could quickly recoup their investment. For example, bringing service to places with middle and upper-middle income families meant communities in Upper Manhattan, the Bronx, Queens and Brooklyn were excluded. These communities were communities of color. We have seen similar patterns with broadband in Mississippi.
  - ✓ In Mississippi, people of color are the majority in zip codes with zero access to high speed Internet.<sup>2</sup>
  - ✓ Mississippi's Second Congressional Districts has the largest population of people of color and the lowest levels of broadband access.<sup>3</sup>
  - ✓ In places like Harlem, people of color are more likely to live in older buildings. Telecom companies are not willing to pay the price to upgrade those older buildings and deliver high-speed Internet. When new buildings go up that's when new broadband infrastructure is created. People in newer buildings are more likely to have high-speed Internet and they are also more likely to be white.
- Poor white people are much less likely to live in neighborhoods of concentrated poverty.<sup>4</sup> Yet, throughout the country, in places like New York City, people of color, particularly Black, Latino and Native American, are over-represented in "concentrated poverty" neighborhoods.
- In an FCC survey of 5,005 Americans, approximately 1 out of 3 households said they do not have high-speed Internet at home, many because it is too expensive. They were more likely to be Black, Latino and poor.<sup>5</sup>

### **Communities of color are acutely aware of their disadvantage and struggle to overcome it.**

---

<sup>2</sup> U.S. Census '00, FCC "Local Telephone Competition and Broadband Deployment"  
<http://www.fcc.gov/wcb/iatd/comp.html>

<sup>3</sup> U.S. Census American Community Survey '06-'08

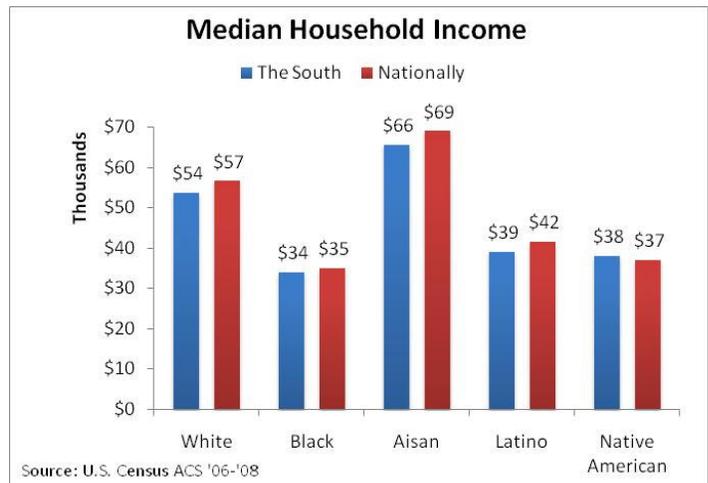
<sup>4</sup> U.S. Census '00

<sup>5</sup> FCC, "Broadband Adoption and Use in America" OBI Working Paper, series No. 1 By John Horrigan  
<http://online.wsj.com/public/resources/documents/FCCSurvey.pdf>

- At the Azusa Public library outside of Los Angeles people line up everyday, sometimes waiting for hours to get access to one of 13 public computers. They are students doing homework, residents applying for jobs, or people looking for the basic information we all rely on the Internet to give us. Azusa is a largely Latino community with 18% poverty<sup>6</sup>.
- The experience of 14 year old Lily Huerta is all too typical of families in Azusa. Heurta’s family simply can not afford the average cost of \$40 a month for broadband service<sup>7</sup>. She often goes to a community center to get her homework done. But she can not get as much time online as she needs. She says her grades are not as good as her friends who have Internet at home because sometimes she has to get her homework done without going online and getting all the information she’d like to have.
- Julian Rosaz from the San Fernando Valley has some of the same problems. His family just can’t afford broadband. As a senior in High school he scrambles to get access to the Internet at community centers or at public libraries so that he can keep up his good grades and access online college applications. “I have to work twice as hard just to turn something in.”
- The story is remarkably similar in the nation’s capital. D.C. resident Kimberly Bryant says she just can’t afford broadband even knowing how important it is for her children. So she spends hours at the public library for computers to become available so that her children can do their homework. Bryant says “We’ve crated a technology world...but we’re not allowing all kids to have access to what we created.”

**Compared to Whites, people of color as a group are less likely to be able to afford the cost of high-speed Internet.**

- Nationally, Black Median Household Income (MHI) is 62% of White MHI. Latino MHI is 73% of White MHI.
- In the South, Black Median Household Income is 60% of White MHI. Latino MHI is 69% of White MHI.
- Remember that half the national Black population lives in the south.<sup>8</sup>



<sup>6</sup> Internet for Everyone [www.internetforeveryone.org](http://www.internetforeveryone.org)

<sup>7</sup> FCC, “Broadband Adoption and Use in America” OBI Working Paper, series No. 1 By John Horrigan <http://online.wsj.com/public/resources/documents/FCCSurvey.pdf>

<sup>8</sup> U.S. Census

### **Race matters.**

- The National Telecommunications and Information Administration released a study several years ago that coined the term “digital divide.” The study, *Falling Through the Net: A Survey of the "Haves" and "Have Nots" in Rural and Urban America*, found that the majority of White and Asian families *regardless of socio-economic status* have a computer with Internet access. Not true for African-American and Hispanic families, even controlling for socio-economic status.<sup>9</sup>
- Across all education and income brackets, 69 % of African Americans and 58 % of Latinos now regularly use the Internet, compared with 79 % of whites<sup>10</sup>. The rate of broadband adoption in African American homes rose to 59 % from 46 % reported last year<sup>11</sup>. This is progress, but there’s still a long way to go.

### **We can’t say for sure who has access and who doesn’t because the data doesn’t exist.**

- Broadband data, collected by zip code, is seriously flawed. If even one address in a zip code receives broadband the whole zip code gets counted as having broadband service. It’s a common occurrence for only a portion of a zip code to have access, even in cities. Congressman Bennie G. Thompson of Mississippi’s 2<sup>nd</sup> Congressional district can’t get DSL at his office on Medgar Evers Boulevard in Jackson, MS.
- And it’s getting worse. After 2004 the FCC stopped providing broadband data in a format that can be comprehensively analyzed. Instead of Excel, the FCC now uses a PDF format which can’t be turned into statistics that allow readers to measure the penetration of broadband service.<sup>12</sup>
- All it would take to fix this would be for the FCC to start releasing data in an Excel format again. They continue to say "no" -for no good reason.
- We must also require tele-communications companies to report the total number of subscribers by zip code. Otherwise we won’t know who can get it and who can not.

---

<sup>9</sup> U.S. Department of Commerce: National Telecommunications and Information Administration “Falling Through the Net: A Survey of the "Haves" and "Have Nots" in Rural and Urban America” 1995

<sup>10</sup> The Joint Center for Economic and Political Study, 2010

<sup>11</sup> Pew Research Center’s Internet and American Life Project

<sup>12</sup> FCC “Local Telephone Competition and Broadband Deployment” <http://www.fcc.gov/wcb/iatd/comp.html>

**Solutions that work:**

- America needs a social venture model that gets low-cost access to poor communities and communities of color.
- We should invest public dollars in local efforts to expand broadband infrastructure. We can't rely on the big telecommunication companies to get America connected to broadband. We must make sure local efforts are not beholden to the big telecommunications companies and that funds are truly administered by community organizations.
- Stimulus funds for broadband expansion have been cornered by the big telecom companies so far. The American Recovery and Reinvestment Act made \$7.2 billion available and \$5 billion of those dollars are being distributed through competitive grants under the federal Broadband Technology and Opportunities Program (BTOP). In the first round of BTOP funding most of the money went to big teleco companies.
- Round 2 of the BTOP funding is under consideration now. This time, the National Telecommunications and Information Administration which awards the BTOP grants, must make it a priority to fund community applications.