

# FCC & “CONNECT TO COMPETE” TACKLE BARRIERS TO BROADBAND ADOPTION

## NEW LOW-COST BROADBAND AND COMPUTER OFFERINGS FOR ELIGIBLE SCHOOL LUNCH CHILDREN & THEIR FAMILIES

**\$4 BILLION, UNPRECEDENTED IN-KIND OFFER FOR 15-25 MILLION AMERICANS**

**BUILDS ON FCC’S DIGITAL LITERACY ANNOUNCEMENT**

**BIGGEST EFFORT EVER TO HELP CLOSE THE DIGITAL DIVIDE**

*In May 2011, Chairman Genachowski challenged the broadband ecosystem to help close the adoption gap. Today, at a public school in Washington, D.C., Chairman Genachowski applauded executives and nonprofit leaders from leading Internet service providers, technology companies and nonprofits for their unprecedented multi-billion dollar in-kind commitments to empower millions of families with broadband Internet, PCs, and digital literacy training, with zero cost to tax payers. Last month, the Chairman also proposed a Digital Literacy Corps to expand training across America by enabling thousands of more libraries and schools to host in-person, basic digital literacy training programs.*

### I. THE BROADBAND ADOPTION CHALLENGE

- One-third of all Americans – **100 million people** – haven’t adopted broadband at home. Broadband adoption is key to America’s competitiveness – to jobs, e-government, education, and energy. Compare that to South Korea and Singapore where adoption rates top 90 percent.<sup>1</sup>
- According to the Pew Research Center, the top three obstacles to broadband adoption are **digital literacy and trust, relevance and cost**.<sup>2</sup>
- There is a growing divide between the digital-haves and have-nots.
  - Less than one-third of the poorest Americans have adopted broadband, while 90%+ of the richest have adopted<sup>3</sup>
  - Less than 50% of African Americans, Latinos, elderly and rural populations have adopted broadband<sup>4</sup>
  - About **46% of low-income families have adopted broadband** at home compared with over 90% of higher-income families<sup>5</sup>
- Low-income Americans, rural Americans, seniors, and minorities disproportionately find themselves on the wrong side of the digital divide and **excluded from the \$8 trillion dollar global Internet economy**.
  - 80%+ of Fortune 500 companies require online job applications (including major employers such as Wal-Mart, Target, Costco, and ExxonMobil)<sup>6</sup>
  - A Federal Reserve study found that students with a PC and broadband at home have six to eight percentage point higher graduation rates than similar student who don’t have home access to the Internet<sup>7</sup>
  - Consumers with broadband at home can save more than \$7,000 a year.<sup>8</sup>

### II. NEW LOW-COST BROADBAND INTERNET OFFER FOR FREE SCHOOL-LUNCH FAMILIES

Participating NCTA member cable companies will offer all eligible families **two-years of \$9.95 + tax broadband cable Internet**, with a no installation/activation fee option and no modem rental fees (with an option to purchase a \$10 modem).

- In-kind value of **more than \$2.5 billion** if all eligible families take offer
- On average, a **70% discount** off monthly broadband services charges

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<sup>1</sup> FCC research study (2010).

<sup>2</sup> FCC, Pew research studies (2010).

<sup>3</sup> Digital Nation, NTIA (2011).

<sup>4</sup> Id.

<sup>5</sup> Connected Nation Survey, 2011 Digital Nation, NTIA (2011).

<sup>6</sup> Taleo Research [<http://jobfunctions.bnet.com/abstract.aspx?docid=167754>].

<sup>7</sup> Federal Reserve Bank (2008), [<http://www.federalreserve.gov/Pubs/ifdp/2008/958/ifdp958.htm>].

<sup>8</sup> Internet Innovation Alliance (2011).

- Offer covers **15 - 25 million Americans**, including **10-15 million students**
- Offer service area covers over **86% of the population** and reaches all 50 states
- Offer is available for a three-year sign-up window
- Minimum speed tier of 1 Mbps
- Eligible families must (1) have at least one student enrolled in the Free School Lunch Program; (2) not be a current subscriber to broadband (or have subscribed in the last 90 days); and (3) not have an overdue bill or unreturned equipment to the participating service provider
- **Participating Internet service providers include:** Bend Cable, Bright House Networks, Cablevision, Charter, Comcast (via *Internet Essentials*), Cox Communications, Eagle Communications, GCI, Insight, Mediacom, Midcontinent, Sjoberg's Cable, Suddenlink, Time Warner Cable
- Offers will launch in pilot areas in spring of 2012 and will begin to expand to all 50 states in September 2012

### III. \$150 LOW-COST FAMILY PC FOR SCHOOL LUNCH ELIGIBLE FAMILIES

**Redemtech**, a technology refurbishment company, has committed to offer a refurbished **\$150 + tax powerful laptop, or desktop with LCD monitor**, to all eligible school lunch families, shipped to the home. PC offer includes:

- **Free shipping, 90 days phone PC tech support, one year software tech support, 90 day extendable warranty**
- **Leading OS and productivity suite:** Windows 7 Home Premium and MS Office 2007 (\$250 software value)
- **Powerful minimum specs:** Core 2 Duo processor; 2 GB Ram 80 GB hard drive; DVD player; wireless card
- **Family settings:** Preinstalled and activated parental control software that blocks inappropriate content, controls access to programs, and provides a safe computing experience. Also includes a dedicated Internet safety portal developed by **Common Sense Media** and PC based safety tutorials and additional filtering software curated by **iKeepSafe**.
- **Easy setup:** Box will include specially designed setup guide for first time PC users
- **Relevant content:** PC will be preloaded to guide users to educational, informational and job training content
- Offer will launch in pilot areas in spring of 2012 and begin to expand to all 50 states in September 2012

### IV. \$250 NEW EDUCATION PCs FOR LOW INCOME FAMILIES

- **Microsoft**, starting early next year, will work with its hardware partners to introduce a series of affordable, high-quality education computers, starting at \$250, that include Windows and Office. Microsoft's ongoing commitment to digital inclusion worldwide means they view access to broadband and a computer as a right for all, not a privilege for some.

### V. MICRO FINANCING SUPPORT

- **Morgan Stanley** has committed to contributing its significant microfinance expertise to assist Connect to Compete in its development of a microcredit program to help families afford the upfront cost of a PC. This program will also aim to provide financial literacy training and help families build credit history through successful loan repayment. These microloans will be provided by community-based financial institutions.

### VI. NEW ADOPTION, JOBS AND LITERACY COMMITMENTS

In addition to the substantial adoption, digital literacy and job training commitments previously announced, several new non-profits and companies have offered to help Americans get the skills they need to compete.

- **Common Sense Media**, a nonprofit dedicated to helping kids and families thrive in a world of media and technology, will support Connect to Compete by helping families find educational and age-appropriate content and by teaching them how to be smart, safe and responsible online.
- **Glassdoor.com**, a jobs and career community, will offer a series of free educational videos and online content for job seekers. The series will include how to build a resume and professional social profile, how to best submit a job application, and how to prepare for an interview. Glassdoor will also provide insights on pay for specific jobs and provide updates on open jobs across the U.S.
- **iKeepSafe**, a nonprofit with a mission to help parents and educators teach children safe and healthy use of technology and the Internet, will support Connect to Compete with advice on computer and online safety, including basic tutorials

on safety and security. iKeepSafe will also consult on the placement and settings for the preinstalled parental control and online safety software.

- **Indeed.com** will provide a comprehensive list of certifications and computer skills – to be periodically updated – that U.S. employers demand most. Job seekers will be able to link from the list to job postings from the thousands of employers actively looking for candidates possessing those certifications and skills that are in high demand. Additionally, Indeed.com will create a custom webinar targeted to new adopters with guidance on how to conduct an effective online job search.
- **LearningExpress, LLC**, an educational technology company, has committed to offer rich educational and job readiness content for school lunch eligible families. They will offer 25 free eBooks in the areas of basic skills, college preparation, adult skill building and job search skills. The eBooks will supplement in-school instruction for K-12 students who need extra help. For adult learners, the eBooks will foster digital literacy and help close the employment skills gap.
- **oDesk**, an online workplace, is developing a custom program to train Americans for online work. oDesk’s program, created exclusively for Connect to Compete, will provide free training to help thousands of eligible Americans take advantage of online work opportunities. The web-based training program will cover creating an online professional profile, applying for jobs, communicating with employers, and building a career online.
- **EverFi, Inc.**, an education technology company, will provide school lunch eligible students and families access to their award winning Ignition™ digital literacy and EverFi™ financial literacy learning platforms geared towards middle and high school students. Learners who successfully complete these courses receive a certification that can be used as a credential on college and job applications.

## VII. NEW NONPROFIT COMMITMENTS TO SUPPORT CONNECT TO COMPETE

- **America’s Promise Alliance**, a nonprofit that works to prepare children for college, work and life, is pleased to work with Connect to Compete to disseminate information about the tools and resources developed to help close the digital and educational divide in America.
- **Digital Promise**, a national center founded to spur breakthrough education technologies, is pleased to support Connect to Compete’s vision of getting all American’s online. Digital Promise will leverage one of its key priorities, the League of Innovative Schools, on behalf of this important initiative, and disseminate information about the tools and resources that can help close the digital and educational divide in America.
- **Opportunity Nation**, a campaign to promote opportunity, social mobility, and access to the American Dream, is pleased to work with Connect to Compete to disseminate information about the tools and resources developed to help close the digital and opportunity divide in America.
- **United Way Worldwide**, a nonprofit that works to create opportunities for a better life for all, is pleased to work with Connect to Compete to disseminate information about the tools and resources developed to realize the vision of the FCC National Broadband Plan to narrow the digital divide for underserved individuals and communities.
- Other leading non-profit partners who previously committed to support the effort through thought-leadership and by opening their networks to distribute information about *Connect to Compete* resources and training, include the **Boys and Girls Club**, **Connected Nation**, **Goodwill**, **CFY**, **4H**, members of the **Broadband Opportunity Coalition**: **The Asian American Justice Center**, **National Council of La Raza (NCLR)**, **League of United Latin American Citizens (LULAC)**, **National Urban League**, **One Economy**, **National Association for the Advancement of Colored People (NAACP)**, **The Joint Center for Political and Economic Studies** and the **Minority and Media Telecommunications Council (MMTC)**.

## VIII. NEW COMMITMENTS TO SUPPORT CONNECT TO COMPETE’S PLANNING PHASE

- **Altman Vilandrie & Company (AV&Co.)**, a strategy consulting firm, is contributing its industry expertise and analytic consulting capabilities to the Connect to Compete initiative. They will help integrate the generous public and private sponsor contributions into a sustainable program through the development of a business and operating plan.
- **The Appalachian Regional Commission**, a federal partnership of the 13 Appalachian states, works to bring Appalachia into economic parity with the rest of the nation by creating sustainable economic opportunities and improved quality of life. ARC enthusiastically supports the Connect to Compete Initiative and will help assist in the planning and implementation activities within Appalachia.

- **Delta Regional Authority**, a federal-state partnership that works for sustained community and economic development in the Delta region, will support Connect to Compete with a planning and development grant. DRA will also be integral to the planning and implementation phases of the project in its region.
- A previous committer, **The Knight Foundation**, a thought leader in the broadband ecosystem, will support *Connect to Compete* with resources to help shape and lead the program.

## IX. THE BROADBAND ADOPTION EDUCATION OPPORTUNITY

- Three separate studies in California, Michigan and Florida all came to the same conclusion: home computer access and use are positively associated with increased academic achievement and test scores.<sup>9</sup>
- Studies have shown that broadband adoption efforts have resulted in increased test scores and that students actively and regularly used their computers and the Internet for learning.<sup>10</sup>
- United States is currently 18<sup>th</sup> worldwide in access to home broadband and digital learning content.<sup>11</sup>
- Teachers can't assign Internet-based homework if all their students don't have broadband at home. This teaching to the lowest digital denominator is holding back all students, affecting even students with broadband at home.

## X. THE BROADBAND ADOPTION JOBS OPPORTUNITY

- 50% of today's jobs require technology skills, and this percentage is expected to grow to 77% in the next decade.<sup>12</sup>
- Closing the broadband adoption gap will create \$32 billion in annual economic value, or about \$100 for every American, every year.<sup>13</sup>
- Microsoft's Digital Exclusion Model projects that the future unemployment rate is reduced by .4% for the entire population if all K-12 students are connected to broadband.<sup>14</sup>

## XI. PREVIOUSLY ANNOUNCED "DIGITAL LITERACY CORPS" PROPOSAL: EXPAND TRAINING ACROSS AMERICA

- According to a recent Gates Foundation-funded survey, only 38% of all public libraries offer a basic digital literacy class – and only 25% in rural America.
- Chairman Genachowski's proposal would enable thousands of more libraries to host in-person, basic digital literacy training programs
- The proposal would expand digital literacy training to the FCC's "School Spots" program, which allows schools to keep their computer labs open after hours for students and their families.
- Together, these new library and school literacy courses and instructors would form a new "Digital Literacy Corps," an idea first discussed in the National Broadband Plan.

## XII. PREVIOUS "CONNECT TO COMPETE" COMMITMENTS ANNOUNCED IN OCTOBER 2011

Private-sector companies join non-profit groups to offer basic and advanced digital literacy training and certification, including commitments from:

- **Best Buy**, a specialty technology retailer, will put its 20,000 Geek Squad Agents to work nationwide to train Americans in basic digital literacy. Geek Squad Agents will begin training Americans in 20 cities, large and small, over the next year, with plans to expand to additional communities. The Geek Squad will also train trainers, working with community groups to train others how to teach digital literacy.

<sup>9</sup> Citations available upon request.

<sup>10</sup> ETS-CFY Impact Study; CFY Comparison study; Study of the Texas Technology Immersion Pilot (TIPS) (studies compiled 2011).

<sup>11</sup> WEF (2011).

<sup>12</sup> IDC Research (2010).

<sup>13</sup> Microsoft Digital Inclusion Model, The Arnold Group (2011).

<sup>14</sup> Microsoft Digital Inclusion Model, The Arnold Group (2011).

- **Microsoft** will offer basic and advanced digital literacy training and certification. The company will offer basic digital literacy and free job skills training including Microsoft Office. Beginning in 15 states over the next three years, Microsoft will work with its partners to deploy training in Microsoft Office through schools, libraries and community colleges. Microsoft has also offered to conduct basic in-person digital literacy and office training in their stores nationwide. The company will also build a state-of-the-art online digital literacy training center with videos and other easy-to-follow content.
- **Arise Virtual Solutions** will in the coming year provide live, online training to help job seekers develop the customer service and interpersonal skills that today’s employers demand, with plans to make self-paced training available going forward.
- **CareerBuilder.com** will offer online prep or actual certification courses for only \$1 per course in high demand employment areas such as technology, healthcare and manufacturing, to the hardest-pressed job seekers. On a quarterly basis, the company will release a “Skills Gap Monitor” that lists the top 5 “in-demand jobs” for which further online training or certification could make a difference between finding a job and not. Job-seekers will also be directed to specific job listings for these in-demand jobs.
- **Monster.com** will identify “middle skills” jobs in which there are more openings than qualified candidates and identify the skills and certifications job seekers will need to land those jobs. Monster will also provide job-search resources tailored to the needs of Americans new to broadband.
- **Discovery Education** will contribute their premiere educational content, including video clips and digital lessons, to help bolster student achievement. With topics ranging from two-digit addition to presidential elections, proven resources for student success will be accessible free of charge to America’s neediest students and their parents.
- **MetrixLearning**, an e-training company, has offered to provide free online training for job seekers needing to hone their basic skills to get hired, from basic math to interview skills. The training will be available not only in English, but in Spanish and Mandarin Chinese.
- **Brainfuse**, an online job-hunting, tutoring, and collaborative learning service, will provide individualized application and resume-writing assistance for free to the nation’s hardest-pressed job seekers.
- **Sesame Workshop**, a nonprofit educational organization, has offered to provide content including games, videos and other educational materials from its outreach projects on hunger and economic hardships.

### **XIII. CONNECT TO COMPETE NON-PROFIT ORGANIZATION**

In October 2011, private companies and non-profits announced the formation of *Connect to Compete*, a non-profit initiative to execute the nonprofit and private sector offerings made to help close the digital divide. The new organization, which will be housed at One Economy, will be a collaborative effort with other non-profits and industry partners.

- **Leadership:** **Kelley Dunne** will lead the initiative as part of his current role as CEO of One Economy, one of the most effective and reputable organizations in the digital literacy space.
- **Accountability:** The **Media and Technology Institute of the Joint Center for Political and Economic Studies** will serve as the independent evaluator of *Connect to Compete* and will implement a longitudinal research plan that sets program metrics and assesses the short-and long-term impact of the initiative.

To learn more about *Connect to Compete*, visit [www.fcc.gov](http://www.fcc.gov) or [www.connect2compete.org](http://www.connect2compete.org)