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Congresswoman Matsui Addresses Broadband Affordability Issues Before National Telecom Leaders

Offers Preview of Upcoming Smart Grid Broadband Legislation; Applauds FCC for Addressing Affordability Barriers

WASHINGTON, D.C.— Today, Congresswoman Doris Matsui (D-CA) joined leaders from Congress and the telecommunications industry at the OPASTCO/Western Telecommunications Alliance Telecom Forum. As Congress continues to consider the National Broadband Plan, Representative Matsui shared her perspective on the opportunities for, barriers to, and possibilities of broadband adoption in America. Rep. Matsui's remarks, as prepared for delivery, are below:

"As many of you may know, I represent the urban district of Sacramento, California. However, what you probably don't know is that I was raised on a farm in California's Central Valley. My father was a farmer who grew fruits and vegetables. Living on a farm during that time made it very difficult to communicate with family, friends, or even neighbors in such a remote location. So frankly, I understand the importance of modernizing communications in America's rural communities and the importance of having access to the outside world.

"Broadband is the communication tool of both now and the future. A broadband connection is and will continue to be critical to the economic well-being for all Americans - no matter where they live - or how much money they earn. Congress must work together to ensure all Americans living in either urban or rural areas have access to affordable broadband services. In today's economy, the internet has become a necessity, not a luxury. And if you don't have it, you are simply at a competitive disadvantage.

"The National Broadband Plan states that, 'Broadband is a foundation for economic growth, job creation, global competitiveness, and a better way of life.' Americans need affordable and convenient internet access for educational purposes to apply to college, to compare health care options, to obtain emergency information, interact with the government, and everything in between. And that list will continue to grow as innovation continues.

"Broadband is also key to job creation, production, and employment opportunities in this country. According to the National Broadband Plan, 62 percent of American workers rely on the Internet to perform their jobs. The Bureau of Labor Statistics predicts that jobs dependent on broadband will grow by 25 percent over the next 8 years - or 2 ½ times faster than the average

growth across all of our economic industries.

“Broadband is key to future economic growth and job growth in this country - and about 75 percent of all U.S. employers now require job-seekers to apply online. Through innovation and coordination, broadband now connects most of - if not all - of our economic sectors.

“Ensuring broadband availability to all Americans - at a speed that provides an acceptable quality of service - is crucial to remaining competitive in an increasingly connected world. As the National Broadband Plan properly conveys, there is a real broadband availability gap in rural ‘unserved’ areas.

“The National Broadband Plan lays out a series of recommendations that will help move our nation towards greater broadband deployment to reach more and more Americans. Among them are steps to reform the Universal Service Fund.

“Chairman Rick Boucher is working on a Universal Service Fund reform bill aimed at expanding broadband access to more Americans living in rural unserved and underserved areas. And as part of any reform legislation to the Universal Service Fund, we must address the affordability barriers that prevent millions of households from accessing a broadband connection at home.

“The largest barrier to broadband adoption identified by the National Broadband Plan is cost. The Plan found more than 28 million Americans do not subscribe because of the high cost of broadband. And that point was underscored during last Thursday’s Congressional hearing on Broadband Adoption. Additionally, several prominent studies by Pew, PPI California, and the FCC have all strongly suggested that broadband adoption rates are largely associated with income levels, and the high cost of broadband services.

“The fact remains that millions of Americans simply can’t afford to pay up to \$60 a month for broadband services - whether they live in Sacramento, California - or Wichita, Kansas. During the recent economic recession, I heard from many of my constituents in Sacramento who have been forced to cut back on their expenses, and one of the first things to go was their Internet subscription.

“I have heard from a woman who is living off a fixed income, and is counting her pennies each month to make ends meet. If her internet service goes up, as she explained, ‘Even by one cent,’ she says she will have to drop it. Another one of my constituents, who is disabled, can’t afford in-home broadband services and is forced to commute miles to the nearest library to access the Internet. These are just a few of many that I’ve heard. And I suspect there are millions of similar stories across this nation of those who simply can’t afford the expense - and are on the wrong side of the digital divide.

“To help break the affordability barriers in September, I introduced the Broadband Affordability Act, which would direct the FCC to create a program for universal broadband adoption - similar to the current lifeline assistance program within the Universal Service Fund. The legislation will ensure that All Americans residing in urban and rural areas have access to affordable broadband services. In doing so, households which currently possess broadband installation

options, but have not subscribed because of cost, would no longer be unserved or underserved.

“The Broadband Affordability Act will have a significant impact in my home state of California, where nearly two million households residing in urban and rural areas of California participate in the Lifeline assistance telephone program, including more than 25,000 of my constituents in Sacramento.

“A lifeline program for broadband will have significant tangible benefits for lower income households residing in urban areas. Though some may be tempted to argue that this proposal will only benefit urban consumers - that is simply wrong. This proposal will also greatly benefit consumers in rural areas.

“In fact, during a hearing on the Universal Service Fund last November, I posed a few questions to Catherine Moyer from Pioneer Communications, who serve the residents in the vicinity of Ulysses, Kansas. The first question to Catherine was if a lifeline for broadband program will spur broadband deployment in rural America. The second question was if a lifeline for broadband program will increase broadband adoption rates in rural unserved America. And Catherine said ‘Yes!’ to both. Both points have also been agreed to by the FCC, a leading economist, and Members of Congress during recent Telecommunication Subcommittee hearings on Universal Service Fund, the National Broadband Plan, and Broadband Adoption.

“While I understand that some Americans living in truly remote areas of the country do not have access to any broadband services. I do believe that a lifeline for broadband program will truly incentivize and spur investment in broadband infrastructure in rural America. It will only further the goal of greater broadband deployment to the Last Mile, as more rural providers will build-out to unserved areas knowing that there will be more consumers able to afford broadband services.

“And I believe the combination of greater broadband deployment and broadband affordability will ensure that all Americans have access to the internet. I applaud the FCC for including my proposal as a central recommendation in the National Broadband Plan. Additionally, at last Thursday’s hearing on Broadband Adoption, Chairman Boucher expressed his support for my Broadband Affordability proposal, and offered his assurances that the goals of my proposal should be fully met during the upcoming debate on Universal Service Reform legislation. I did not have a chance to publicly thank him at the hearing, but I would like to take the time today to offer my appreciation. I also appreciate Chairman Waxman’s support of this proposal. As well all know, the Chairman is a very strong advocate for broadband adoption in this country.

“Moving forward, I look forward to continue working with Chairmen Waxman and Boucher, along with the FCC, on reforming the Universal Service Reform to ensure all Americans have access to affordable broadband services. A connection to the internet and the information it provides is also improving our nation’s energy efficiency efforts as broadband will also play a critical role in moving our nation toward a more sustainable path of greater energy independence and efficiency.

“The National Broadband Plan included a series of recommendations to modernize our nation’s

Smart Grid. I plan to introduce legislation in the coming weeks that would compliment some of the FCC recommendations on Smart Grid. I'm also looking at other ideas to include in the proposal to create a coordinating mechanism between the federal government, states, and industry to develop a set of national smart grid standards and goals so this nation can promote a smarter electric grid that empowers consumers to make choices, that can save us energy, and can save them money.

"I am a firm believer that coordination is best when dealing with such important national issues as smart grid is destined to be. Smart grid technologies will be a wave of the future and will continuously evolve as technology advances. I look forward to working with many of you on ways to modernize our smart grid moving forward.

"I am also looking forward to working with many of you on reforming the Universal Service Fund. I would like to again thank OPASTCO and Western Telecommunications Alliance for hosting today's event and for inviting me to join you today."

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