

Remarks of Commissioner Mignon Clyburn (as prepared)
Connect South Carolina Community Technology Action Plan Event
Barnwell, South Carolina
November 27, 2017

Good morning, everyone.

Thank you, Jim, for that wonderful introduction. Now if memory serves, you were among those I congratulated a couple of years ago, for your work in making Berkeley County a Certified Connected Community. So to all of you at Connected Nation, and for all of you here today, working to make South Carolina more digitally equitable, I am incredibly grateful.

Growing up in Charleston, and spending the bulk of my life in Columbia, I must admit that I did not make many trips to the Lowcountry Promise Zone, but I was never very far away and I am pleased to see how rapidly things are changing. I always recognized that economic success where the need is greatest, will only come if each of us rolls up our sleeves, accepts tough challenges, and takes responsibility when it comes to our neighbors' success.

With an estimated poverty rate of about 28%, and an unemployment rate of just under 15%, there is no question that the Lowcountry Promise Zone deserves sustained, visionary, and focused leadership. Each of you is here, because you not only recognize this, but you refuse to accept inaction, knowing that just 61% of our households have access to 25/3 broadband speeds, and over half have just one provider. It comes as no real surprise to you, that among the households that do not have a broadband connection, 46% cite cost as the reason, and even those that do have it, 2.6% of their monthly income goes to pay for a connection, as opposed to the 1.5% that more well-off Americans in other parts of the country pay.

But as this aptly named zone implies, the area is one with incredible promise. That promise remains because you recognize that there is, and I quote, "no single point of responsibility" when it comes to enabling our communities. You are willing to work a little longer and a lot harder together, across all sectors of government and private industry, to see that these statistics will change, because each tick upward in broadband access and adoption, unlocks new economic opportunities.

It makes absolute sense, that your top-line transformational idea for incenting positive change in the Promise Zone, is bringing high-speed, affordable broadband to citizens throughout these counties. This affirms what you know well, that broadband is no longer a luxury, it is essential in our daily lives. Broadband is the gateway, through which many Lowcountry residents and businesses, obtain critical information, find jobs, stay connected with teachers and health care providers, and keep up to date, with family and friends.

Since 2009, as a member of the Federal Communications Commission, I have remained steadfast in my commitment, to ensure that the FCC uses all the tools at our disposal, to ensure that everyone in the Lowcountry Promise Zone, and indeed the nation, has access to affordable broadband. One of the points I continue to make, is that we need to make the business case for universal broadband access. This goes beyond the very true arguments about broadband being a

fundamental tool for 21st century economic empowerment, and that we all benefit when there is universal connectivity.

And while some of those benefits can be difficult to quantify, they are very real and tangible. I sincerely believe that the deployment costs associated with bringing people online, are all worth it, in part because of the broader cost savings and benefits that result from that person being connected.

Fortunately, I am not alone, because your plan for the Promise Zone does just that. You will engage schools and libraries to launch “homework hotspots,” encourage providers to bring low-cost broadband offerings to vulnerable communities, train and educate those who are not as familiar with internet services and how to keep themselves safe online, and attract and facilitate technology partnerships in the region. One area close to my heart is telehealth, a perfect example for making the business case for broadband.

In 2014, I visited North Sunflower Medical Center in Ruleville, a town in the Mississippi Delta. Diabetic-related medical expenses in Mississippi in 2012 totaled about \$2.74 billion, a staggering amount. To see if there was a way to improve health outcomes and stem rising healthcare costs for diabetics, a group of tech and service providers including GE and C-Spire, established an 18-month pilot project that put a tablet in patients’ homes, enabling remote monitoring and interaction with caregivers. Not only did the program actually achieve improved health outcomes for patients in the pilot, but it lowered healthcare costs. In fact, if all diabetics across the state were able to participate in the program, Mississippi would save just under \$1 billion in its state budget annually. Now here is the kicker: if the state completely subsidized the program, providing a free tablet and internet connection to every diabetic patient in the state, they still would save hundreds of millions of dollars every year in the budget.

This is what I mean about making the business case. Too often we just look at the cost of deploying connectivity, without considering the benefits that accrue to individuals and society as a whole, when we make that vital connection. This is why I am laser-focused on affordable broadband, because like you, I know how much promise it can bring. To understand whether a person is served, you first have to define what it means to be “served.” One of the major things that we have done over the past eight years, is to take a hard look at how consumers are using broadband, and update our definition accordingly to reflect what it means to have high-speed connectivity.

The FCC is required to annually report on what it means to have high-speed broadband, and whether it is being reasonably and timely deployed to all Americans. When I came aboard the Commission in 2009, the most recent report had pegged the speed of broadband at 200 kilobits-per-second. Last year’s report, concluded that Americans need access to both fixed and mobile service and that a 25/3 Mbps benchmark was the right one for fixed service, because it took into account the nature of the services that consumers typically use their internet connection for, and the rising number of devices found in the typical household. This year, the FCC is proposing to retain that fixed benchmark, but is seeking comment on whether mobile service alone is sufficient to count an area as “served.” I know I am not the only one who thinks that is a

bad idea for a variety of reasons, not the least of which is the incredible cost that it would impose on consumers with lackluster fixed service.

Just last month I heard of a South Carolina woman whose fixed service was so poor, that she spent hundreds of dollars a month on a mobile hotspot just so that she could stay connected. Our policy should recognize that mobile service is a complement, not a substitute for fixed, and it would be downright shameful if we considered that woman “served” when she is paying so much for so little.

One of the most important tools we have at the FCC when it comes to bringing affordable broadband to the nation, is our universal service program, which I often refer to as a four-legged stool. One leg is a program supporting broadband in high-cost areas, where the economics do not make sense to deploy broadband. Another, and equally important, is a program that supports economically disadvantaged citizens who cannot afford voice and/or broadband. Yet another supports broadband for health-care institutions, and the other provides broadband support for schools and libraries.

We need all of these programs working together, particularly for the millions of Americans, that do not have access to broadband. For most of us, going an hour without our smartphone is difficult, just imagine if you are forever foreclosed, and are stuck in a digital darkness.

That is why the FCC has been focused on bridging the deployment divide. We just heard from several providers who have been using Connect America Fund monies to build out broadband in these Lowcountry counties. In the past, the FCC has made available billions of dollars in funds to deploy and support broadband networks. But we are far from completing this mission. Indeed, we are moving towards finalizing another Connect America Fund Phase II Auction, that we hope to hold in 2018, and the Mobility Fund Phase II Auction that would follow close behind. These reverse auctions of universal service support would fill in the gaps where it is clear that broadband is not deployed, thereby bringing fixed or mobile service to many Americans for the first time.

These goals can all be advanced, but not just with universal service dollars. They must include innovative partnerships, including public-public, private-private, and public-private partnerships. From the deployment perspective, we often see work at the municipal-level to aggregate demand to incent deployment that can tip the scales in favor of attracting a company’s investment in broadband facilities. And if that does not work, we have seen municipalities build the infrastructure themselves, when there are not backwards-looking state laws that prohibit them from doing so. This may include inviting targeted builds in areas where local tax breaks and other incentives can help defray the cost of infrastructure. It also may include partnerships between a broadband provider and a municipality for other necessary connectivity—be it for connecting government buildings, for public Wi-Fi, or for connected parking meters.

Deployment can also be advanced by forward-thinking local policy, like the thinking behind the Promise Zone plan. This can include dig-once policies that take advantage of ground disturbance to install conduit for fiber. It could also include streamlining the deployment of

towers and small cells. The easier you make it for companies seeking to invest, the more likely they are to come to the table.

The FCC is working to streamline deployment, through the Chairman's Broadband Deployment Advisory Committee, but unfortunately it seems to be not entirely consensus-based, and it has limited state and local representation. And if you are not vigilant, you may find the FCC knocking at your door and mandating all sorts of requirements. To be clear, as we consider various actions at the federal level, I have spoken out for the need for more state and local representation, because without an all-inclusive approach, I believe it will not be as successful as it otherwise could have been.

But, as I have often said, and your report affirms, deployment is only part of the equation. We must put a spotlight on affordability, because it is those in the lowest income brackets that are the least likely to adopt broadband and it is those least able to afford broadband who stand to benefit the most. It is imperative that we focus on digital literacy, because it is those who cannot fully use the service or do not understand it, that are the least likely to adopt and stand to benefit the most. That is why efforts to educate, empower, and support are so vital.

And this is why I am so distressed this morning. The FCC's latest efforts to quote "reform" the Lifeline Program, will actually decrease the availability of service less for those who stand to benefit the most. As you well know, connecting the unconnected is no easy task. Costs of just a couple dollars a month can be insurmountable for families that struggle to put food on the table each day.

But what the FCC majority proposed to do earlier this month, is to take away no-cost service offerings, and eliminate the business model of 70% of providers in the current market without specifying where existing consumers will go. It proposed to do the latter, by eliminating the reseller service option from the program. And that proposal is already being cemented this month in the majority's reversal of the Open Internet Order, which will confirm that the only legal authority the FCC is willing to rely on for the program, is the one that allows only facilities-based providers to participate. Regardless of what side of the Open Internet or Net Neutrality debate you find yourself on, I would be hard-pressed to identify a recent FCC action with a more pointed attack on the economically disadvantaged, than this one.

In short, the Lifeline Program is in trouble, making it incumbent on those who care about affordable access to work with providers, partner with state and local authorities and let the FCC know how their communities will be impacted if 70 percent of those who currently provide service to those most in need are forced out of the market. Your action plan clearly notes, that states and localities need to be at the front lines of the affordability conversations, but the FCC's current Lifeline proposal takes states out of the conversation.

Let me close by offering a story on the importance of technology access for the most vulnerable. Earlier this year, I attended a townhall meeting in Los Angeles' Skid Row, a neighborhood with one of the largest populations of unhoused individuals in the country. If you ever had any doubt about how troubling this community is, let me confirm that every visual and olfactory presumption you may have ever had is very real, painful, and moving. I was

approached by a woman who calls herself “Frenchie” who told me that there was a point in her life than the only address she had, was a digital address.

But the inspiring upside to this story, is that she not only found stability through a personal email address, she was able to access, often through the local library, critical services and support that kept her going, even when her personal life was in turmoil. Access to broadband helped her to stay connected, and she found a home online, a technological refuge, even when a physical home was not in sight.

That is the power of broadband and it is why we need to look at our efforts through a multifocal lens. There are hundreds of Frenchies in our communities, and the policies we craft, promote and adopt, could make the lives of each Frenchie we encounter better.

Well-structured initiatives can put her on the path to economic empowerment, enable her to advance her education, maintain a job, and uplift her rather than tear her down. If you view your work through multifocal, inclusive lenses, we will ensure multi-functional, multi-generational, multi-community results.

Thank you.