

# One Nation Online

High-speed Internet, or “broadband,” is one of the most transformative communications technologies in human history. In just over a decade, broadband has completely changed commerce, public discourse, and how we interact with each other and the rest of the world. Broadband is no longer a luxury—it’s a public necessity.

Broadband’s potential to unleash innovation, promote free speech and encourage learning makes this technology the key to the future success of the U.S. economy and American democracy. But to unlock broadband’s limitless potential, it must be universally available and affordable.

#### **WE NEED INTERNET FOR EVERYONE. HERE’S WHY:**

##### **There Is a Growing Digital Divide in America**

**ECONOMIC DIVIDE:** The middle class and those less fortunate are falling behind as Internet access becomes more and more expensive. Only 35 percent of homes with less than \$50,000 in annual income have broadband, while 76 percent of households earning more than \$50,000 per year are connected.

**GEOGRAPHIC DIVIDE:** The principle of universal service is a cornerstone of

U.S. communications law. But while we’ve ensured that rural Americans have equal access to telephones and TV, we’re a long way from making universal broadband a reality. Currently, nearly 20 million Americans live in areas that are not served by a single broadband provider, while tens of millions more live in places where there is just a single provider for high-speed Internet access.

**RACIAL/ETHNIC DIVIDE:** Broadband can serve as a conduit for education, information and civic participation, which creates the potential to address many inequities that pervade American society. Unfortunately, broadband’s promise is not being realized equally across all racial and ethnic groups. Only 40 percent of racial and ethnic minority households subscribe to broadband, while 55 percent of non-Hispanic white households are connected.

## America Is Ceding its Role as a Global Internet Leader

**FALLING BEHIND ON BROADBAND DEPLOYMENT AND ADOPTION:** Since 2001, the United States has fallen from fourth in the world in broadband adoption to 15th. While U.S. consumers face high prices and few choices, many of our European and Asian counterparts have robust, competitive broadband markets. Moving to the top of these rankings would mean millions of new jobs and hundreds of billions of dollars in increased economic activity.

**FALLING BEHIND ON BROADBAND QUALITY:** Americans pay far too much for far too little compared to citizens in other countries. We have the eighth-highest monthly rates for broadband service among leading developed nations. For years, consumers in countries like France and Japan have had access to connections with speeds that still aren't available in America.

## TECHNOLOGY IMPROVES BUT MILLIONS ARE LEFT BEHIND

By the turn of the millennium, the Internet had emerged as an essential communications technology for a majority of the country. But millions of Americans were still standing on the wrong side of a newly created “digital divide.”

By 2001, more than half of all U.S. homes were connected to the Internet, most via “dial-up” technology. But as Americans became familiar with the Internet’s capabilities, they demanded technology that could do more. Dial-up’s reign was short-lived; broadband was ascendant.

In just six years, broadband replaced basic Internet access as the “essential” communications technology. But this technological progress has not closed the digital divide; it has merely transformed it into a more challenging problem. Today, approximately half of all households subscribe to broadband (see Figure 1).

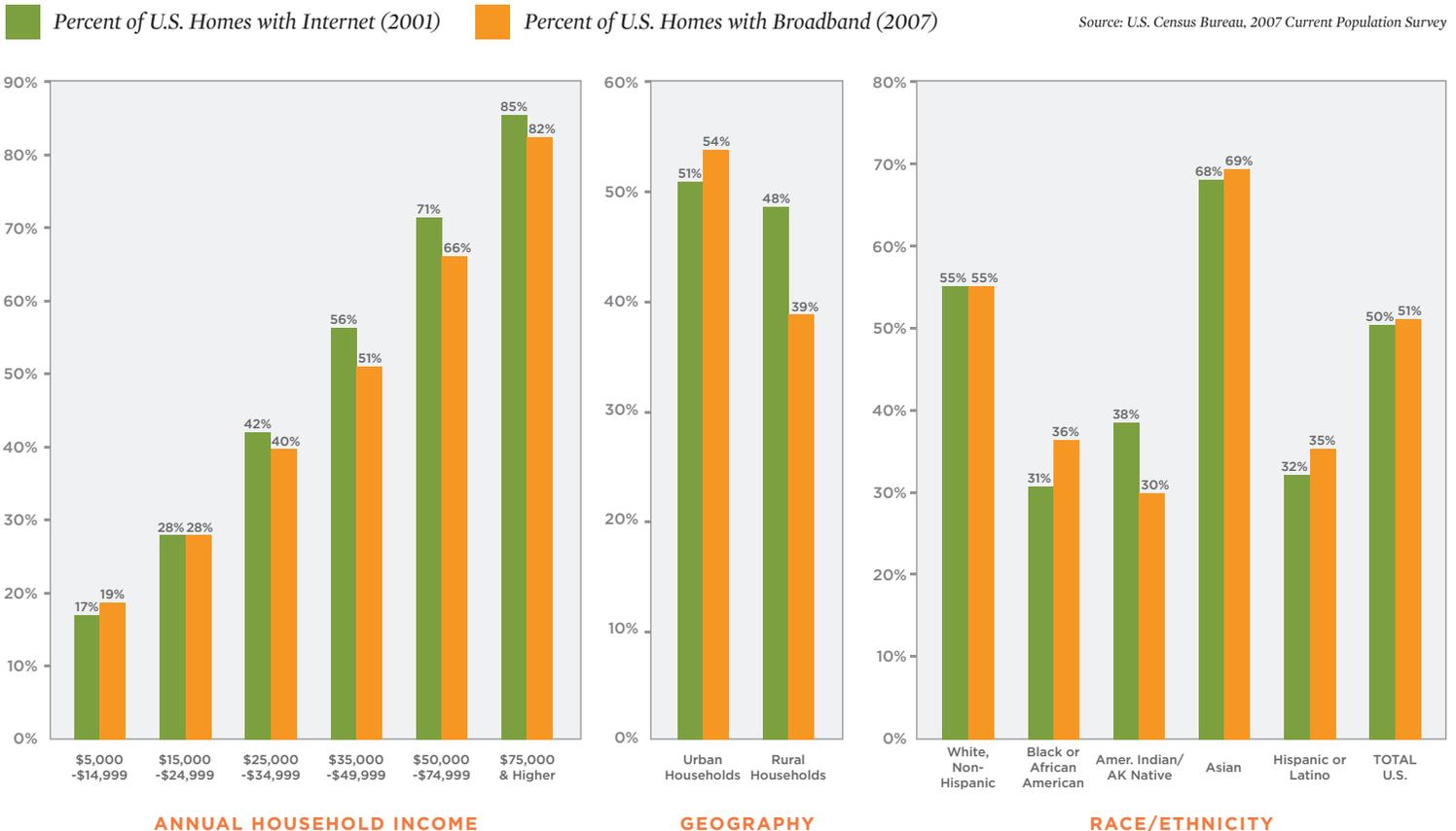
The digital divide has three basic dimensions:

**ECONOMIC:** The transition from a competitive, inexpensive dial-up market to a much less competitive and more costly broadband market has only exacerbated the economic digital divide. Only 35 percent of households with annual incomes under \$50,000 (approximately half of the country) have broadband—while 76 percent of households with higher annual incomes are connected.

**GEOGRAPHIC:** Rural America is not sharing in the benefits of broadband. Only 39 percent of rural households subscribe to broadband, and nearly 10 million rural households are in areas not served by *any* broadband provider.

**RACIAL/ETHNIC:** While 55 percent of non-Hispanic white households have broadband, only 40 percent of the rest of the country’s homes subscribe. This disparity is essentially unchanged from the dial-up era.

Figure 1: The Digital Divide



## THE BROADBAND DECLINE THREATENS AMERICA'S GLOBAL ECONOMIC LEADERSHIP

The United States is the birthplace of the Internet and home to most of the companies that are making the greatest innovations utilizing broadband technology. Americans are tech-savvy, rapidly adapting to technological change and weaving digital communications into nearly every facet of their daily lives.

Numerous studies of “digital readiness” also show that America is a global leader in the ability to make productive use of information and communications technologies.

But despite America's readiness and willingness to make use of advanced communications technologies, we are falling behind the rest of the world. In 2001, America stood near the top of global rankings of broadband adoption; a few short years later, we have been leapfrogged by our European and Asian competitors (see Figure 2).

Broadband adoption isn't the only statistic that matters. Maybe more important is whether high-speed Internet services are of high quality and value. Unfortunately, *we are doing even worse* when it comes to price and speed. The average broadband offering in Japan is 10 times faster than the average service available to U.S. consumers—at half of the cost (see Figure 3).

**Figure 2: The U.S. Broadband Decline**

Change in Broadband Penetration Rankings 2001-2007

RANK	2001	2007
1	South Korea	Denmark
2	Canada	Netherlands
3	Sweden	Iceland
4	▶ United States	Norway
5	Belgium	Switzerland
6	Denmark	Finland
7	Netherlands	South Korea
8	Iceland	Sweden
9	Austria	Luxembourg
10	Germany	Canada
11	Japan	United Kingdom
12	Switzerland	Belgium
13	Norway	France
14	Finland	Germany
15	Spain	▶ United States

Source: OECD Broadband Statistics as of December 2001; 2007

**Figure 3: The United States Broadband Market—Price and Speed**

Broadband is far more expensive in the United States

RANK	COUNTRY	Avg. Monthly Subscription Price (USD, PPP)
1	Finland	\$31.18
2	Germany	\$32.22
3	Switzerland	\$32.69
4	United Kingdom	\$33.34
5	Sweden	\$34.00
6	Japan	\$34.21
7	Denmark	\$34.34
8	France	\$36.70
9	Netherlands	\$39.06
10	Ireland	\$40.41
11	Korea	\$40.65
12	Italy	\$41.09
13	Greece	\$41.77
14	Belgium	\$46.08
15	New Zealand	\$48.66
16	Turkey	\$50.04
17	Austria	\$50.08
18	Luxembourg	\$50.84
19	Canada	\$51.07
20	Australia	\$52.26
21	Portugal	\$52.61
22	▶ United States	\$53.06
23	Norway	\$55.74
24	Poland	\$56.57
25	Hungary	\$57.22

Broadband is slow in the United States

RANK	COUNTRY	Avg. Advertised Broadband Download Speeds (Mbps)
1	Japan	93.7
2	France	44.2
3	Korea	43.3
4	Sweden	21.4
5	New Zealand	13.6
6	Italy	13.1
7	Finland	13.0
8	Portugal	13.0
9	Australia	12.1
10	Norway	11.8
11	Luxembourg	10.7
12	United Kingdom	10.6
13	Germany	9.2
14	▶ United States	8.9
15	Canada	7.8
16	Spain	6.9
17	Greece	6.6
18	Hungary	6.4
19	Belgium	6.3
20	Czech Republic	6.0
21	Denmark	6.0
22	Switzerland	5.5
23	Netherlands	5.3
24	Slovak Republic	5.2
25	Austria	4.9

Source: OECD Broadband Statistics as of December 2007



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## **OUR GOAL: A FAST, AFFORDABLE, OPEN INTERNET FOR EVERYONE**

There is no single answer to closing the digital divide or reversing America's technological decline. We must focus not only on increasing broadband deployment, but also on increasing broadband demand.

Putting America back on top and bringing open, high-quality broadband connections into every home at an affordable price will

require innovative solutions. It will also require input from federal, state and local governments, businesses large and small, nonprofit organizations and public advocates, civic groups, churches and schools. **Everyone** must play a role.

**InternetforEveryone.org** is an unprecedented initiative bringing together the users, content

creators and innovators who power the Internet. The goal of our work is to see that every American gets connected to a fast, affordable and open Internet. This effort will organize popular support, economic clout and political momentum behind a comprehensive national broadband plan that restores America's international standing and delivers the benefits of broadband to all Americans.

### **InternetforEveryone.org is united by four basic principles:**

#### **1. ACCESS**

Every home and business in America must have access to a high-speed, world class communications infrastructure.

#### **2. CHOICE**

Every consumer must enjoy real competition in online content as well as between high-speed Internet providers to achieve lower prices and higher speeds.

#### **3. OPENNESS**

Every Internet user should have the right to freedom of speech and commerce online in an open market without gatekeepers or discrimination.

#### **4. INNOVATION**

The Internet should continue to create good jobs, foster entrepreneurship, spread new ideas and serve as a leading engine of economic growth.