

Testimony of Joi Olivia Chaney

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**Committee on Energy and Commerce, Subcommittee on Communications and Technology
“Broadband Equity: Addressing Disparities in Access and Affordability.”**

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Chair Pallone, Ranking Member Lata, Committee Chairman Doyle, and Members of the Subcommittee on Communications and Technology, thank you for the opportunity to present the views of the National Urban League in today’s hearing. My name is Joi Chaney, and I serve as Senior Vice President of Policy and Advocacy and Executive Director of the Washington Bureau for the National Urban League. I bring you greetings on behalf of Marc Morial, our President and CEO, who regrets that he is unable to join us today.

The National Urban League is an historic civil rights organization dedicated to providing economic empowerment, educational opportunities and the guarantee of civil rights for the underserved in America. Founded in 1910 and headquartered in New York City, the National Urban League has 90 affiliates serving 300 communities in 37 states and the District of Columbia, providing direct services that impact and improve the lives of more than two million people nationwide.

I am honored to testify today about one of the most serious issues facing our nation and the Urban League movement: The digital and broadband divide. Rarely does an issue have implications across so many indicia of equity, including racial justice, economic opportunity, health care, education, and workforce development.

The National Urban League sounded an early alarm on the dangers of the digital divide. Our 2018 State of Black America Report was dedicated to the digital divide and launched the Digital Inclusion Index. The index provided evidence that the new job, business and educational opportunities created by increased digitization of our world were not being equally shared. However, despite that evidence and those warnings, government actions to address the divide have been at best modest and sporadic.

Prior to the COVID-19 pandemic, many individuals, families, and children relied on their schools, places of work, and other public “third” spaces like libraries, churches, internet cafes and coffee shops to connect to the internet because they did not have a broadband internet connection in the home--with a disproportionate number of these Americans being from communities of color or low-income communities. According to the US Census, about 60 percent of Black households

and 64 percent of Latinx households have broadband at home compared to 72 percent of White households. Only 54 percent of households earning \$50,000 or less have broadband in the home compared to 84 percent of households earning \$75,000 or more.

When the COVID-19 pandemic hit, access to those public places disappeared and with it, so did the access to a reliable broadband internet connection for millions. Now, as the COVID-19 pandemic has accelerated our society toward a “remote everything” lifestyle, the costs of exclusion are growing even larger, further exacerbating the divide between those who have a home broadband connection and those who do not.

Recognizing that America needed a comprehensive plan to address this chronic issue, over the last year, the National Urban League developed the Lewis Latimer Plan for Digital Equity and Inclusion. This Plan was born of Urban League’s recognition of three facts:

1. The digital divide, a problem that has stymied technology policy-makers for decades is a bigger problem today than it has been at any point in our history;
2. The divide persists and is amplified by the confluence of several compounding crises (i.e., the COVID-19 public health crisis, the economic crisis triggered by the pandemic and decades of inequality, the social justice crisis sparked by the murder of George Floyd and countless other people of color at the hands of police, and the political crisis nurtured by decades of deepening partisanship); and
3. The divide is most severe in low-income communities and communities of color.

In acknowledging the issues our country is currently facing, the need for policymakers to act has become even more urgent, prompting us to pose the following question: How can the tools of the information economy be employed to create a more equitable and inclusive society?

The answer lies in accomplishing four big, but achievable, goals:

- Deploying networks everywhere.
- Getting everyone connected.
- Using the networks to improve how we deliver essential services, in particular in workforce development, health care and education.
- Creating new economic opportunities to participate in the growth of the digital economy.

To achieve these goals, the Latimer Plan provides a detailed and comprehensive agenda to erase several persistent and dangerous gaps.

The first gap the Plan addresses is the availability gap between those who have access to broadband networks where they live and those who do not. For millions of American homes,

businesses and other enterprises, there is no available broadband network capable of allowing them to participate fully in 21st century life. This is generally a rural problem, where higher capital costs are required to reach fewer customers. In sparsely populated areas of the country, private capital alone is unable to economically justify the investment required to build high-speed broadband infrastructure. Further, the current system of subsidizing high-cost deployments is under significant stress, unable to fund the necessary build-out for many years, if not decades.

This is why the National Urban League applauds efforts made by the Biden Administration with the *American Jobs Plan*, as well as members of the Energy and Commerce Committee with the *Leading Infrastructure For Tomorrow's America Act* -- the *LIFT America Act* and the many bills that are contained within it. This includes the *Accessible, Affordable Internet for All Act*, the *Digital Equity Act*, the *Community Broadband Act*, the *Broadband Infrastructure Finance and Innovation Act*, the *Connect America Act*, and more. These bills that support historic generational investments and innovations to close the digital divide and in particular the broadband divide.

As these bills make their way through Congress, however, we charge you with embracing the scope of the Latimer Plan by addressing the full set of gaps contributing to the digital divide. Only then will you meet the needs of the nation, especially for communities of color and communities earning lower incomes. More directly, this means that our investments must not only solve for the deployment or availability gap, but they must also solve for the adoption gap, the utilization gap, *and* the economic opportunity gap to truly achieve digital equity. And digital equity is what this moment in our nation calls for.

Even among those Americans for whom a broadband network is available, there are still tens of millions who have not adopted broadband in their homes. In terms of the number of Americans affected, the adoption gap is approximately three times larger than the availability gap. There are two principal causes of the adoption gap: (1) lack of affordability and (2) lack of digital readiness.

Today, there are 93 million Americans who do not subscribe to broadband. Our data shows that between 69 million and 78 million of those do not subscribe for reasons other than lack of availability. There have been extensive surveys of the unconnected that have asked why they do not have broadband. For instance, Pew Research Center recently found that:

- Unaffordability is the single largest reason that Americans do not subscribe to broadband with 50% of non-subscribers citing service unaffordability and 31% citing computer unaffordability vs 22% citing unavailability or insufficient service; and
- 27% say unaffordability of service (21%) or a computer (6%) is the #1 reason for not subscribing vs. 7% for unavailable or insufficient service.

As such, it does not help much to have lightning-fast broadband at your front door, if you cannot afford to subscribe to it.

This is why we are so supportive of the Emergency Broadband Benefit. It addresses affordability, but our goal is not to return to pre-pandemic inequity once the emergency is over. We need a sustainable solution to ensure Americans can afford quality broadband long-term.

Now there are some who believe greater deployment alone can close both availability and adoption gaps through competition that will drive down prices. While we would love this to be true, the data we have seen does not support this or is uneven at best. Moreover, where competition had some benefit, it had little impact on low-income adoption. Thus, while we believe that competition is good, and we want to encourage it, we also believe that competition alone will not solve the broadband affordability problem for families earning the lowest incomes. For tens of millions, paying for broadband at almost any price is unaffordable.

Moreover, we do not want the fellow members of the beloved community we call America to fall further behind while we wait -- perhaps in vain -- for prices to fall. We also do not want to squander the moment and fall into the old traps of solving for one community's problem, while leaving another community behind. Especially, when the differences fall along racial, ethnic and socio-economic lines. We do not want to leave anyone behind as we recover from the pandemic and step into the next chapter of our nation's history.

We need to fund programs that will provide long-term, sustainable support for the poorest Americans. Any such broadband benefit program should also set minimum service standards that will regularly be re-evaluated and adjusted to remain current. And to fund this, we know that the costs can not only fall on the American taxpayer. We need appropriations especially in the beginning so that the neediest in our society won't have to wait, but we also need industry to put skin in the game. One idea is a Digital Equity Fund that could be the repository of contributions, including from spectrum auction proceeds. We also need to ensure even greater accountability with respect to internet service providers. A generational investment from public and private actors working together is what is required to close the digital divide.

Another significant barrier to broadband adoption is the lack of digital readiness. Digital readiness refers to the skills and equipment needed to effectively use information and communications technology to find, evaluate, create, and communicate online. The lack of such skills is a significant barrier for certain demographic groups, hindering their ability to adopt and fully utilize broadband at home. As such, we need to invest in training and outreach in non-adopting communities, including through a digital navigator corp and creating an Office of Digital Equity at the Department of Commerce.

In addition to the availability and adoption gaps, there is another, less obvious gap that is increasingly relevant to how we use the tools of the information age to create a more equitable and inclusive economy and society. That is the utilization gap, which is the difference between

how our communications networks are being used today and how they could be used to improve outcomes across industries.

Many commentators have noted that government services have not digitized fast enough and that government service providers have not taken full advantage of the availability of broadband to improve customer service, capacity, resiliency, adaptability, transparency, or security. The COVID-19 crisis has not only brought the availability, adoption, and affordability gaps to the forefront, it has also demonstrated that, despite the capacity and capability of our networks, we are suffering from a utilization diffusion lag, similar to that which accompanied electrification in the 1900s. Learnings from this unprecedented experience, however, could illuminate a better path forward. As the Washington Post noted, in praising the Latimer Plan's discussion of the utilization gap, "Treating broadband as infrastructure is the right approach, yet for the investment to pay off, we must build more than wires."

Lastly, while we are focused on ensuring all Americans have the tools and skills to participate fully in 21st century society and the digital economy, we also want to close gaps that limit opportunities to participate meaningfully and to create value in the tech industry as broadband and broadband-enabled enterprises continue to innovate, grow, and prosper. The Latimer Plan identifies this as the access to economic opportunity gap. This is the gap between how different communities have access to opportunities for wealth generation created by broadband and digital technologies.

Early tech optimists touted the rise of the internet as having the potential to be the great equalizer of society. Instead, it has exacerbated the historic divisions between the haves and have nots, leaving minority communities with fewer avenues to participate and develop economic opportunities in the Internet economy. The National Urban League's 2018 State of Black America Report found that of almost forty thousand employees working for just four major Silicon Valley technology companies, fewer than one thousand were Black American. Latinx employees are similarly underrepresented. As the technology sector has increased in size and profitability, Black and Latinx entrepreneurs have continued to be left behind.

Technology cannot be the great equalizer, however, if opportunities for wealth accumulation are not equitably distributed throughout society. We must ensure that job opportunities are available for the country's growing Black and Latinx communities at every level in technology and technology-related industries. Entrepreneurs of color deserve a place in the governance of these companies. They should have equal access as vendors and collaborators in the building and utilization of new digital infrastructures and the prolific wealth creating ecosystem that controls it.

Closing the digital divide is not only the right thing to do for the American people, it is the economically smart thing to do for the American economy. Demanding broadband access is really about demanding inclusion and enabling all Americans to participate in modern society. Whether in rural or urban communities, much of American life requires quality, fast, reliable, and secure internet on demand. You cannot adequately keep up in school without it, you cannot communicate with financial institutions without it, you cannot compete in business without it, you cannot receive job training or even apply for a job without it, you cannot converse easily for government services without it, including registering to get COVID-19 vaccine, and you cannot connect with loved ones and the broader community without it.

This need has only grown during the pandemic and is likely to continue to grow at the speed of innovation. In health care alone, the use of telemedicine has expanded exponentially. Healthcare providers are seeing 50 to 175 times more patients using telehealth than they did immediately before the pandemic. And telehealth has untold promise for shrinking the health disparities we saw exacerbated during the pandemic and enabling Americans to seek preventative care. This is especially true for people who cannot easily make appointments due to work or care responsibilities or have transportation limitations or those who face language barriers. Thus, access to broadband is not only a quality of life matter, it may be a matter of life or death.

The National Urban League therefore urges Congress to aggressively and comprehensively address the digital divide issues identified in the Lewis Latimer Plan and to consider our recommendations for solving those issues, beginning with a sustainable, long-term or permanent broadband benefit. Thank you for the opportunity to testify and I look forward to answering any questions.