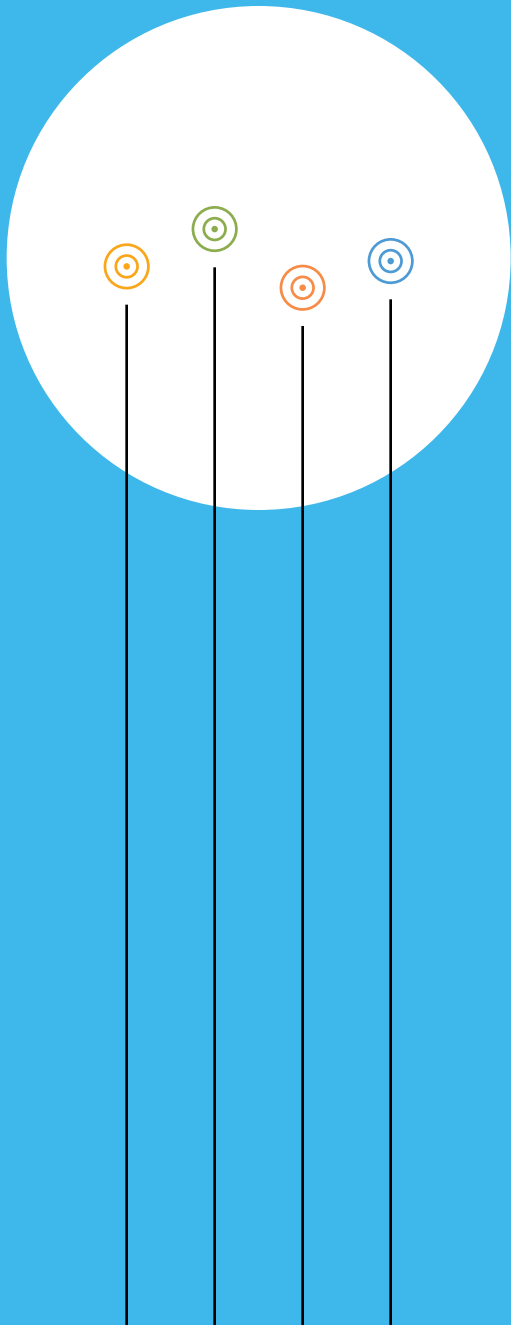


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InternetforEveryone.org

TOWN HALL MEETING

Help Define the Future of America's Internet

DISCUSSION GUIDE • LOS ANGELES • DECEMBER 6, 2008



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WHO WE ARE

InternetforEveryone.org is a national initiative of public interest, civic and industry groups that are working to bring the benefits of a fast, affordable and open Internet connection to everyone in America.

As the Internet has become a critical part of our daily lives, it is clear that everyone in America must have access to play a part in our economy and democracy. High-speed Internet, or “broadband,” is no longer a luxury; it’s a lifeline to contemporary society. Our broad alliance is working together with citizens across the country and national leaders to create a plan to bring a high-speed Internet connection into every home and business, at a price all of us can afford.

One Nation, Online

WHY INTERNETFOREVERYONE.ORG?

America is the birthplace of the Internet and home to many of its greatest ideas and innovators. But since high-speed Internet access became available, we have failed to deliver its benefits to everyone. As a result, millions in the United States still stand on the wrong side of the “digital divide,” at an enormous cost to all of us.

The United States has fallen to 22nd in the world today in terms of high-speed Internet adoption.¹ American consumers face high prices and few choices. Countries in Asia and Europe are far closer to achieving the goals of universal, affordable access and real competition. Bringing the country’s high-speed Internet services to a competitive level with our overseas counterparts would translate into millions of new jobs and hundreds of billions of dollars in increased economic activity for the United States.

The United States’ digital decline is a national problem that must be faced by our new leadership in Washington. Putting America back on top and bringing open, high-quality, affordable Internet connections into every home and business will require a comprehensive and innovative approach. It will require input from federal, state and local governments, businesses large and small, nonprofit organizations and public advocates, civic groups, churches and schools. InternetforEveryone.org is ensuring that everyone can play a role.

WHY ARE WE COMING TOGETHER?

Strengthening America’s Internet infrastructure is crucial to our future success as a nation. Everyone stands to benefit from a better Internet, and the American public must become a part of the conversation.

As new leadership in Washington considers its agenda for the future, they need to hear from all of us about the pressing need for a better, more accessible, open and affordable Internet.

WHAT WILL WE TALK ABOUT?

We’ll be looking at what kind of Internet we want and how we can all share in its benefits. Some of the questions we will focus on:

- How do we ensure Internet services for everyone in America?
- How do we expand consumer choice and lower costs for Internet services?
- How can the Internet be a catalyst for economic growth, jobs and prosperity?
- How do we preserve the Internet’s level playing field so everyone can access the content, applications and services of their choice?
- What roles should be played by the federal government, local governments, private industry, and everyday citizens to build a better Internet?

WHAT IS MY ROLE?

The American people know better than anyone else what changes are needed to improve the Internet in this country. You don’t need to be an expert to take part in this conversation. Bring your own experience and concerns and express them to others at your table. A facilitator will help collect your ideas, which will then be shared with the larger group. You’ll have a wireless keypad for voting on your preferred ideas throughout the day.

WHAT WILL HAPPEN AFTER TODAY?

InternetforEveryone.org is convening town hall meetings across the country to help formulate a public framework for a national broadband plan. This framework will be built on the public feedback collected from your meeting and other meetings, and via an online forum — The Digital Town Hall at www.InternetforEveryone.org/townhall. This plan will be delivered to the Obama administration and congressional leaders in Washington as a people-powered guide to building a better Internet in America. Our goal is not only to convey a public vision, but to promote a tangible plan of action.

¹ International Telecommunications Union.
<http://www.itu.int/ITU-D/ict/e/Indicators/Indicators.aspx#>

Introduction

THE INTERNET IN AMERICA — CHALLENGES AND OPPORTUNITIES

Right now, the United States lacks a national broadband plan. With new leadership in Washington, we have the opportunity to create a national initiative that will restore America's global leadership in the information economy.

High-speed Internet is one of the most transformative technologies in human history. In little more than a decade, broadband access has completely changed how we do business, engage with our government, teach our children and interact with one another and the rest of the world.

Having a connection to a fast and affordable Internet is no longer a luxury — it's a public necessity.

But America is suffering from a “digital divide,” and its dimensions are largely defined by class, location, race and ethnicity.

→ Income is key to determining who has broadband access. Only 35 percent of homes with less than \$50,000 in annual income have broadband, while 76 percent of homes earning more than \$50,000 per year are connected.²

→ Rural areas are being overlooked. 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 one provider for high-speed Internet service.³

→ Broadband's promise is not being realized equally across all racial and ethnic groups. Only 40 percent of ethnic minority households subscribe to broadband, while 55 percent of non-Hispanic white households are connected.⁴

These are big challenges. So how do we address them? We need to start by bringing everyone in the country together so we can work to solve the common problems we face as a nation.

This is not merely a matter of national pride. We're talking about serious money, the creation of good jobs, and a life-or-death situation for economically depressed regions of the country.

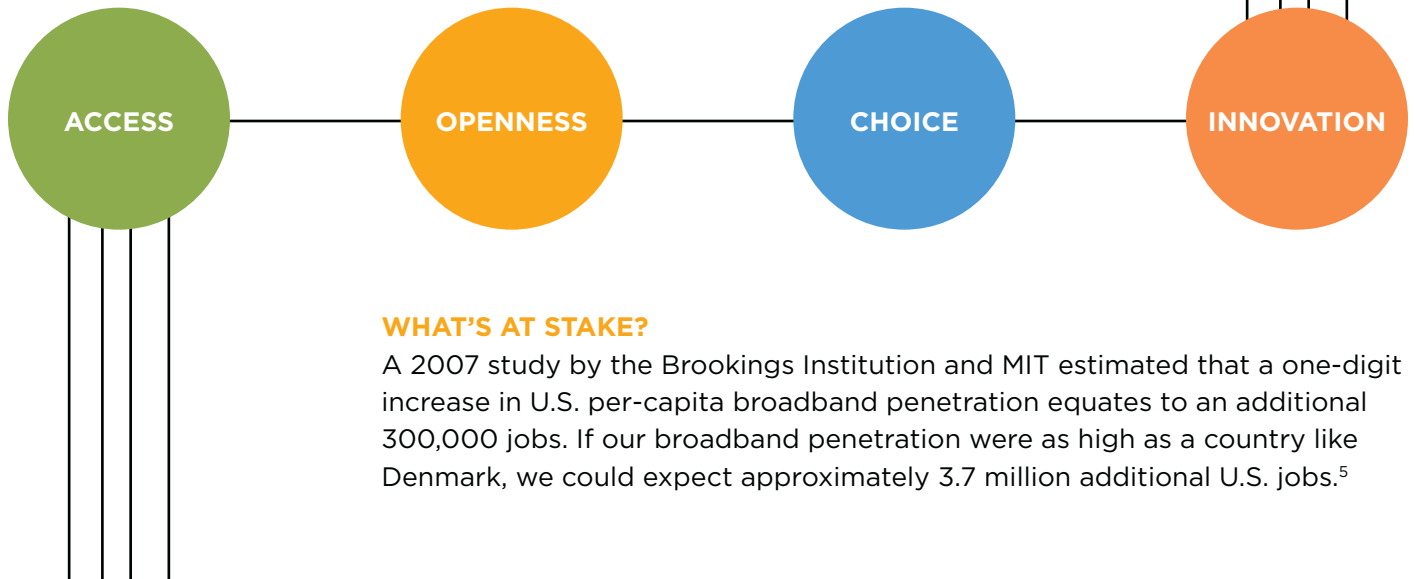
² U.S. Census Bureau, 2007 Current Population Survey

³ Ibid.

⁴ Ibid.

THE FOUR PRINCIPLES

The diverse coalition of public- and private-sector groups that make up the InternetforEveryone.org initiative has identified four guiding principles to underpin any effort to get America's digital future back on track:



WHAT'S AT STAKE?

A 2007 study by the Brookings Institution and MIT estimated that a one-digit increase in U.S. per-capita broadband penetration equates to an additional 300,000 jobs. If our broadband penetration were as high as a country like Denmark, we could expect approximately 3.7 million additional U.S. jobs.⁵

Glossary of Terms

Broadband: High-speed Internet services that can transmit video, audio and other rich media to and from users. DSL, cable, fiber and wireless networks are considered broadband services.

Dial-up: Internet access through telephone lines. The user's computer uses a modem connected to a telephone line to dial into an Internet service and establish a link. Dial-up Internet connections are too slow to be considered broadband.

DSL: A high-speed Internet connection that uses the wires of a local telephone network. An acronym for "digital subscriber loop," DSL can be used at the same time and on the same telephone line as regular telephone voice services.

Cable: A form of high-speed Internet access that uses cable television infrastructure. Internet services are layered on top of existing cable

connections, just as DSL uses existing telephone networks. Cable networks and telephone networks are the two predominant forms of high-speed residential Internet access in the United States.

Fiber: A glass or plastic fiber that can transmit high-speed Internet signals over longer distances and at higher data rates than other available broadband services. While fiber Internet connections are faster than most other broadband services, the infrastructure is expensive to build. At present, only 1 percent of U.S. Internet users connect via a fiber network.

Wireless: Internet services that utilize public airwaves to transmit high-speed Internet signals. Wireless networks can deliver Internet services to people using mobile devices and portable laptops as well as those living in remote regions beyond the reach of land-based or "wired" networks.

⁵ Robert Crandall, William Lehr and Robert Litan, The Effects of Broadband Deployment on Output and Employment: A Cross-sectional Analysis of U.S. Data, June 2007. Available at <http://www.brookings.edu/views/papers/crandall/200706litan.htm>.



PRINCIPLE 1

Access

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

Millions of Americans use the Internet on a regular basis for work or school, to stay in touch with friends, and to shop or find information. But approximately 40 percent of all U.S. homes are not connected to the Internet or use slow “dial-up” technology.

As people become more familiar with high-speed Internet’s capabilities (to do things like watch video, listen to music or share photographs), the technology we use needs to keep up. Broadband has already replaced dial-up Internet access as the “essential” technology. But this new technological demand has not closed the digital divide; it has only transformed it into a more challenging problem.

UNEQUAL ACCESS

Broadband in America today is not equally accessible. Broadband subscribers are largely middle- or upper-class and living in urban or suburban areas. Poorer communities and communities of color as well as communities in rural settings have been largely left off the grid.

One of the main problems faced by those on the wrong side of the digital divide is the

difficulty of participating in civic affairs. Where political discussions and decisions increasingly occur via the Web, there is significant risk that groups without adequate access will be under-represented in our democracy.

WHY INVEST IN ACCESS?

Laying a nationwide network for high-speed Internet access is estimated to cost tens of billions of dollars at the very least.⁶ As our resources are limited in the current economic crisis, our leaders need to carefully weigh the value of equal Internet access against other demands.

Funding for improved Internet access is a necessary investment in America’s future, if we hope to improve our economic, educational and health care systems and keep the United States competitive globally. Recent studies demonstrate that improving infrastructure generates more jobs, greater business investment, and higher tax revenues. The long-term economic benefits of better Internet infrastructure could justify the investment today.⁷

⁶ Michael Kende’s slides for analysis, delivered at Columbia University’s “The State of Telecom” conference, October 19, 2007, <http://www4.gsb.columbia.edu/citi/events/eventarchive/stateoftelecom2>; and Stephanie N. Mehta, “Verizon’s Big Bet on Fiber Optics,” February 22, 2007, *Fortune*, http://money.cnn.com/magazines/fortune/fortune_archive/2007/03/05/8401289/.

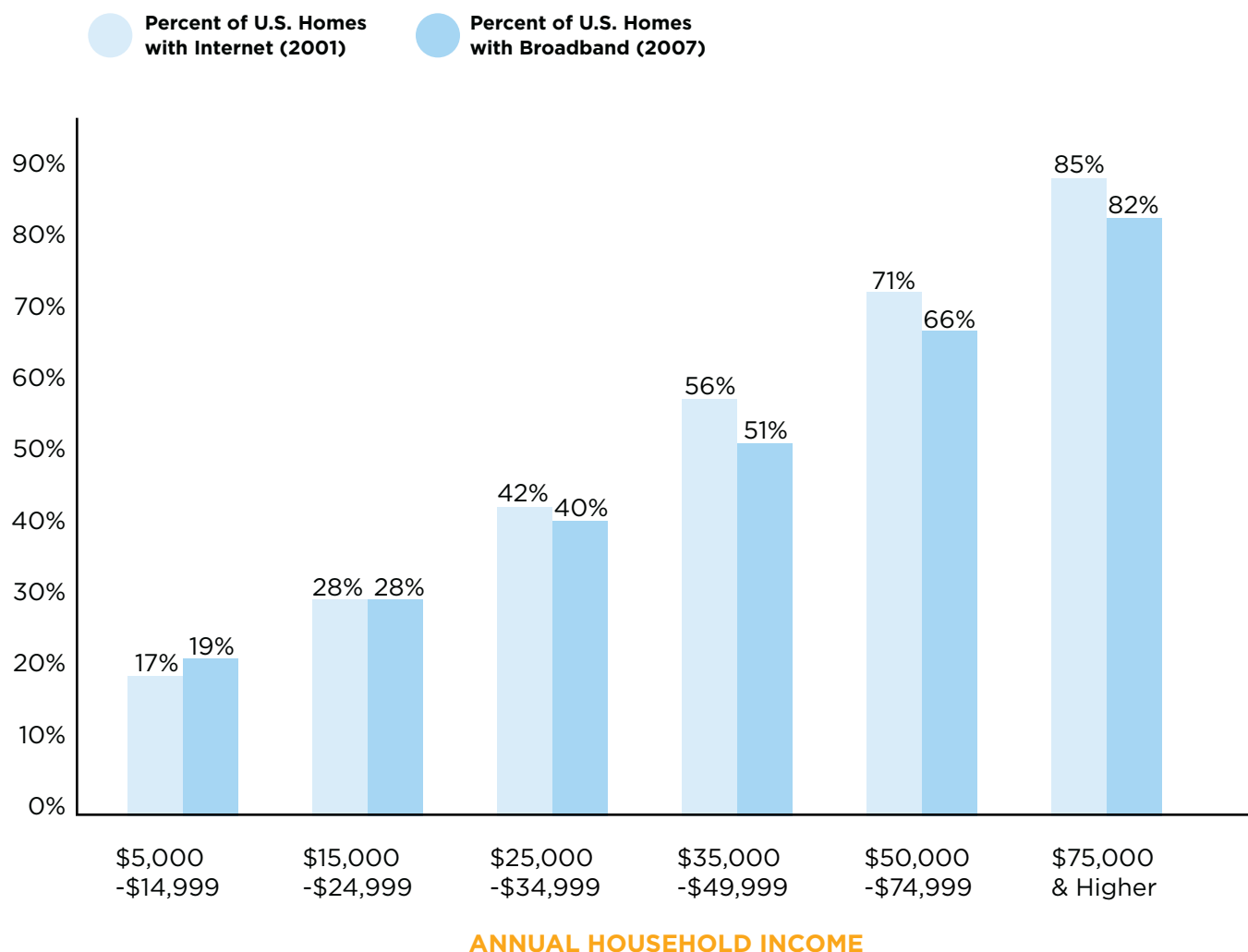
⁷ “A \$376 Billion Opportunity for California,” in CENIC and Gartner, One Gigabit or Bust Initiative, http://www.cenic.org/publications/archives/glossies/Gartner_Full.pdf

Options for Better Access

Private Industry. Internet companies have invested billions of dollars in building out new broadband networks into areas where they perceive healthy market demand. They usually seek regulatory accommodations such as tax incentives from local, state and federal government to connect lower-income or rural communities.

Federal Government. Over the past century, bringing electrical and telephone services to rural areas and building the Interstate highway system all required substantial U.S. government subsidies. Government funding has proven to be successful in Canada, England, Japan, South Korea and other developed countries that have adopted broadband access plans. The United States could also consider adopting the type of matching-grant program used in Canada, where the federal government, the province and the network owner each contribute one-third of the funding for every broadband construction project.

Local Communities. Recently, towns and cities have experimented with municipal broadband networks, deploying wireless or fiber networks and other infrastructure to provide Internet access. Cities and communities have also struck agreements with commercial providers to guarantee that they wire low-income neighborhoods, schools, libraries and community centers in exchange for access to streets and power lines.



Source: U.S. Census Bureau, 2007 Current Population Survey

Openness

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

Openness is the defining characteristic of the Internet. A high-speed connection is useful only if you can connect to everyone else online. This openness principle was built into the basic architecture of the Internet — leaving ultimate control over your Internet experience with you, the user.

However, there is currently no federal requirement to provide consumers with access to all the legal Internet services, applications and content they need and want.

MANAGING THE NETWORK

Some network operators are considering charging extra money depending on where you want to go and what you want to do online. Others are considering using technology that would sift through and filter the content that you share with others online.

Internet providers say they need to be able to better manage content in order to contend with increasing consumer demands for high-speed access. They also have spoken of the need to generate more income and new markets by creating new tolls on the information superhighway

— whereby some content providers or makers would have the option of purchasing speedier and better quality service.

LEGAL PROTECTIONS?

The result of these practices could lead to an Internet where control over information shifts from you — the user — toward the company that provides the connection.

This shift would be a fundamental change in the architecture of the Internet. The founding idea of the Internet was that every site should be accessible without discrimination. That's how bloggers can compete with CNN or *USA Today* for readers. That's how up-and-coming musicians can build underground audiences before they get their first mainstream hit. Ideas on the Web rise and fall on their own merits.

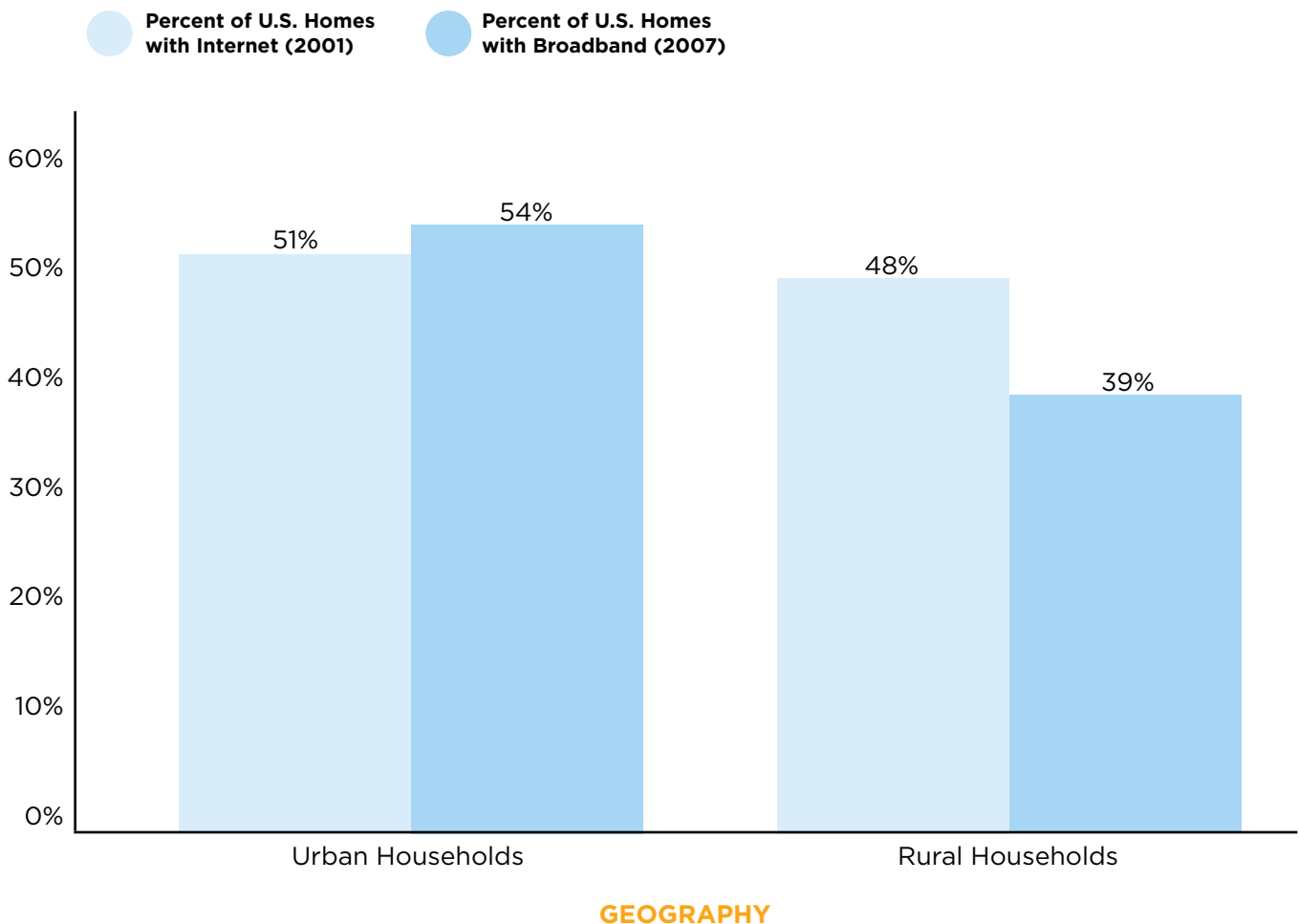
The question comes down to whether the ideal of openness requires a legal guarantee — and what kind. The network operators fear that too many openness requirements will inhibit their ability to innovate. But discrimination endangers the open and level playing field that has made the Internet so democratic.

Options for Openness

Private Industry. With increased user demand for broadband services, Internet service providers say they need more leeway in managing the flow of information on the Web and are experimenting with technology that allows them to filter, place quantity limits on and even block content. Providers have pledged not to block customer access to applications and content on the Web, but their customer service agreements still give them the right to cut off any user's Internet connection without explanation.

Federal Government. The Federal Communications Commission has a "Broadband Policy Statement" that guarantees consumers the right to access the content and applications of their choice. The federal agency recently used this statement to sanction a cable company that was blocking customers' access to certain high-speed Internet applications. Many are calling upon Congress to pass stronger laws to safeguard consumers and protect against gatekeepers. Others fear that such laws would inhibit providers' ability to manage their networks.

Local Communities. Many local governments and community groups have sought to build high-speed Internet networks with openness guarantees. Local governments and communities can also ask for openness guarantees when striking agreements with providers that need to access public land to build out commercial networks.



Source: U.S. Census Bureau, 2007 Current Population Survey

Choice

Every Internet user must enjoy real choice in online content as well as among high-speed Internet providers to achieve lower prices and faster speeds.

The United States has fallen behind other developed nations when it comes to broadband speeds and prices. A substantial part of the problem is the lack of competition among broadband providers in local markets.

HOW WE'RE GETTING THE INTERNET

There are 11 major Internet service providers in America (companies with more than a million customers), and more than 15,000 smaller providers.⁸ But those numbers can be deceiving. Most communities that have high-speed Internet access are only served by one cable company and one telephone company.

A significant number of rural and low-income communities lack any broadband options. And alternatives to phone and cable, like wireless Internet and broadband transmitted over power lines, still fail to offer viable competition due to technical challenges and limited infrastructure access.⁹

BUILDING BLOCKS OF CHOICE

With few real choices, Americans are left paying much more for Internet connections that are much

slower than what's available to consumers in Western Europe and Asia. To solve this problem, we need to take an honest look at the lack of choice among Internet service providers and encourage more competition among providers and more options for users.

Getting more "last mile" Internet service to homes requires access to public infrastructure such as airwaves, telephone poles and sidewalks. Some argue that we should make more network infrastructure available on a "wholesale" or "open access" basis, opening up resources such as the airwaves to more competitors.

Federal funds and policies that foster competition can spark the creation of more local networks. This may include encouraging the development of "Community Internet" systems by cities, public-private partnerships and local groups. The promotion of bigger, better commercial wireless networks as a competitor to phone and cable services is another option. This would be done by opening up more of the public airwaves to new wireless providers.

⁸ Alex Goldman. "Top US ISPs by Subscriber," ISP-Planet. August 29, 2008. <http://www.isp-planet.com/research/rankings/usa.html>. See also: "Internet Service Providers ISPs in North America: Bethesda List Center. <http://www.bethesda-list.com/datacards/InternetServiceProvidersISPsInNorthAmerica-listrental.htm>.

⁹ S. Derek Turner. "Broadband Reality Check II," Free Press. August 2006: <http://www.freepress.net/files/bbrc2-final.pdf>

Options for Better Choice

Private Industry. Technological developments have created new means to deliver high-speed Internet services. But new businesses seek policies that lower barriers to entry, so they can compete with the dominant players and give people more choices. Examples include advances in wireless networks and new handheld mobile devices.

Federal Government. Governments can play a role in lowering barriers to entry to the marketplace by opening up more public assets — such as the airwaves — for new Internet services. They can also redistribute financial resources — such as the Universal Service Fund — for companies connecting rural customers. Other options include advancing open access conditions and providing tax incentives for companies seeking to compete with the “incumbent” phone and cable providers.

Local Communities. In the absence of competitive market choices, hundreds of communities have invested in broadband infrastructure to solve their problems themselves. Public ownership of local networks — both wired and wireless — allows communities to offer an affordable alternative to profit-driven commercial providers.

GLOSSARY OF TERMS

Open Access: Under open access, a network owner or manager would make network access available without discrimination at a “wholesale” cost to customers and other service providers. Open access requirements helped foster competition in dial-up Internet and long-distance telephone service, but they have yet to be applied widely to broadband.

Community Internet: Community Internet networks are locally based Internet services. New wireless and wired technologies have allowed hundreds of local governments, public-private partnerships, schools and community groups to offer low-cost, cheap and reliable Internet services as an alternative to commercial phone and cable services.

Public Airwaves: Portions of the electromagnetic spectrum that are commonly used to transport information — such as television, radio, cell phone and Internet signals. In the United States, access to the public airwaves for these purposes is managed by the federal government.

The United States Broadband Market—Price and Speed

BROADBAND IS FAR MORE EXPENSIVE IN THE UNITED STATES			BROADBAND IS SLOW IN THE UNITED STATES		
Rank	Country	Avg. Monthly Subscription Price (USD, PPP)	Rank	Country	Avg. Advertised Broadband Download Speeds (Mbps)
1	Finland	\$31.18	1	Japan	93.7
2	Germany	\$32.22	2	France	44.2
3	Switzerland	\$32.69	3	Korea	43.3
4	United Kingdom	\$33.34	4	Sweden	21.4
5	Sweden	\$34.00	5	New Zealand	13.6
6	Japan	\$34.21	6	Italy	13.1
7	Denmark	\$34.34	7	Finland	13.0
8	France	\$36.70	8	Portugal	13.0
9	Netherlands	\$39.06	9	Australia	12.1
10	Ireland	\$40.41	10	Norway	11.8
11	Korea	\$40.65	11	Luxembourg	10.7
12	Italy	\$41.09	12	United Kingdom	10.6
13	Greece	\$41.77	13	Germany	9.2
14	Belgium	\$46.08	14	United States	8.9
15	New Zealand	\$48.66	15	Canada	7.8
16	Turkey	\$50.04	16	Spain	6.9
17	Austria	\$50.08	17	Greece	6.6
18	Luxembourg	\$50.84	18	Hungary	6.4
19	Canada	\$51.07	19	Belgium	6.3
20	Australia	\$52.26	20	Czech Republic	6.0
21	Portugal	\$52.61	21	Denmark	6.0
22	United States	\$53.06	22	Switzerland	5.5
23	Norway	\$55.74	23	Netherlands	5.3
24	Poland	\$56.57	24	Slovak Republic	5.2
25	Hungary	\$57.22	25	Austria	4.9

Source: OECD Broadband Statistics as of December 2007

Innovation

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

The Internet was the great surprise of the 20th century. No one who initially developed the network imagined it would become such a powerful engine of economic, social and political growth. This success was due largely to its open architecture, which makes the Internet accessible to anyone to use and further develop, guaranteeing maximum competition, participation and innovation.

INTERNET BREAKTHROUGHS

The Internet's unique architecture made certain that the right to innovate was open to anyone, anywhere. This, in turn, created a tremendous range of important and economically valuable breakthroughs.

Some of the most dynamic developments in the history of the Internet — from the creation of the World Wide Web by a Swiss researcher, to the development of the first peer-to-peer instant messaging chat service by Israeli students, to the launch of the Google search engine by grad students in their dorm room — were innovations by outsiders.

PROSPERING IN THE INFORMATION AGE

These innovations have created immense opportunities for newcomers while generating trillions of dollars in gross domestic product for our country. But innovation is not only limited to economic gain. Creative new tools for organizing social networks and sharing information have given voice to disenfranchised groups, pried open governments, and engaged millions of new people in political and civic affairs.

The Pew Internet & American Life Project reports that in 2008, more than 46 percent of Americans used digital communications to get news about political campaigns, share their views and mobilize others.¹⁰ Innovative online organizing tools and social networks have brought people together as a virtual political force.

The Internet has made it possible for one person's good idea to blossom into a movement of millions. The challenge before us now is to make this engine of innovation accessible to everyone so that we all have a chance to prosper in the information age.

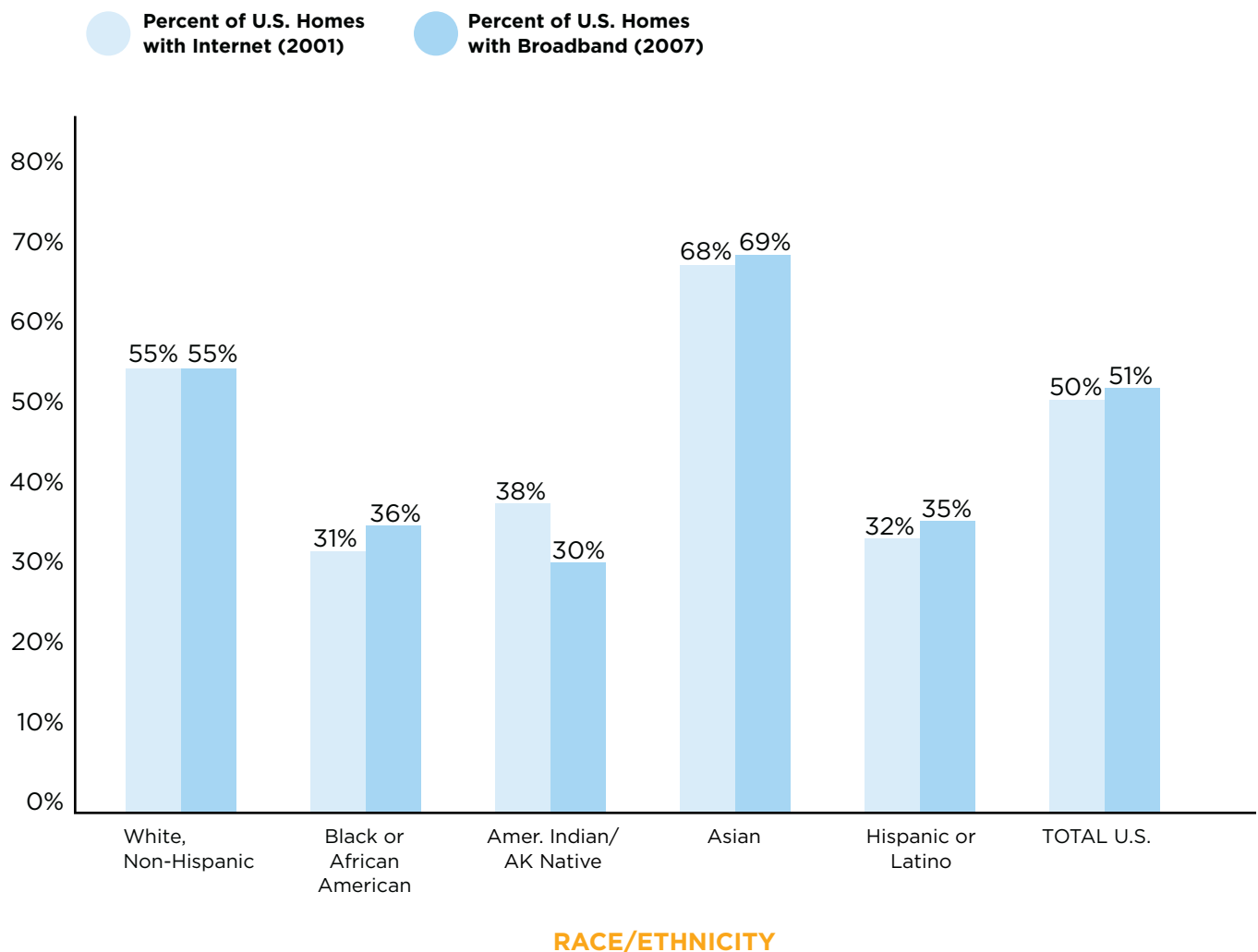
¹⁰ "The Internet and the 2008 Election," The Pew Internet & American Life Project. June 15, 2008, http://www.pewinternet.org/PPF/r/252/report_display.asp

Options for Innovation

Private Industry. New ways of providing Internet services to customers are often driven by the private sector, frequently companies and individuals working at a very small scale. Much of this upstart innovation needs capital investment to get new ideas to the marketplace. But investors need a level of certainty that their support of innovation won't be stifled by dominant market players or overly cumbersome regulation.

Federal Government. Government can provide research and development incentives to help foster the next generation of online innovations. It can also help safeguard open access to online marketplaces so that innovators can compete without gatekeepers dictating which innovations will succeed and which will fail. Government can also relax regulation of the airwaves and allow use of vacant airwaves to provide room for new market innovations.

Local Communities. Building a municipal broadband system is an expensive and complicated task. But cities wishing to remain competitive economically see publicly owned networks as a development strategy that can attract innovative citizens and businesses and engage more people in local self-governance.



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American Distance Education Consortium
American Library Association
Appalshop
Archive.org
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Be the Media
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blip.tv
Boxcar Communications
Care2
Case Western Reserve University
CCTPG
Center for Media Justice
Center for Rural Affairs
Center for Rural Strategies
CEOs for Cities
George, Texas, Chamber of Commerce
Chicago Media Action
Children Now
CitizenSpeak.org
City of Marshall, Ill.
ColorofChange.org
Common Cause
Communications Workers of America Local 9000
Community Leadership Institute/The Spin Project
Community Partners
CTN of the Bay Area
Computer & Communications Industry Association
Consumer Electronics Association
Consumer Federation of America
Consumers Union
CostQuest Associates
Credo Mobile
CuWin Foundation
Daverto Design
DemocracyinAction.org
DFJ Gotham Ventures
Digital Sisters/Sistas Inc.
digiTenn
Disability Media Institute
eBay.com
Educause
Ella Baker Center for Human Rights
Entertainment Consumers Association
Esperanza Peace and Justice Center
Ethos Group
Facebook
Free Press
FreeCulture.org - Students for Free Culture
Freenetworks.org
Future of Music Coalition
GoLoco
Google
Green For All
Hip-Hop Association
IAC (InterActiveCorp and its companies)
IFP (Independent Film Producers)
Information Society Project at Yale Law School
Institute for Analytic Journalism
Institute for Policy, Democracy and the Internet
Internet 2
Internet Society of New York
Intuit
Little Tokyo Unplugged
Main Street Project
Manhattan Neighborhood Network
Maple River Networks LLC
Mayfirst people link
Meadow Networks
Media Alliance
Media Bridges Cincinnati
Media Democracy Fund
Media Justice Fund
Media Mobilizing Project
Minor Ventures
Montana Independent Telecom Systems
Mountain Area Information Network
MoveSmart.org
National Association of Telecommunications Officers and Advisors (NATOA)
National Council of Women's Organizations
National Hispanic Media Coalition
National Organization for Women
Native Public Media
New America Foundation
New Mexico Literacy Project
NTEN
NYCwireless
Office of Illinois Lt. Gov. Pat Quinn
One Economy
OneCommunity
OneWebDay
Open Neighborhoods
Open Source Wireless Coalition
OpenDNS
Participatory Culture Foundation
People's Production House
Postsecondary Electronic Standards Council (PESC)
Praxis Project
Progressive States Network
Prometheus Radio Project
Proxim Wireless
Public Citizen
Public Knowledge
RampRate
Reclaim the Media
Rural Opportunities Inc.
San Diego Common Cause
SeaKay Inc.
SEIU
Skype
Slatecard.com
Sunlight Foundation
TechNet
TechRepublican
Texas Media Empowerment Project
Twin Cities Media Alliance
Union Square Ventures
United Church of Christ
US PIRG
USAction
Vuze
Writers Guild of America - East
Writers Guild of America - West
Wireless Innovation Alliance
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