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Written Testimony
Broadband Technology Opportunities Program

Frank Knott, President
ViTAL Economy, Inc.
www.vitaleconomy.com

“If We Build It, Will They Come?”
The Digital Divide Quandary

Since 1992, ViTAL Economy, Inc. has been facilitating regional economies, throughout North America, on the development of regional frameworks to address the digital divide. Over these years we have learned that reversing the digital divide is as much about changing behavior and mindset of public, private, community leaders and the average citizen as it is about building broadband infrastructure to increase access to broadband services. We have learned that if you build it, they often may not come.

As the NTIA, FCC and RUS begin to develop rules of the road for guiding development of grant applications under the Broadband Technology Opportunities Program, ViTAL Economy has been requested by many of our client communities to provide some perspective on how NTIA should look at deployment of the \$250 million appropriation for “establishing innovative programs that encourage sustainable adoption of broadband services”.

These communities heard little discussion at the NTIA/RUS/FCC public hearings in regard to this important program area. They knew that ViTAL Economy had established a proven model for expanding broadband services through collaborative network provider communities of interest (NPCOI). NPCOI dramatically expand end user demand for and private sector investment in broadband services and infrastructure. They believe that the NTIA should explore how the ViTAL Economy model has achieved success and how such a success model can be encouraged and replicated across the U.S. through this NTIA initiative.

Encouraging sustainable adoption of broadband services requires that regional communities understand the transformative role that broadband services play in changing the way their community shares resources, governs, educates, builds healthy communities and grows vibrant sustainable economies. They need to learn how broadband services enable them to collaborate with their neighbors and neighboring regions to become the most efficient and effective economic region where work and workers will want to choose to be located and live. Their citizens need to understand how broadband services change the way they work, live, learn, collaborate, access healthcare, compete and prosper in a 24/7 world. These communities and their citizens need to be more information savvy rather than technology literate. They need to become global best practice “digital ready” communities.

Over the years a number of federal and state government programs have attempted to address the lack of technology literacy in communities by funding digital literacy programs, which concentrate on teaching how to access the Internet, turn on and use a computer, and use basic software applications. These investments have missed four fundamental principals.

1. Communities are largely organized according to industrial, hierarchical and politically bounded geographies. Broadband services make boundaries of place and time irrelevant. Communities must learn how to competitively function in knowledge economies rather than industrial age economies and to use broadband services to become boundary free and prosperous.
2. Digital literacy is all about the ability to locate, organize, understand, evaluate, create, use, access and share information using digital technology. Broadband enabled communities need to become digitally ready, so that they can restructure themselves to create, organize and share information resources to become globally competitive and prosperous 21st century regional knowledge-based economies.
3. Most communities today think local rather than regional or global. They do not understand that silo behavior, encouraged by geographically defined political jurisdictions, is at the heart of economic decline. Digital ready 21st century communities understand that the most robust broadband service infrastructure alone will not enable sustainable economic prosperity. They understand that prosperity will depend on how effectively they build collaborative regional frameworks to organize their regional economy and teach their citizens and leaders to move from a culture of independence to one of interdependence.
4. Network providers for the most part do not communicate to their customers and the communities they serve how broadband services improve lives and increase prosperity. They do not understand how broadband services can transform economies by erasing boundaries that limit opportunity. Many network providers' function in a regulatory world that values boundaries. They view other network providers as competition rather than as potential partners. They view local and rural economies as stagnant with limited growth. They see collaboration as a zero-sum game.

ViTAL Economy communities address these four fundamental realities by investing in regional strategies that connect, collaborate and change spending patterns to grow economies, which:

1. Connect broadband availability to increase personal and community prosperity
2. Organize collaborative frameworks to manage regional rather than local economies
3. Implement demand aggregation to map increased broadband service demand
4. Build network provider communities of interest (COI) to leverage broadband networks
5. Develop industry & community collaborations to share resources & erase boundaries
6. Establish digital readiness benchmarks & achieve global best practice goals

We recommend that NTIA prioritize applications that encourage sustainable broadband demand which:

1. Build regional economies built on collaboration enabled by broadband services, which accelerate demand for broadband services from 1.5% to 6% of regional GDP
2. Invest in establishing global best practice digital readiness benchmarks and setting measurable goals to exceed these benchmarks within three to five years.
3. Organize network providers into collaborative communities of interest, which partner with regional economies to map broadband network infrastructure, expand and map broadband services and address infrastructure gaps through private investments rather than using public infrastructure investments as a first priority.
4. Implement user friendly and accessible broadband demand aggregation tools, which can be managed by regional communities in collaboration with network providers
5. Establish municipal and state e-government shared services, which enable the communities and citizens they serve to access services in a 24/7 more efficient world
6. Facilitate collaborative leadership forums that create a critical mass of new leaders who understand how to manage change and grow a regional economy across boundaries
7. Develop digital readiness strategies that enable achievement of a regional CED economic growth and prosperity strategy, which is knowledge-based and boundary-free rather than an industrial economy based strategy.
8. Create collaborative regional frameworks that sustain digital readiness behavior
9. Invest in “last mile to-the-premise” regional broadband infrastructure investments

ViTAL Economy and its client communities know that the most effective role of government is to serve as a catalyst that encourages the use of and investment in broadband services to enable regional collaboration led by community and business leaders. As a catalyst municipal, state and federal governments must change their silo, and hierarchical behavior to model collaborative behavior that embraces regional approaches enabled by broadband services.

Broadband enabled regional economies are all about changed behavior. The Kennedy School of Government at Harvard stated, “... to invest in technology to automate what exists is to accelerate chaos”. The success of NTIA investments in creating sustainable broadband demand will be dependent on how committed and disciplined NTIA will be in prioritizing applications for grant awards that adhere to the principals outlined above. ViTAL Economy communities have repeatedly demonstrated that success is won when we concentrate our investments in developing digital-ready people networks enabled by broadband technology networks. Technology network investments are easy. It is the investment in people networks that pay the long-term dividends that result in transformed and prosperous globally competitive regional economies.