BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Rulemaking on the Commission's Own Motion to Comply with the Mandates of Senate Bill 1712	Rulemaking 01-05-046

COMMENTS OF THE CALIFORNIA COMMUNITY TECHNOLOGY POLICY GROUP

Alliance for Technology Access
Break Away Technologies
Bresee Foundation
Casa Familiar
Central Valley Digital Network, Great Valley Center
Community Digital Initiative, University of California, Riverside
Community Partners
CompuMentor
Desert Oasis Community Computer Center
Eastmont Computer Center
Happy Camp Community Computer Center, Karuk Tribe of California
Latino Issues Forum
Plugged In
San Diego Community Technology Group
Santa Barbara City College, Continuing Education Division
Sunset Neighborhood Beacon Center
The Children's Partnership
Women's Economic Agenda Project

Richard Chabran
Chair
California Community Technology Policy Group
c/o Community Partners
606 South Olive St., Ste. 2400
Los Angeles, CA 90014
Phone: (909) 787-3852
Fax: (909) 787-3888
E-mail: chabran@clnet.ucr.edu

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Summary

The California Community Technology Policy Group, a collaborative of over 20 community organizations representing years of on-the-ground experience in community technology, submits this document in response to the Order Instituting Rulemaking 01-05-046, which examines the definition of Universal Service. Our recommendations derive from our many years of experience providing services to residents in low-income communities through operating the Computers In Our Future (CIOF) initiative and other community technology programs. CIOF is a demonstration program started in 1997, in which community technology centers in 11 diverse low-income communities across California have served over 24,000 California residents—offering access to and usage of computer technology, job skills development and linkages for young people, and local capacity building by acting as a technology resource. (See Appendix A for more details).

Through our extensive experience working with low-income and underserved communities, we have personally witnessed how computers and the Internet improve people's lives. Since the Internet is such a powerful tool, all Californians should have access to the Internet. The California Public Utilities Commission (Commission) can make this happen by taking concrete steps to achieve both long-term and short-term goals. In the long-term, the Commission should redefine Universal Service to include services that allow users to access the Internet. To move California toward this goal, the Commission should immediately recognize the importance and value of the Internet and help reduce the Digital Divide by revising the policies of the California Teleconnect Fund (CTF) to allow participation in the program to community-based organizations located in low-income or underserved communities and that provide public access to computers and the Internet.

Our comments first build a case for digital inclusion by painting a picture of the Digital Divide in California; summarizing the value of the Internet in underserved communities in the areas of education, employment, government services, and community building; and describing how community technology centers are growing to fill the technology demand in underserved communities. Our comments will then outline the two-pronged approach we recommend the Commission can take toward digital inclusion.

Recommendations In Brief

Long-term goal:

Assure Internet access in every home by redefining Universal Service to include Internet access.

Immediate goal:

Make Internet access more widely available in underserved communities by modifying CTF. Specifically:

1) **Assure community technology centers receive CTF discounts by expanding the current definition of eligible community-based organizations to include community technology centers;**
2) **Expand eligible services beyond those currently discounted to include DSL, frame relay, high capacity, and digital data services. In addition, the cap on the number of currently-covered services should be lifted (two switched 56 lines, two ISDN lines, and one T-1 line), and no cap should be imposed on the proposed services;**
3) **Increase the discount for community-based organizations that serve low-income and underserved communities from 25% to 90%;**

4) **Allocate $1 million to publicize these new features of the CTF program, especially in low-income communities; and**
5) **Restore the dedicated funding for community-based organizations and increase the amount for community-based organizations to $10 million.**

The Digital Divide

Our community technology centers, as well as dozens of others located throughout the state, were developed to address the Digital Divide. Our experience in California underscores that a serious gap still exists between those who currently benefit from online and computer resources and those who do not. While much attention in the Digital Divide discussion focuses on access to technology, we believe that meaningful technology access also must include the ability to find, retrieve, and use the information resources in daily life. According to a report written by Dr. Rosa Maria Moller, *Profile of California Computer and Internet Users* (2000), those most disadvantaged by the technology gap correlate with: 1) education of the head of the family; 2) family income; 3) geographic location; 4) age of the user; and 5) the race/ethnicity of the head of the family.

Since the impact of the Digital Divide on youth was first reported in *America's Children and The Information Superhighway* (The Children's Partnership, 1994), households with a computer and Internet access have risen. We are encouraged to see this increase, but a severe gap still remains. The National Telecommunications and Information Administration (NTIA) recently reported in *A Nation Online: How Americans are Expanding Their Use of the Internet* (2002) that only 40% of African American, 32% of Hispanics, and 25% of households making less than $15,000 access the Internet at work, school, or libraries. In addition, the report states that "people with

disabilities are less likely than the population as a whole to use computers or the Internet."[1] The access rate is extremely limited compared to Whites (60%), Asian Americans (60%), and households making more than $75,000 (78%). All together, approximately 122 million Americans do not have Internet access today.

Although California is home to the technology revolution and Silicon Valley, its record mirrors the nation. Moller (2000) reports that African Americans (14%), Hispanics (7.4%), and households earning less than $15,000 (6.0%) trail Whites (32.3%), Asians (22.5%), and households making over $75,000 (46.9%) in Internet access at home. The access rates are lower than the nation because it accounts for having Internet access only at home, and not in other locations. Furthermore, we infer that for people with disabilities, access rates are similar to those lacking access, since 6.6 million Californians have a disability; and poor people and those just above the poverty level have disproportionately high rates of disabilities.[2]

One reason why such a disparity exists is the cost of Internet access. According to the Pew Internet and American Life Project, 39% of those not online cited cost as a deterrent to subscribing to the Internet. NTIA (2002) bolsters this claim with their new survey showing an inverse relationship still exists between Internet access at home and household income. For households making less than $15,000, 34.7% of respondents listed cost as the number one factor for not having Internet access at home compared to 9.6% of households earning more than $75,000.

[1] National Telecommunications and Information Administration. *A Nation Online: How Americans are Expanding Their Use of the Internet,* February 2002.

The Internet's Value in Underserved Communities

Why is having access to the Internet important? Evidence is clear that those who do have access to the Internet benefit in ways not enjoyed by those without access. These realities affect residents in underserved communities in at least four significant areas: education, employment, government, and community.

Students who do have Internet access enrich their learning; they tap into the rich resources of the Internet to research topics, write reports, and seek homework help. Students between the ages of 10 and 24 rated schoolwork as their number one reason for using the Internet.[3] Many students who attend Computers in Our Future (CIOF) centers cited that their grades improved (43%); many others developed new skills that help them in school (27%).[4] Adults also utilize the Internet for educational development; a disproportionate percentage of low-income Americans take online courses to develop skills that help them find a better job—45% of Americans making between $10,000 and $14,999 take online courses compared to 35% of Americans making over $75,000.[5]

In addition to educational enhancement for job advancement, the Internet increasingly serves as a job resource. Internet users can look for jobs online—many of which are announced only online—and post their resumes. Large numbers of CIOF center participants used the Internet to search for jobs (31%), research skills needed for jobs (60%), and acquire a job (27.8%).[6]

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[2] Alliance for Technology Access. *Assistive Technology Connections: Meeting the Needs of Californians with Disabilities*, March 1999.
[3] NTIA
[4] Claremont Graduate University. *Summative Evaluation of The California Wellness Foundation's Computers In Our Future Program, 1995-2001,* December 2001.
[5] US Department of Commerce. *Falling Through the Net: Defining the Digital Divide,* July 1995.
[6] Claremont Graduate University

California government is also using the Internet increasingly to convey important information or interact with its residents. For instance, the state of California posted information about conservation and tax rebates during the recent energy crisis; prenatal care and health; and online vehicle registration. The future is sure to have even more government program information and services online, as a result of Governor Davis issuing an Executive Order that encourages departments and agencies to place services on the Internet to allow Californians a "more accessible and hassle-free" government. People with Internet access will gain by being able to take advantage of services at any time during the day and speeding up their transaction time.

Finally, Internet users can enrich their life experiences far beyond the boundaries of the community in which they live. They can visit places around the world, keep in touch with family and friends, and meet people who share similar interests. For example, during the tragedy of the terrorist attacks, when telephone networks jammed in New York, telephone contact was nearly impossible. However, those who had access to the Internet contacted people through email or instant messaging.[7] Moreover, people shared their grief, thoughts, and feelings across the world.[8] They connected with strangers outside of their community who could relate to and help cope with the emotions they experienced.[9] This benefit is even more pronounced for people with disabilities to help them overcome the challenges they face[10] by connecting them to the community, employment, and important services.

[7] Pew Internet and American Life, http://www.pewinternet.org. January 16, 2002.
[8] Ibid.
[9] Ibid.
[10] NTIA

This holds true even more so for people with disabilities, assisting them with the challenges they face.

The Unique Role of CTCs

These examples are just four of the many areas in which the Internet enriches people's lives. To ensure that those who lack access reap these benefits, many community-based organizations have been created or have extended their services to include public access to computers and the Internet. These organizations, often called community technology centers (CTCs), serve as public access centers for those who cannot afford access at home or who need training or coaching to effectively use the new resources. Many people who come to CTCs learn computer skills and applications because CTCs provide flexible hours, an enriching environment, and staff-trained assistance. In addition, CTCs offer after-school programs, job development, and academic enrichment, where students receive tutoring, and can access information on the Internet to help them complete their homework.

CIOF centers have had tremendous success in reaching previously unreached populations in California, serving nearly 25,000 low-income Californians—80% of them people of color, and the majority under 24 years old (See Appendix B for the complete report). The average participant spends two hours each visit, and is involved in the following typical activities:

- Learning technology skills;
- Developing basic skills such as literacy, numeracy, or English as a second language;
- Completing homework;
- Using the Internet to look for a job or obtain information important to their lives; and

- Learning technology applications essential for success in schools, such as word processing, spreadsheets, and Internet browsing.[11]

Our evaluations show that participants have translated their newfound technology skills into better performance at school, stronger preparation for employment, and greater access to information that will aid them in achieving success in life. Technology literacy is especially critical today, as the Department of Labor has reported that almost 50% of all workers use computers on the job (double the rate from a decade ago), with those using computers earning 43% more than other workers.[12]

Much of the success of the centers rests upon the people who staff them. Staff serve an important role instructing and teaching classes, as well as answering the questions of center users. Our experience has shown that even though some center users may have computers at home, one reason they continue to return to the centers is because of the assistance they receive from instructors.

Our Recommended Strategies

To ensure that all Californians receive these benefits, subsidizing the costs associated with accessing the Internet is a long-term strategy needed to assure low-income households have Internet access. Therefore, after this proceeding closes, the Commission should continue to examine ways in which Internet access can be delivered to any home, regardless of the family's income, resources, or location. A more immediate impact to bridge the Digital Divide is through

[11] See *Computers in Our Future: What Works in Closing the Technology Gap?* http://www.ciof.org/policy/summary-report.html, 2001.
[12] The Benton Foundation. *What's at Stake 2: Defining the Public Interest in the Digital Age*, June 1997.

the California Teleconnect Fund. The Commission should revise CTF to assist community organizations that provide public access to the Internet to low-income or underserved communities.

Recommendations to the California Teleconnect Fund

Recommendation #1

Assure community technology centers receive CTF discounts by expanding the current definition of eligible community-based organizations to include community technology centers. The existing language should be amended to read:

> Community based organizations, tax exempt under Section 501(c)(3) or 501(d) of the Internal Revenue Code, offer social, educational, advocacy, informational, health care, job training, job placement, information technology, emergency, and/or educational instruction services. Community-based organizations include community technology centers that provide public access to information technology and opportunities to learn technology skills for low-income or underserved populations.

Many community-based organizations have spent years working in their communities and have developed experience, trust-based relationships, and confidence from their target community. Many community-based organizations reflect the community they serve, sharing the same language and culture and similar life encounters. Experienced in addressing community concerns, community-based organizations precisely target the needs of local communities. Consequently, community-based organizations are often the only institutions that can reach and serve the hardest-to-reach populations. This recommendation is consistent with many of the

findings from the Morino Institute's report, *From Access to Outcomes: Raising the Aspirations for Technology Initiatives in Low-Income Communities*.[13]

In addition, community-based organizations have the flexibility to offer services that address emerging community needs. Many community-based organizations have incorporated a technology component in their offered services because of society's increased reliance upon technology. Community-based organizations, also known as community technology centers (CTCs), provide public access and training to computers and the Internet. As technology continues to evolve, the medium by which information technology will be accessed will change as well; and community technology centers will adjust accordingly and continue to be the conduit to assure that underserved communities acquire the benefits offered by the technology revolution.

Moreover, community-based organizations that use technology enhance the quality of the services they offer to their constituents. They can serve a greater number of people, reduce human error, access larger pools of information, and keep current with the latest developments on services they offer. Information on a constituent, such as case history, can be accessed through technology.

Many more trusted community-based organizations could provide access to information technology, but tight budgets hamper their ability to provide technology access. By including community technology centers as eligible organizations, CTF will assist community-based organizations in offering an information technology component as part of their services. In

[13] Morino Institute. *From Access to Outcomes: Raising the Aspirations for Technology Initiatives in Low-Income*

addition, the following related recommendations are also essential to give community-based organizations the capacity to offer an information technology program.

Recommendation #2

Expand eligible services beyond those currently discounted to include DSL, frame relay, high capacity, and digital data services. In addition, the cap on the number of currently covered services should be lifted (two switched 56 lines, two ISDN lines, and one T-1 line), and no cap should be imposed on the proposed services. This recommendation echoes the one offered by the California Teleconnect Fund Ad Hoc Working Group. From our experience in underserved communities, we know that community-based organizations, and especially community technology centers, need bandwidth that can quickly deliver large data files. For instance, the CIOF centers teach multimedia skills, such as video production, digital animation, and website development, to economically disadvantaged youth between the ages of 14 and 18. The program, called *Pathways to Our Future*, prepares youth for high-tech employment or greater educational attainment. To teach as many people as possible in a reasonable class period, our centers need services, such as T-1 lines, frame relay, and DSL, that can exchange and transport large data files that result from multimedia production.

Community technology centers will continue to evolve so they can address the changing and more advanced needs of the community. Some are already looking at providing distance learning. To enable these advances, community technology centers need services that can deliver video data and allow students sitting next to each other to take different online classes at the same time.

Communities, October 2000.

Given that cost correlates with bandwidth capabilities, we offer a prioritized list of services most relevant to the needs of community-based organizations that the Commission should discount. They are, in order of importance: DSL service, frame relay service, T-1 lines, ISDN lines, and switched 56 lines.

Recommendation #3

The Commission should increase the discount for community-based organizations that serve low-income and underserved communities from 25% to 90%. Whereas schools and libraries have other options for subsidizing costs of telecommunication services, such as the federal e-Rate program through which they can receive up to 90% discounts, these options are not available to community-based organizations. Moreover, the discount for community-based organizations must be attractive enough to be worthwhile for community-based organizations to pursue. The current 25% discount is too low, covers limited services, and offers little incentives for community-based organizations to apply; hence, the scarce interest in CTF. This recommendation is consistent with the recommendation from the CTF Ad Hoc Working Group.

Recommendation #4

The Commission should allocate $1 million to publicize these new features of the CTF program, especially in low-income communities. As mentioned previously and by other parties who submitted comments, including the CTF Ad Hoc Working Group and the Deaf and Disabled Telecommunications Program Administrative Committee, CTF is underutilized by community-based organizations because of the lack of awareness of the discounts and the limited savings they offer. The Commission should develop a targeted outreach campaign to low-

income and underserved communities emphasizing the changes in the CTF program and their value to low-income communities.

Recommendation #5

Finally, the Commission should restore the dedicated funding for community-based organizations and increase the amount for community-based organizations to $10 million annually. The changes we advocate will generate far greater interest in CTF. With more community-based organizations applying and requesting larger bandwidth services, community-based organizations could quickly exhaust the $5 million previously set aside for community-based organizations. Because the CTF cap has been increased from $50 million to $55 million, we recommend adding $5 million to community-based organizations' current allocation of $5 million. Considering that schools and libraries have dedicated funding in the amount of $40 million through CTF as well as the federal e-Rate program, which has made available billions of dollars, $10 million dollars for community-based organizations seems reasonable and modest.

Conclusion

The Internet is a powerful tool that has life changing effects. However, many people cannot access the Internet and miss out on the benefits offered by Internet access—increased academic achievement, job skills development and acquisition, easier use of government services, and community connections. We envision that immediate changes to CTF will enable community technology centers to help prepare people for their ultimately having access within their homes. CTCs can serve as a pipeline that trains users in how to use computers and the Internet, building confidence in their skills so they can take full advantage of the Internet's benefits. As the next step, when Internet service is subsidized as part of telephone service, people will then be able to

access the Internet at home. The Commission needs to play a leadership role in providing opportunities to those currently without access. We strongly urge you to implement our recommendations.

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Respectfully submitted,

Richard Chabran
Chair
California Community Technology Policy Group
c/o Community Partners
606 South Olive St., Ste. 2400
Los Angeles, CA 90014
Phone: (909) 787-3852
Fax: (909) 787-3888
E-mail: chabran@clnet.ucr.edu

APPENDIX A

California Community Technology Policy Group
Background Sheet

Our agenda and recommendations for how to bridge the Digital Divide are rooted in our technology experience in low-income communities across California through Computers In Our Future (CIOF). Launched in 1997 and consisting of 11 community technology centers in diverse communities across California, CIOF provides access to technology, training in how to use technology productively, linkages to employment, technology resources, and a community voice for policy advocacy. Together, the centers have served over 24,000 low-income Californians. The CIOF experience, along with lessons learned, is documented in a report entitled *Computers In Our Future: What Works in Closing the Technology Gap*? (See www.ciof.org or Appendix B).

Through first-hand experience in local communities, we recognized that the only way to sustain these positive community uses of technology and expand upon them was to raise our voices in the policy arena. As a result, we have joined forces with others in the field to establish a policy group with the following four goals:

1. Promote a policy agenda that supports community-based technology strategies in low-income neighborhoods.
2. Educate policy makers and the public about the value of community-based technology centers and projects.
3. Expand and strengthen the voice of community-based technology centers and projects.
4. Develop strategic alliances with public and private sector partners to support our policy goals.

While our policy effort has been in existence for over three years, our achievements have been substantial. Working with other allies, we are pleased to have:

- Cultivated key relationships and advanced our agenda with policymakers at the local, regional, and state levels, including staff and elected officials charged with technology policy both in the legislature and the Davis Administration;
- Been invited to testify during state legislative and executive hearings;
- Participated in local, regional, statewide and national convenings on community technology and the Digital Divide;
- Developed and implemented policy training aimed at promoting grassroots community technology;
- Advocated for bills that direct resources to community-based technology efforts—including SB 1634 and 1774 (1999-2000) and AB 1440 (2000-2001);
- Contributed to publications that seek to frame the Digital Divide;
- Developed articles on community technology, including a policy toolkit to share strategies with others interested in promoting community technology; and
- Conducted policy training for community leaders concerned with technology policy.