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**BUSH ADMINISTRATION, FCC POLICIES
IGNORE, DEEPEN DIGITAL DIVIDE**

***NEW STUDY FINDS TENS OF MILLIONS OF AMERICANS
LEFT OUT OF DIGITAL INFORMATION AGE***

(Washington, May 30, 2002) The Civil Rights Forum on Communications Policy, Consumer Federation of America and Consumers Union today released a report that refutes the Bush Administration's conclusion that the digital divide has disappeared, citing the fact that half of all Americans do not have internet access at home.

"The Administration's claim that we no longer need policies to close the gap is simply wrong," says Chris Murray, Legislative Counsel, Consumers Union. "Rather than misdefine the problem of the digital divide, the Bush Administration would like to misinterpret it out of existence."

The computer/Internet supplement to the most recent Current Population Survey (CPS) published by the Department of Commerce was misinterpreted to paint a false portrait of a disappearing digital divide. Subsequently, the Bush Administration's fiscal year 2003 budget has slated two key programs intended to bridge the digital divide – the Department of Commerce's Technology Opportunities Program and the Department of Education's Community Technology Center program - for elimination.

In addition to the Administration's initiatives, the report points out that current FCC policies aimed at deregulating high-speed services will only worsen the problem. Mark Cooper, Director of Research, Consumer Federation of America says, "the seeds of a continuing digital divide have already been planted and the policies being pursued by the Administration, including the FCC, leave little prospect of a significant improvement for lower income households."

The report entitled "*Does the Digital Divide Still Exist? Bush Administration Shrugs, But Evidence Says 'Yes'.*" concludes that:

- Contrary to the Bush Administration's assumptions in the Current Population Survey, the only way we can truly measure the digital divide is by assessing Internet access in the home. The home is where most personal business is conducted and is where the sharpest divide still exists- between those who have computers and access to the Internet at home and those that do not.
- Approximately 45 percent of Americans do not use the Internet at all.
- Low-income households have fallen a generation behind. Broadband is the second-generation divide. More households with incomes above \$75,000 per year have broadband at home than low-income households that have narrowband Internet at home (incomes below \$25,000 per year.)
- Income, education and age are the three best predictors of access to the Internet at home. While other variables, such as race, ethnicity, occupation, and household composition, still have a statistically significant relationship to Internet access, they explain very little of variations in access to the Internet.

Cooper added, "the Administration's current policies aimed at enhancing the price setting power of cable and phone monopolies will only worsen the problem—ensuring that the Internet will not be a mechanism for increasing equality and spreading opportunity, but will be a case of the rich getting richer."

FCC Chairman Michael Powell, a Bush appointee, recently commented on the Digital Divide, saying, "I think there's a Mercedes divide – I'd like to have one; I can't afford one."

Under Powell, the FCC is considering back door deregulation that would severely limit the ability of companies to compete with "Baby Bell" to offer DSL "high-speed" Internet and slam the door on competition over cable's advanced telecommunications network. Without competition, prices for broadband Internet will remain prohibitively high for many consumers.

"Access to the Internet today is as important as access to the street or sewers or electricity was 50 years ago," says Mark Lloyd, Executive Director, Civil Rights Forum on Communications Policy. "Being disconnected in the Information Age is not like being deprived of a Mercedes, or some other luxury. Being disconnected means being disconnected from the economy and democratic debate."

"By abandoning its commitment to closing the digital divide, the Administration places tens of millions of American households at risk of being left out of the digital information age," added Murray.

The full text of the report, "*Does the Digital Divide Still Exist? Bush Administration Shrugs, But Evidence Says 'Yes'.*" is available online at <http://www.consumerfed.org/DigitalDivideReport.2002.05.30.pdf>

The Civil Rights Forum works to bring civil rights organizations and community groups into the current debate over the future of our media environment. The Forum is a project of the Tides Center, a national non-profit organization which manages hundreds of projects that promote change toward a healthy society -- one which is founded on principles of social justice, broadly shared economic opportunity and a robust democratic process. The twin goals of the Forum are to introduce civil rights principles and advocacy to the implementation of the 1996 Telecommunications Act, and to reframe the discussion over the role of media in our society around the needs of communities and the rights of citizens. The Forum is online at www.civilrightsforum.org

The Consumer Federation of America is the nation's largest consumer advocacy group, composed of two hundred and eighty state and local affiliates representing consumer, senior, citizen, low-income, labor, farm, public power and cooperative organizations, with more than fifty million individual members. CFA is online at www.consumerfed.org.

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