

Memo to President Obama: We Need Anywhere for America



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The Bottom Line President Obama, we need an Anywhere Network™ policy to advance America from 19th place in world broadband penetration and to plant the seeds of ubiquitous connectivity. But more importantly, the Anywhere Network is at the heart of a broader economic recovery and can help advance progress on your health care, energy and community service agendas as well.

Dear President Obama:

Congratulations on your historic election to the presidency and your recent inauguration. Millions of Americans were drawn to the Capital Mall to see this historic event for themselves, and billions of people worldwide watched the same event on television, over the Internet and via their mobile phones.

This extraordinary ability to touch and inspire those beyond our personal sphere is the power of what we at Yankee Group call the “Anywhere Network.” It’s more than broadband, and wireless technology. Rather, it is the unification—the “Interneting” if you will—of wired and mobile broadband networks to create new capabilities for citizens, businesses and government alike. While it’s not a reality yet, it is a power that is within our grasp, if we only commit to it.

In these hard economic times, we recognize that you already have an ambitious agenda to address. However, committing America to fostering an Anywhere Network is not a distraction from that agenda; rather, the Anywhere Network can help us reach these goals faster.

Connecting America to the Anywhere Network

The Organisation for Economic Co-operation and Development (OECD) ranked the United States 19th in the world in terms of broadband penetration per capita in 2008. When Yankee Group adds in wireless broadband as well, we calculate that the U.S. still only has roughly one broadband line for every two people.

Meanwhile, countries like Japan, Sweden and Italy will all achieve one broadband line per person—a metric we call the Anywhere tipping point—in 2009, while we forecast that the United States will take until 2011 to reach that goal.

You’ve already challenged America to “lead the world in broadband penetration and Internet access.” If we are to do that, then we must not only encourage private investment and competition, but also take public actions. We recommend that the Obama administration:

- **Recommit to building a public safety broadband network.** Your agenda calls for us to “improve interoperable communications systems” for state and local first responders. Yet the Integrated Wireless Network nationwide radio system for federal agents that started after 9/11 has failed because the Departments of Homeland Security, Justice and Treasury could not agree on goals and methodology. Meanwhile, the public safety 700 MHz auction also never got off the ground, and no reasonable alternative has emerged. We cannot afford to wait for another 9/11 to occur before we act on these wireless broadband imperatives.
- **Fund the Rural Broadband Administration (RBA).** Your rural agenda states that we must “promote affordable broadband coverage across rural America.” President Franklin D. Roosevelt’s Rural Electrification Administration brought electricity to countless rural communities, and there is already an unfunded Rural Broadband Administration within that

organization. Yankee Group believes that funding this effort in a way that focuses on underserved geographies will reach more households at less cost to the taxpayer than other initiatives. It will also generate more jobs than direct tax incentives to the local rural carriers.

- **Stop delaying the transition to digital TV.** Carriers that want to build 4G networks have already paid more than \$20 billion for the spectrum being used for analog TV today, and the FCC has already granted those licenses. Delaying the next generation of wireless networks to ensure that the public can still watch “Lost” on aging TVs is a false economy that looks backward rather than forward to our digital future. Congress has already approved one delay; don’t let this drag out any longer.
- **Lead the public use of “white space” spectrum.** On November 4, the Federal Communications Commission (FCC) unanimously approved the use of “white space” frequencies close to the analog TV spectrum for unlicensed use. Companies including Google, Intel and Motorola believe that this free “Wi-Fi on steroids” offers huge opportunities for new wireless innovations from consumer wireless broadband to geolocation, but they won’t invest in it without knowing a market exists for their products. The government should pioneer some initial applications.
- **Encourage the use of femtocell technology.** These devices allow businesses and consumers to expand wireless broadband access within buildings without requiring carriers to get involved. These new technologies and in-building standards for 3G and 4G networks will bring Anywhere connectivity into buildings where carrier connectivity is typically poor, which will drive network use for public hospitals, schools and government offices. Government can encourage their standardization by buying femtocells for all government buildings and requiring carriers to accept any device that meets government standards.
- **Mandate fiber be built into new public housing and multitenant buildings.** The United States needs fiber infrastructure if it is to keep pace with fiber-rich countries like South Korea and Japan. Although we cannot wire the nation overnight, we can require new multitenant housing, particularly

any built with public money, to have broadband connections to every floor and unit. Fiber deployment at the time of construction is marginally (10 percent to 20 percent) more expensive than deploying copper or coax and one-tenth the cost of retrofitting a unit with fiber. Such fiber-rich buildings will become attractive prospects for fiber carriers and will foster innovative new uses and home-based businesses.

Capitalizing on the Anywhere Network

The value of the Anywhere Network lies not in what it does, but what America can do with it. Yankee Group believes that using the Anywhere Network can advance many of your administration’s agenda goals by distributing better information without spending billions of government dollars. Specifically, we recommend that your administration:

- **Optimize public transportation with wireless information.** Your agenda challenges us to use public transportation and reduce our carbon footprint by driving less. With most consumers already carrying wireless devices, we can vastly improve the efficiency of public transportation by giving citizens better information about when trains and buses run and how long it will take to get to destinations. San Franciscans can already predict when they’ll arrive at the airport using applications like Google Maps; cities throughout the U.S. should emulate this example. Deploying information using the Anywhere Network is cheaper than building new roads and can contribute to solving transportation problems.
- **Make businesses more competitive by encouraging remote workers.** Your agenda challenges business leaders to once again make American workers the most productive in the world. According to the Yankee Group Anywhere Enterprise—Large: 2008 U.S. Mobile Blended Lifestyle Survey, employees rated working from home the number one thing their employers could do to make them more productive. At the same time, companies such as IBM report cost savings of \$110 million a year because more than a third of its 300,000 employees work from home, and their reduced commuting reduces carbon emissions as well. Set a national goal of having 5 percent of the American workforce telecommute, and we’ll boost worker productivity, save millions of barrels of oil a day and strengthen our families by ensuring parents are home when their children return from school.

- **Deliver medical diagnoses and basic health care over the Internet.** Your technology agenda plans to lower health care costs by moving to electronic health information systems. But we can do more than that. By encouraging online diagnoses and office visits, we have an opportunity to lower health care costs, increase the productivity of both health care workers and patients, improve access to care in rural areas, and curtail the spread of disease through in-person visits to hospitals and doctor's offices. By reducing the number of visits individuals make to health care providers, without sacrificing quality of care, we can dramatically reduce health care costs. And we don't have to do this all by ourselves; we can take advantage of best practices developed in Scandinavia and Japan
- **Create a Community Service Geek Squad to help analog citizens.** Your first proclamation as president called on all of us to serve one another and the common purpose of remaking this nation for our new century. Yankee Group surveys show that 40 percent of U.S. citizens aren't very interested in technology, yet many would use it if they knew how. At the same time, countless high school and college students live and breathe technology and are eager to answer your call to service. A national Community Service Geek Squad could help seniors and other technology-challenged communities become more connected with society while providing experience to young people at the same time.

These ten steps are only the beginning of our Anywhere journey, and we'll be writing more about comprehensive broadband plans in upcoming research. But these steps are ones that we can afford and put into action this year without creating huge new programs. As you embark on your first days and weeks in office to bring change to America, we are eager to help you bring America to Anywhere. Let that journey begin.

Sincerely,

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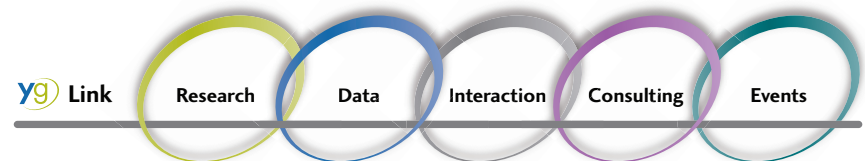
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