

Testimony of Mr. Newton N. Minow

**Before Subcommittee on Telecommunications and the Internet,
House Energy and Commerce Committee**

Wednesday, November 19, 2003

**Executive Summary of the Testimony of Mr. Newton N. Minow
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Purpose of the Digital Opportunity Investment Trust

The Digital Opportunity Investment Trust (DO IT) will be an entity essential to American competitiveness and security in the 21st Century.

The Trust will:

- Provide capital for national leadership, innovation and research in the application of advanced information technology for education, skills training, and lifelong learning
- Advance research in learning and information technology by America's outstanding researchers, scientists, and scholars in universities and other public service institutions as well as by companies and entrepreneurs in the private sector, just as the National Science Foundation and the National Institutes of Health do for science and health respectively.
- Provide much-needed coordination among business, university, and other Federal initiatives in education, training and technology,
- Fund digitization of collections in our nation's libraries, museums and universities to preserve the "cultural DNA" of our society for future generations,
- Effect major improvement in education, job training, homeland security, and training for first-responders as well as in the life-long learning needs of our aging population.

Funding for the Digital Opportunity Investment Trust

The Trust will be a self-sustaining fund financed by a portion of the proceeds from auctions or other revenues derived from the electromagnetic spectrum (the public airwaves).

Financing of the Digital Opportunity Investment Trust is modeled on other great investments in education enacted by Congress to support the advancement of society -- the Northwest Ordinance that created our public K-12 system, the Land Grant Colleges Act that opened access to higher education for all, and the GI Bill that enabled American servicemen and women to go to college and gain new skills after World War II. By establishing DO IT, Congress would make a bold investment in preparing future generations for a highly competitive, knowledge-based world economy.

Structure and Accountability

The Digital Opportunity Investment Trust (DO IT) will be established by the U.S. Congress as a Congressionally created non-governmental Trust Fund. DO IT will be overseen by a nine member Board of Directors who will serve with the advice and consent of the Senate. DO IT would report to Congress through the National Telecommunications Agency both on an annual and as-needed basis, to gain its budget approval and enable Congress to examine the Trust's performance in a timely manner.

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**Digital Opportunity Investment Trust:
Progress Toward the Promise**

Thank you Mr. Chairman, Congressman Markey and distinguished Members of the Committee. Thank you on behalf of myself and my friend and Co-Chairman of the Digital Promise Project, Larry Grossman who spoke before the Committee on this subject last spring. We are both very appreciative of this opportunity to be here today to give you information about current developments in the work we have been doing. It has been a pleasure working with the excellent members of your staff. We hope that this hearing engenders a comprehensive discussion of the Digital Opportunity Investment Trust and we look forward to your comments and questions.

First, let me summarize our proposal. We seek to create a Trust for the American people that will transform teaching, learning and training for the 21st Century. This Trust that we call the Digital Opportunity Investment Trust or DO IT, draws inspiration from several sound and highly successful examples. DO IT will be an incubator for ideas, research and development of advances in education and training in the same way that the NSF functions for science or the NIH functions for health and medical science. My esteemed colleague and former Chairman of the National Science Board, Dr. Eamon Kelly will elaborate on the parallels we have drawn with the NSF. What is clear is that the disciplines of education and training must be given the same level of priority and

benefit of raw American ingenuity and academic genius if we are to remain at the vanguard of competitiveness as a nation and retain a healthy and just society.

The Need

Let me take a step back first, to how the concept of a Trust to transform teaching and learning for the 21st Century came about. Three years ago Larry Grossman, whom you know as a former president of NBC News and the Public Broadcasting Service, and I started talking about the information and revolution through digital technology. Larry and I have spent the measure of our careers embroiled in the issues of communications technology and helping to create and oversee the content that technology provides to millions of Americans. We looked at the information revolution taking place in our society over the past twenty years and we saw that the fruits of the new digital era were not automatically shared widely by non-profit, public service, educational and cultural institutions. The institutions in question are those charged with being the repositories for the scientific, cultural and historical DNA of our country.

In addition, we saw that education and training, rather than being at the epicenter of this technological revolution, were suffering from inadequate resources and too often playing “catch up” to the commercial marketplace. The long-term effects of continuing to give education and training a back seat in the digital era would only grow more staggering with time. We envisioned the creation of the Digital Opportunity Investment Trust that would serve as a venture capital fund dedicated to innovation and research in

using new technologies to transform education, training and lifelong learning for all Americans.

While our country struggles to get Democracy to thrive in other places; I submit that we should also take a profound look at what we need to *keep* our Democracy thriving right here at home. The answer is that Democracy thrives when an educated citizenry has access to information and the critical thinking skills to make informed choices. Education is the cornerstone of our Democracy, and technology is rapidly becoming the primary vehicle for education and lifelong learning. We must use technology for improved education and training or we will pay a price we cannot afford.

In the global knowledge economy of the 21st Century, education and training equals jobs. As the manufacturing and manual labor base of our workplace erodes, the jobs that allow people to be productive and self-reliant members of society rely on the proficient use of information technology. Other nations are quick to exploit the transient nature of global labor markets and now some of America's largest companies employ IT service workers in other countries or end up importing special visa holders because they cannot recruit qualified American IT workers.

DO IT would ensure that our education system provides all students with a world-class education system that fully integrates technology and learning. And, DO IT would develop a structure for the delivery of training materials to workers in all fields so that Americans would be technologically capable to fill those high-paying IT jobs even at the

mid-points in their careers. DO IT would also make America's growing population of seniors a priority. As life expectancies grow for a greater-than-ever portion of the population we must ensure that productivity and self-reliance is possible for seniors as well. Technology is the key to life-long learning and productivity which will be fundamental for our society to remain economically viable as more than 70 million Americans will be over the age of 65 by the year 2030.

Another staggering need that must be addressed through the kinds of education research and training that DO IT would provide is that of national security. Here, I quote the report titled *The U.S. Commission on National Security in the 21st Century*, chaired by former Senators Warren Rudman and Gary Hart. Now known as the "Hart-Rudman Report" it warns that, "the inadequacies of our systems of research and education pose a greater threat to U.S. national security over the next quarter century than any potential conventional war that we might imagine. American national leadership must understand those deficiencies as threats to national security. ***If we do not invest heavily and wisely in rebuilding these two core strengths, America will be incapable of maintaining its global position long into the 21st Century.***" And this dire warning, I will add, was issued prior to September 11th 2001 and the imposing array of challenges revealed for training first-responders and citizens in the face of far-reaching emergencies.

I could also quote from various reports such as Congress's bipartisan Web-based Commission, President Bush's Technology Advisory Commission, the Department of Commerce's "2020 Visions" Report, the Business-Higher Education Forum, among

others, that all point to the same thing: we must put advanced research and development for education and training at the vanguard of our priorities if America is to remain competitive in the world, **and our current systems and resources are inadequate.** The question is: when will we act? When will we streamline and coordinate all of the disparate federal initiatives currently taking place and apply research gains where appropriate and bring programs to scale? When will we make the kind of investment that matches this enormous and imperative need?

Status of our Proposal

We have a clear mission that is supported by a broad coalition of respected public and private entities including hundreds of universities, corporations, museums, libraries, civic and cultural organizations, labor unions, organizations for senior citizens and leading members of the education, arts and workforce development communities, and the Conference of Mayors. (A list of our coalition members has been submitted with this testimony). Our research has been conducted and corroborated by individuals and entities from across the political spectrum, including a major summit hosted by the Secretaries of Commerce and Education at the Department of Commerce last fall. We also went to the next generation of leaders to get their ideas. I am submitting for the record the winning papers in a call issued by the Digital Promise and the Learning Federation. These papers written by students from Florida and Hawaii expand on but two of the kinds of proposals that could be developed by DO IT. In the spring of 2003, through PL 108-7, Congress asked us to produce a detailed report on our recommendations for the creation of DO IT.

This report includes a detailed rationale, a proposed structure and governance plan as well as a specific research and development roadmap that will lead to the kind of innovations in scientific applications for teaching and learning that are so vital to the improvement of education in our country. We formally presented the Report to Congress last month. Senators Dodd and Snowe, along with Senator Durbin, have subsequently introduced S-1854 titled “The Digital Opportunity Investment Trust Act.” Today, we are called to discuss legislation pending before this Committee that has been introduced by Congressman Markey and calls for the creation of a Trust that provides “digital dividends” for many of the same critical purposes outlined in our report.

Our Nation’s Legacy

Congress has made this kind of investment in the past. We have history to lean on to understand, that even in times of great adversity, Congress has had the farsighted wisdom to fortify our society for future generations by investing in education.

In the period following the American Revolution, Congress passed the Northwest Ordinance that set aside public land whose revenues would support the creation of public schools in every new state. This was the genesis of the nation’s pioneering system of public education.

During the darkest days of the Civil War, again using the valuable asset of public land, Congress passed and Abraham Lincoln signed the Land Grant Colleges Act of

1862. It provided for the sale of public lands to support the establishment of a public college and university in every state, so that higher education would be accessible to farmers and workers, not just to the elite and wealthy few. Today, the nation's system of 105 land-grant colleges provides the foundation of American higher education, and its creation heralded America's economic ascendancy into the industrial age.

In the midst of World War II, Congress made its third transformative public investment in education. It passed, and President Roosevelt signed the GI Bill which sent millions of American service men and women to college. The prosperity and security that followed in the wake of the GI Bill helped America become the world's economic and political leader. The wisdom of the nation's innovative investments in education in times of crisis has been borne out in each century of the nation's history.

Today we stand at another crossroads. It is a time of great uncertainty in our history, and we face the sweeping changes of the information age. The citizens who are best equipped to meet the challenges of this new age are those who have access to information technology and who have dexterity in using technology as a working and learning tool throughout their lives. It will be costly to ensure that all of our people are ready to meet those challenges – how can we pay for it?

As we developed the Digital Promise proposal, we looked to history for the precedent of how to fund such an intensive investment in education, and there is a sound model that has been accepted and supported by the American people. In the cases of the

Northwest Ordinance and Land Grant Colleges Act, Congress enabled major investments in public education to be made through the proceeds from the public asset of land.

Today, the public asset in question is the highly valuable electromagnetic spectrum. It is the equivalent of the bountiful public lands of times gone by. We recommend that the Digital Opportunity Investment Trust be created through a portion – a percentage only – of the revenues from the sale, auctions and / or fees from the public asset of the public airwaves. Even a small percentage of such revenues over a specified and reasonable period of time would allow for an endowment that would secure enormous benefit for future generations.

The model for a Trust from spectrum revenues is also not new. The Minorities in Telecommunications Fund that is also under review in this hearing was created through an initiative by Congress to ensure equal access to capital for minority held telecommunications businesses. The creation of this trust proved that revenues from the spectrum could be Congressionally mandated to be moved into a trust for a higher purpose within the parameters of the annual budget and appropriations cycles. The Digital Opportunity Investment Trust would be created through this same tested financial mechanism that would allow for a portion of spectrum revenues to be placed in an interest bearing account. This Trust would be governed by a Board appointed with the advice and consent of Congress and the President and Congress would examine and evaluate the Trust's performance and approve its budget and activities.

The Opportunity for Leadership

In closing, I respectfully submit that yours is the helm as we face this next great task. We have worked diligently with the members of our coalition and a small staff to move this vision forward. But the true opportunity for leadership lies in your hands. You will be in very good company; President Thomas Jefferson, Senator Justin Morrill, President Lincoln and President Franklin Roosevelt saw to fruition the investments in education that enabled previous generations to prosper and to move America into a position of leadership in the world. The Digital Opportunity Investment Trust is the *next* such great and pivotal investment to be made for the sake of generations to come. It is clear that these ideas have been given serious thought by Congressman Markey, and I know that you, Mr. Chairman, have a dedication to using technology to improve education. We look forward to working with you and your staffs in developing proposals that will transform learning environments in this country and worldwide Thank you again for inviting me to testify today. I would be happy to answer any questions at this time.