

~~Base~~ Technology
FYI- to Elk

MEMORANDUM

TO: TOM FREEDMAN, MARY L. SMITH
FROM: DREW HANSEN
RE: "REDLINING" OF VIDEO DIALTONE FACILITIES
DATE: JULY 30, 1997

SUMMARY

Proposals for the construction of video dialtone facilities (a new form of information transfer technology that allows two-way communication of voice, data, and video information) appear to be excluding minority districts. The FCC should make clear its commitment to nondiscriminatory provision of video dialtone services and include such a commitment in its evaluation of video dialtone proposals.

PROBLEM

Video dialtone (carrying video, audio, and data on two-way, high-capacity wires) has the capacity to transform all existing information services. The FCC has currently approved five applications for the construction of video dialtone facilities (17 are pending). But it appears that at least some of these proposals are "redlining" around areas with high percentages of minority residents. Several consumer rights and minority groups commissioned a study by Dr Mark Cooper, a telecommunications economics and policy expert, who found that there is "a clear and systematic pattern of not serving some lower income areas, which turn out to be much more heavily minority areas."

PROPOSED SOLUTION

The coalition of consumer rights and minority groups mentioned above suggests that the FCC take the following steps:

- Formally announce a commitment to a goal of universal video dialtone service and to nondiscriminatory deployment at each phase of its construction.
- Issue an interpretive rule clarifying that existing statutes and rules already require nondiscriminatory deployment of facilities.
- Issue a rule of internal procedure establishing guidelines for the appropriate review of video dialtone applications.