In the Matter of	)	
	)	
Bridging the Digital Divide for Low-Income Consumers	)	WC Docket No. 17-287
	)	
Lifeline and Link Up Reform and Modernization	)	WC Docket No. 11-42
	)	
Telecommunications Carriers Eligible for Universal Service Support	)	WC Docket No. 09-197

Comments of the National Digital Inclusion Alliance on Notice of Proposed Rulemaking and Notice of Inquiry

February 19, 2018

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The National Digital Inclusion Alliance (NDIA) respectfully submits these comments in response to the FCC's Notice of Proposed Rulemaking and Notice of Inquiry in the proceedings captioned above, released December 1, 2017 as part of FCC 17-155.

We represent leaders of local community organizations, public libraries, municipalities and other institutions working hard to reduce digital disparities among our neighbors. To improve the daily lives of all community members, we call for digital inclusion public policies that reflect our Affiliates expertise and diverse experiences.

Our approach is based in the knowledge that digital inclusion is most effectively promoted by community-driven efforts combining:

Affordable home broadband service.
Public broadband access.
Appropriate affordable devices.
Locally trusted technology training and support.

NDIA represents organizations with a wide range of experience reducing the digital divide in the United States. The experiences of our affiliates include providing guidance to low-income parents connecting to their children's teachers, teaching seniors how to use their electronic health records, helping veterans learn digital skills in order to acquire a job, and enabling disabled adults to participate more fully in their communities. The services of our affiliates include digital literacy training, public Internet access, home broadband programs and digital inclusion advocacy.

NDIA currently counts 309 affiliated organizations, including 40 national nonprofits and 232 local public and nonprofit organizations in 38 states, the District of Columbia and the US Virgin Islands. Our local Affiliates include 23 municipal government bodies, 39 local public libraries and regional library councils, 16 college/university programs, 12 state government agencies, 3 local school districts, 8 housing authorities and 131 local nonprofit organizations. The full list of NDIA affiliates with links to their websites can be found at https://digitalinclusion.org/members.

NDIA was first organized in 2015 to provide a needed voice for these experienced digital inclusion practitioners in the proceeding which led to the FCC's Third Report and Order, Further Report and Order, and Order On Reconsideration adopted March 2, 2016 – referred to as the *2016 Lifeline Order,* which created a framework for limited but important Lifeline support for broadband Internet access for low-income Americans.

Less than two years after that Order, the FCC now seeks public comment on a new Proposed Rulemaking with the apparent purpose of dismantling most of that framework. Under the perverse title of *"Bridging the Digital Divide for Low-Income Consumers",* the proposed rules seem explicitly designed to reduce the Lifeline program's availability, participation levels, and provider choice and economic value for participants, for voice as well as Internet data service. Of particular concern to digital inclusion advocates and practitioners, the Commission proposes to roll back all of the 2016 Lifeline Order's movement in the direction of consumer choice, provider diversification and service innovation... thus eliminating the program's potential to help "Bridge the Digital Divide for Low-Income Consumers" in any meaningful way.

This is an extremely counterproductive direction for the FCC to take to ensure access to broadband for all Americans.

Apart from addressing jurisdictional objections raised by state and tribal governments – objections which the FCC could resolve without calling the 2016 Lifeline Order's overall framework into question – NDIA sees no good, non-ideological reason for the FCC to be pursuing *any* of the issues raised by either the NPRM or the NOI at this time. If "Bridging the Digital Divide" is actually the Commission's goal, that goal can best be pursued by a simple good-faith effort to implement the framework created by the Lifeline Order – including the measures intended to control fraud and abuse – and give it a fair chance to succeed.

There are several points which NDIA must address specifically from the perspective of the local digital inclusion practitioners and leaders we represent:

1) NDIA opposes the proposed outright elimination of the Lifeline Broadband Provider designation created by the 2016 Lifeline Order (paragraph 55). NDIA's affiliates have always understood that simply adding a "Lifeline broadband" mission, without additional subsidy, to the traditional ETC Lifeline structure would not produce full, affordable Internet access for many (if any) low income consumers. By allowing eligible households to choose to use their limited Lifeline subsidies for Internet-only rather than voice connections, and by allowing innovative providers and resellers (including mission-driven nonprofits) to incorporate Lifeline subsidies into novel technology and affordability strategies, the 2016 framework created the possibility for Lifeline to contribute significantly to creative digital equity solutions.

For example: In Cleveland, Ohio, NDIA affiliates Digital C and the Cuyahoga Metropolitan Housing Authority are pursuing a novel initiative to provide broadband access to CMHA apartment building tenants, using millimeter-wave technology to provide backhaul from Digital C's partner provider, Everstream. The pilot project for this strategy is now providing symmetric wireline broadband service, at speeds above 25 mbps, to low-income households in CMHA's Cedar Highrise Apartments. The system uses the building's existing telephone wiring, which is owned by CMHA. Digital C has contributed its own resources to the pilot phase of the project, and the partners are hoping for local philanthropic investment to expand it to other CMHA facilities; but ongoing operating costs, while modest, require an ongoing revenue source. The users are very poor tenants – mostly seniors – whose ability to pay for the service is limited. The project includes digital skills training, thus serving as a holistic digital inclusion solution.

Since the 2016 Lifeline Order, the partners have considered the creation of a modernized Lifeline program as a potential source of financial support. Following the Commission's actions earlier in 2017 which indicated that Federal LBP designation would not be implemented, inquiries were made to the staff of the Public Utilities Commission of Ohio regarding possible PUCO approval of a community-based, broadband-only ETC; but Digital C has been advised that the PUCO does not believe it has jurisdiction to take such an action.

Additionally, the following programs operated by other community-based organizations are also examples of affordable home internet solutions that would have been eligible for LBP designation. They are prime examples of why the LBP designation should not be eliminated. They did not contact their local public utilities commissions as they were advised doing so would not result in the desired action.

- With funds provided by the California Advanced Services Fund AB1299 grant program, the Fresno Housing Authority created a mesh network model. Their mesh network combines wired and wireless technology to create an internet access umbrella covering the entire Fresno Housing Authority property. This approach provides the necessary infrastructure for digital literacy training as well as in-home use, creating an ideal situation for continued education and adoption. While the grant provides funds for infrastructure equipment, installation, and even adoption projects, the funds cannot be used for ongoing internet service. Not only does this present affordability challenges for the initiative. Affordable home internet is a problem for the Fresno Housing Authority residents because only two major internet service providers offer service to the more than 17,000 families.
- In Kansas City, Connecting for Good provides home and community internet connectivity via mesh networks to approximately 2200 devices on a monthly basis. The devices are either used publicly and personally in subsidized housing, churches and community centers. Of those, Connecting For Good serves 240 apartments across 4 properties. With financial support, an additional property, Juniper Gardens, would come online quickly and thus add approximately 265 additional apartments. Connecting for Good's community partnerships that provide low-cost home internet have a holistic strategy. They include connectivity, digital skills training, devices and technical support.
- Based in St. Paul, MN, PCs for People is a national digital inclusion program that provides computers, internet, support and education to low-income individuals. Since 1998 PCs for People has distributed computers and supplied mobile LTE connections to more than 240,000 low-income individuals in all 50 States. The LBP designation would have allowed PCs for People to expand national impact, bringing high-speed internet to thousands of additional homes across the US.

All these initiatives involve public or nonprofit sponsorship, innovative technology and resource collaborations that include training and affordable devices, and targeting of specific underserved low income communities. In other words, they create the leverage by which very limited Lifeline broadband subsidies could have a real, measurable impact on digital inclusion.

The proposed elimination of the LBP designation ends the program's potential for this kind of strategic community impact.

2) NDIA opposes the elimination of non-facilities based ETCs (paragraphs 62 and 64), as well as the underlying rationale that Lifeline subsidies should be directed to support broadband network investments, rather than to overcome affordability barriers for low-income households.

Other than contributing to the development of paths to full broadband access through technical and programmatic innovation, the principal benefit of the 2016 Lifeline Order for low income households and their communities is the addition of Internet access to core Lifeline phone service. Non-facilities based ETCs provide this core service at very low cost (often zero) to the large majority of Lifeline households. Eliminating non-facilities based providers in the program will effectively displace millions of Lifeline participants from both voice and Internet, with no truly affordable alternatives in sight. In effect, *"discontinuing Lifeline support for service provided over non-facilities-based networks"* is an attack on the very concept of universal access for many communities.

Thanks to the 2016 Order, major national wireless ETCs like Virgin, TracFone and Q Link are now offering smartphones with 1 GB of monthly data as part of their "free" Lifeline packages. While 1 GB is certainly not mainstream broadband access, it does help link Lifeline households to the full range of public safety and emergency communication tools (which routinely include social media and other Web apps), as well as employer communications and community health and services apps.

Communities need *all* their residents, especially the most disadvantaged and vulnerable, to have very affordable access to voice, text and Internet services for these vital community purposes. This is the modern equivalent of assuring universal POTS access in the 1980s so that all households would have 911 access and the ability to contact a doctor, an employer, a relative or a child's school... the original core mission of Lifeline.

If non-facilities based wireless resellers are excluded from providing Lifeline Internet access, where will their users go for equivalent service at a cost they can afford? While no nationwide listing of facilities-based ETCs seems to be available, neither wireline telcos nor the major mobile network owners are major Lifeline providers in key states that NDIA has looked into.

In Ohio, for example, based on USAC's most recent Lifeline ETC disbursement data[1]...

- Just two resellers, TracFone and Q Link, accounted for 68% of all Lifeline accounts in November 2017, including 81% of accounts categorized as "Broadband" or "Bundled".
- No major mobile network provides Lifeline service directly, and only one does so through a subsidiary (Sprint's Virgin Mobile/Assurance).
- The state's largest wireline ETC is AT&T, which has petitioned to withdraw from the program in most of the state (as it has in at least fourteen other states).

A very similar picture emerges from USAC's most recent data for Missouri, with Q Link and TracFone serving 78% of the state's reported Lifeline accounts, including 86% of those listed as "Broadband" or "Bundled"; no Lifeline service reported by any major cell provider except Sprint's Virgin subsidiary; and Southwestern Bell, formerly the state's largest wireline ETC, gone from the program since August.

NDIA fears that far from shifting Lifeline households to equivalent services from providers who own

[1] This, and the following disbursement data for Missouri, are at available via USAC's *Funding Disbursement Search Tool* at https://usac.org/li/tools/disbursements/default.aspx.

their own networks, the effect of driving resellers like TracFone out of the Lifeline program will be to drive millions of their low-income customers out with them.

For the households affected, for their communities, and for the goals of universal access and digital inclusion, it will be a major setback.

The rationale for this proposal – that Lifeline subsidies should be redirected to network-owning providers that will use them to support and expand their infrastructures, thus indirectly promoting broadband adoption through greater access and competition – makes little sense. Historically the Lifeline program has promoted universal telephone service, not by subsidizing the construction of more phone facilities, but by helping low income consumers to afford the high cost of using existing facilities. The same affordability problem now confronts most low income households with respect to Internet service. Driving out the least-cost providers in order to subsidize more network construction is a counterproductive “solution” to the wrong problem.

3) NDIA opposes the elimination of the Lifeline program’s “equipment requirement” as discussed in paragraph 76.

In the proceeding leading to the 2016 Lifeline Order, NDIA was among the commenters calling on the Commission to require hotspot and tethering capabilities for ETC-provided devices, pointing out that *“Lifeline broadband service via a cellular connection is most useful to all the residents of the household if it is a hotspot device or a mobile phone that easily allows for tethering by other devices.”* We were happy to see that the Commission included this requirement in the 2016 Order on a phased-in basis, as well as the separate requirement that provided devices themselves be wifi-capable. We reiterate our position that a program which limits its Internet support to one device per household should logically ensure that Internet access via the device can be shared by all household members.

With respect to requiring that ETC-provided wireless phones be individually wifi-capable:

- Wifi capability is standard for even the cheapest smartphones. This requirement imposes virtually no added burden on providers who choose to offer Internet access devices as part of their Lifeline packages.
- The value of Lifeline broadband to participants and their communities is significantly enhanced by ensuring that those participants can use public wifi networks where they are available -- like any other mobile wireless user.
- Promoting the availability of wifi-capable devices among otherwise unconnected low income residents is a cheap, effective way for the Lifeline program to support and leverage local community investment in public wifi.

There is no good reason for the Commission to re-open this issue, and very good reasons not to re-open it.

4) NDIA strongly opposes the entire framework of maximum discount levels, mandatory contributions and benefit limits for Lifeline households discussed in paragraphs 111 through 118.

The Lifeline program provides a very modest household subsidy to help ensure that low income Americans have universal access to basic communications. Some private companies have found ways to profitably provide useful services to qualifying customers, including devices, at little or no cost beyond that modest subsidy -- i.e. “free phone service”. The Commission has found some fraud and abuse in the program, involving wireless resellers engaged in very low-cost phone services, and has taken steps to prevent abuses in the future. At the same time, very low cost ETCs including resellers have enabled millions of the very poorest Americans to have what Lifeline is intended to provide -- basic telephone access to safety and emergency services, community services, employers, schools, and social networks.

In the 2016 Lifeline Order the Commission set out to add broadband Internet access to the basic communications access provided by Lifeline, without increasing the household subsidy. One way this can happen under the Order is that ETCs add a limited amount of Internet data access to their "free" offerings, along with Internet-capable devices. To a large extent this is now happening; and while it isn't the same as true broadband adoption, the resulting "free" voice/text/data access does improve disadvantaged households' access to the wide range of public safety, emergency, community health and services communications that now take place routinely online, as well as to employers, schools and social networks.

This is a benefit not only for the participating households, but also for the safety and emergency services, healthcare providers, educators and human service agencies in their communities. It may well turn out to be an important gateway experience leading to the true broadband adoption and digital literacy that the Commission says it wants to promote. Compared to the cost of Lifeline phone service alone, the extra cost to the Universal Service Fund is *zero.*

So what possible reason could there be for the FCC, as part of a proceeding captioned *"Bridging the Digital Divide for Low-Income Consumers"* to consider new toll gates and access limitations that would inevitably reduce the traffic on *this* bridge?

To be clear, NDIA does not equate "affordable" with "free", and does not believe that the low income households served by our affiliates need or expect to have real home broadband access at no cost. But the "free" Lifeline services now available are not real home broadband; they are limited, rudimentary access tools offered at no cost to consumers because the extra expense of account management, billing, collections and arrearages for a $5 or $10 monthly service charge would cost providers more than such a charge would bring in.

The Commission should be grateful that this aspect of the Lifeline broadband program is producing real value -- for participants, for their communities, and for the goal of digital access and adoption -- along with profits for at least some providers, and no additional cost-per-user to the program.

5) The Commission's suggestion that the "digital redlining" of low income urban neighborhoods can be remedied by targeting enhanced Lifeline subsidies, discussed in paragraph 123, is either disingenuous, or reflects a serious misunderstanding of the "redlining" phenomenon.

NDIA's research[2] (along with that of Free Press[3]) is a primary source of recent discussion of digital redlining. So we are happy to see the FCC acknowledge the importance of the issue. But the discussion in these paragraphs seems to be based on either a misunderstanding or a deliberate

[2] "AT&T's Digital Redlining of Cleveland". Published by NDIA March 10, 2017.
https://www.digitalinclusion.org/blog/2017/03/10/atts-digital-redlining-of-cleveland/
[3] "Digital Denied: The Impact of Systemic Racial Discrimination on Home Internet Adoption". Published by Free Press December 2016.
https://www.freepress.net/sites/default/files/resources/digital_denied_free_press_report_december_2016.pdf

misrepresentation of the phenomenon our reports described in Cleveland, Dayton, Toledo and Detroit.

“Digital redlining” refers not to a speculative situation in which “*providers have less incentive to deploy facilities or offer robust broadband offerings compared to other areas*”, but to actual historical failures (specifically by AT&T) to upgrade broadband networks to provide mainstream broadband speeds in large areas of the cities they serve, leaving all the residents of those areas -- not just low-income households -- with maximum available speeds below 25/3 mbps, and many with speeds of 3 mbps or less.

The Commission’s discussion raises the possibility of *“enhanced Lifeline support*” (presumably in the form of higher monthly subsidies) to “*bring digital opportunity to low-income areas where service providers have less incentive to deploy facilities or offer robust broadband offerings compared to other areas”.* There is no description of a mechanism by which greater “digital opportunity” might result from these extra payments, which would presumably go to whatever facilities-based ETCs remain to serve the redlined neighborhoods. We are left to infer that the Commission believes the extra payments would

a) attract new facilities-based providers to extend their facilities to provide service there; or
b) encourage many more Lifeline-eligible households to sign up for new broadband service from existing providers, thus overcoming a previously understandable reluctance to invest; or even
c) persuade AT&T (the only company whose history of digital redlining has actually been documented, to our knowledge) to reverse both its longstanding refusal to add new areas of fiber-enhanced residential service in low income urban neighborhoods, and its decision to renounce its ETC designation in most of its service territories.

Are any of these scenarios believable?

They are not… especially scenario c). Even if AT&T intended to continue as an ETC, which it apparently does not, why would an extra $10-15 a month from a few hundred or even a few thousand Lifeline customers in the redlined areas of Cleveland or Dayton persuade the company to install millions of dollars' worth of new fiber to neighborhood nodes, when it wasn't and still isn't prepared to do so to compete for thousands of their non-poor neighbors?

The Commission does ask a series of questions regarding the proper definition of a digitally redlined neighborhood. Since Lifeline is a communications subsidy and digital redlining is broadband infrastructure intentionally withheld from lower income neighborhoods, this is not the appropriate docket. NDIA offers to fully engage in the question of how to remedy digital redlining the effects of historical redlining, or to prevent it in the future (e.g. in the deployment of 5G infrastructure).

Thank you.