

*Before the*  
FEDERAL COMMUNICATIONS COMMISSION  
Washington DC 20554

In the Matter of	)	
	)	
Federal-State Joint Board on Universal	)	
Service Lifeline and Link Up Lifeline	)	WC Docket 11-42
and Link Up Reform and Modernization.	)	WC Docket 09-197

**OPPOSITION TO RECONSIDERATION CONCERNING LIFELINE BROADBAND PROVIDERS**

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# OPPOSITION TO RECONSIDERATION CONCERNING LIFELINE BROADBAND PROVIDERS

## *I – Introduction*

Media Alliance is a Northern California-based advocate for democratic communications. Our members include professional and citizen journalists, community-based organizations and citizens concerned about the state of the media. We write today in full support of the Lifeline modernization reforms adopted in March of 2016 and ask you to set aside the Order for Reconsideration and fully implement the Commission's previous order, which was well-considered and wise. The Order for Reconsideration rescinded Lifeline Broadband Provider designations for nine carriers prepared to offer Lifeline broadband services to qualified participants and has left these Americans without access to much-needed broadband subsidies for a necessary utility. This state of affairs needs to end.

## *II – Broadband Is A Utility, Not A Luxury*

Over the past two decades, high speed or “broadband” access to the Internet has evolved from an optional service upgrade to a necessity for participation in the job market, the educational system, to access government services and to civically engage. For all practical purposes, dial up Internet service is no longer viable for consistent use and other kinds of partial access, including limited connectivity via feature phones and smart phones, carry usage problems and potentially prohibitive data limitations that render those services inadequate for vital educational and vocational needs<sup>1</sup>. These customers are not a small fragment of the US population. They represent as much as 20% of the population and are overwhelmingly

- Low-Income
- Young
- Non-White

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<sup>1</sup> <http://www.pewinternet.org/2015/04/01/us-smartphone-use-in-2015/>

Half of them say they had to cancel or shut off their cell phone service for a period of time because the cost of maintaining that service was a financial hardship.

A third say that they frequently reach the maximum amount of data that they are allowed to consume as part of their cell phone plan, and half say that this happens to them at least occasionally.

Compared with smartphone owners from households earning \$75,000 or more per year, those from households earning less than \$30,000 annually are nearly twice as likely to use a smartphone to look for information about a job — and more than four times as likely to use their phone to actually submit a job application.

What we can understand from these statistics is two things:

1. The need for Internet access crosses all financial stratifications and focuses on basic economic survival – finding, getting and keeping employment and being able to participate as tax-paying members of society.
2. If it is too financially challenging to maintain full broadband connections, people will find a way to get as much as they can, but in so doing they are subjected to significant obstacles that make them less able to compete in job and educational marketplaces and put them at a significant disadvantage in trying to improve their economic condition.

By failing to implement the March order for Lifeline modernization, the Commission is rejecting one of the most useful tools at government's disposal to aid the economic engine and empower economically challenged populations to help themselves. Institutionalizing existing divides by refusing subsidies that directly improve the ability of people to enter the work force or upgrade their earning potential not only proves a failure to invest in America and Americans at a modest scale that will reap significant benefits in lowering the overall costs of government assistance programs, but also represents a failure to deliver on the American promise of social mobility for those willing to take opportunities and work hard.

Why on earth would we want to encumber low-income populations from conducting effective job searches because a rent increase or an unexpected family medical expense caused them to have to turn off their Internet connection in a tight household budget – when an inexpensive subsidy program exists? Isn't that turning economic stress into increased joblessness, less earning capacity and more dependence on government assistance programs when employment or better compensated employment becomes more difficult or impossible to obtain?

### ***III – Waste, Fraud and Abuse Is A Red Herring***

The Commission continues to weigh some examples of waste or fraud overly heavily and to significantly undervalue universal service requirements that Lifeline has helped the Commission to implement for basic telephone service, and now for basic broadband service, the base connectivity of the 21<sup>st</sup> century as the telephone was for the 20<sup>th</sup> century.

As with indoor plumbing and access to heat and electricity, the United States has always recognized that it is in the interests of the whole society to make sure basic needs are met for all of the population even when economic circumstances are not the best. The reasons are clear. Outdoor sewage is a health hazard that affects everyone in the area, not just the person without plumbing, and lack of heat that leads to freezing creates municipal hospital and health expenses that far outweigh the modest costs of unit heating, and must be borne by the larger community.

Lifeline modernization is very much the same dynamic in our modern day and age. The overall costs to the society of the digital divide are far greater down the line than the modest costs of the subsidy, even absorbing some baseline level of duplicated services or modest fraud.

Efforts to lower that baseline fraud level have been significantly explored in the previous Lifeline proceeding and a number of common sense methods have been proposed and implemented to lower that baseline and create as efficient a program as possible. If members of the Commission have further amendments to make in that regard or receive helpful data from carriers and/or program participants on the ground to further these efforts, that is all to the good.

All government programs should always be dynamic in their ability to receive input and measure their impact as they go along.

But that is a different process than programmatic paralysis due to red herrings which seek to punish honest program participants, deny them assistance that is needed and helpful, and prevent carriers who want to provide services from being able to engage in business.

#### ***IV – Conclusion***

Media Alliance encourages the Commission to put aside the Order for Reconsideration and allow the 9 carriers who wish to offer Lifeline broadband subsidies to qualified participants to begin operations immediately. We ask you to do this because:

- a) Lifeline broadband subsidies are a wise investment towards social mobility and increased employment
- b) Governmental assistance costs are directly increased by the maintenance of the digital divide without remedies
- c) Businesses that wish to provide Lifeline broadband services should not be hampered by unnecessary interference by the federal government.

Thank you for your consideration of our members concerns in this proceeding.