

March 24, 2016

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street, NW
Washington, DC 20554

Re: Ex Parte Lifeline and Link Up Reform and Modernization
WC Docket Nos. 11-42, 09-197, 10-90

Dear Chairman Wheeler:

In 2060, people of color are projected to comprise 56 percent of the total U.S. population, up from just 38 percent in 2014. **This shift in the demographic composition of our country will generate more interest and urgency in addressing issues around economic and social mobility.** A crucial aspect of ensuring our continued economic growth in the future is to support ubiquitous access to online tools and resources. For many Americans, particularly consumers of color, broadband access facilitates commerce, employment, education, and health care, all of which are critical to exercising first class, digital citizenship. As representatives of the nation's leading civil rights and social justice organizations, we laud the Commission's efforts to modernize the Lifeline program to include broadband, but request that the agency proceeds fully informed of the real life circumstances of economically disadvantaged populations who are the intended program beneficiaries.

In your March 8, 2016 blog co-authored with Commissioner Mignon Clyburn, you state that the proposed Lifeline reforms will, "provide a pathway out of poverty for low-income consumers by modernizing Lifeline for the 21st century."¹ We support this statement and feel that absent stable and affordable access to communications service, vulnerable populations that include low-income households, rural residents, seniors, the disabled and disproportionately people of color, will have their voices muted in every sphere of their public and private lives and their aspirations never fully realized.

Given the enormous potential for Lifeline reform to truly benefit consumers, we submit this Letter for the record that outlines three principles our organizations believe will guarantee the Lifeline program reaches the constituents of color that we represent.

¹ See Broadband: A Lifeline for the 21st Century, FCC Chairman Tom Wheeler and Commissioner Mignon Clyburn (March 8, 2016), available at <https://www.fcc.gov/news-events/blog/2016/03/08/broadband-lifeline-21st-century>.

- i. We expect Lifeline reform to acknowledge and address the factors that result in less than sufficient access and availability of high-speed broadband access for all citizens.**

As the FCC moves to favor high-speed broadband access over voice services, we encourage the Commission to develop a deeper understanding of the communities that will be directly affected and served by the proposed reforms. The rural wealth gap exists for a diverse group of racial and ethnic minorities who live in rural America this includes inhabitants of Native American lands, the Lower Mississippi Delta, the southern Black Belt, migrant communities, and regions along the U.S.-Mexico border where access to high-speed broadband networks, and even robust cellular networks do not exist.

While we are aware that the Commission will maintain voice service, our organizations reiterate that many of these communities still receive emergency 911-related alerts through their home wireline connections. Without a more careful review of how the dissolution of basic telephone service support will impact under-served rural communities, we risk setting in motion a serious setback on American progress. Thus, we urge the Commission to consider implementing reforms that embrace and support multiple technologies, including the ongoing support of wireless and wireline services so that our nation's neediest rural communities, along with others that sit on the fringe of the Internet revolution, can reach parity with the rest of the country in broadband infrastructure.

- ii. We expect Lifeline reform to enhance competition among Lifeline service providers, while not subjecting consumers to co-pays.**

The economic reality for people of color is fraught with challenges that ultimately give rise to fragile communities lacking financial wealth, opportunities, and information. These vulnerable communities then funnel any remaining discretionary income into essentials, such as food, housing, and other utilities. In light of the Commission's proposal to taper down, and eventually do away with the available Lifeline subsidy for standalone mobile voice-only service over the next three years, we implore the agency to first consider those consumers that may *never* choose to adopt broadband service.

We also ask that the Commission be sensitive in their establishment of new minimum standards for mobile voice services, coupled with the immediate reduction and eventual elimination of available support for mobile voice services. We feel that this may potentially price out the very people that Lifeline services seek to support. Asking low-income consumers to pay more to access a service that they currently rely on is counterintuitive and may force eligible customers to drop out of the Lifeline program because of their inability to pay for associated cost increases.

According to data from the Pew Research Center, broadband adoption has reached a plateau of 67 percent, at least when it comes to home broadband service, and according to the same research, despite government and social service programs to encourage Internet adoption, 15 percent of Americans do not use the Internet.² Among the 15 percent of non-Internet users, nearly 20 percent cite expense as one of their key reasons.³ We know that other factors such as age, educational attainment, household income, race and ethnicity, and community type are also important factors for who uses the Internet and who does not. Given these facts, it is clear that any proposals suggesting that low-income consumers need more, “skin in the game,” or promoting mandatory co-payments towards eligible Lifeline services are likely to produce negative outcomes for vulnerable populations.

In today’s market, the average cost of monthly broadband service is \$90.⁴ With a \$9.25 subsidy, low-income consumers would still need to pay over \$80 monthly to obtain broadband service. We know from the Commission’s own Lifeline broadband pilot program that requiring a co-pay will severely depress consumer uptake of broadband services among the Lifeline-eligible population.⁵ The Commission must not be part of the problem that maintains the status quo—where impoverished communities remain poor, that would be contrary to the program’s intent.

iii. We expect Lifeline reform to facilitate seamless eligibility, verification, and enrollment processes, while maintaining consumer dignity.

Finally, if leveraged effectively, the Lifeline program can bolster benefits provided through other means-tested social service programs. Our organizations support the Commission’s efforts to, “modernize rules to improve program flexibility, reduce burdens, and incentivize participation by providers.”⁶ We also encourage the Commission to streamline the eligibility processes by reducing the responsibilities of carriers who have been managing identification, enrollment, and de-enrollment for Lifeline subscribers. In our view, these processes have led to gross program inefficiencies, which limit the potential for program innovation and competition.⁷ These two goals in particular were the driving force behind the agency’s 2012 reforms.

² JOHN B. HARRIGAN & MAEVE DUGGAN, HOME BROADBAND 2015 (Pew Research Center) (2013), <http://www.pewinternet.org/files/2015/12/Broadband-adoption-full.pdf> (last visited Jan 28, 2016).

³ 15% OF AMERICANS DON’T USE THE INTERNET. WHO ARE THEY? PEWRESEARCH.ORG, available at <http://www.pewresearch.org/fact-tank/2015/07/28/15-of-americans-dont-use-the-internet-who-are-they/> (last visited Mar 24, 2016).

⁴ For instance, at high speeds of 45 Mbps and over, the OECD report has the US ranked 30th out of 33 countries, with an average price of \$90 a month. See WHY IS BROADBAND MORE EXPENSIVE IN THE US? BBC.COM, available at <http://www.bbc.com/news/magazine-24528383> (last visited Mar 24, 2016).

⁵ WIRELINE COMPETITION BUREAU LOW-INCOME BROADBAND PILOT PROGRAM STAFF REPORT, WC DOCKET NO. 11-42 (FCC) (2015), available at http://transition.fcc.gov/Daily_Releases/Daily_Business/2015/db0522/DA-15-624A1.pdf (last visited Mar 24, 2016).

⁶ CHAIRMAN WHEELER & COMMISSIONER CLYBURN PROPOSE RULES TO MODERNIZE LIFELINE PROGRAM TO PROVIDE AFFORDABLE BROADBAND FOR LOW-INCOME AMERICANS, available at http://transition.fcc.gov/Daily_Releases/Daily_Business/2016/db0314/DOC-338113A1.pdf (last visited Mar 24, 2015).

⁷ NICOL TURNER-LEE ET AL., LIFELINE TO HIGH SPEED-INTERNET ACCESS: AN ECONOMIC ANALYSIS OF ADMINISTRATIVE COSTS AND THE IMPACT ON CONSUMERS (Multicultural Media, Internet and Telecom Council) (2016), available at <http://mmtconline/WhitePapers/March2016-Lifeline-Analysis-Consumer-Impact.pdf> (last visited Mar 25, 2016).

Moving forward, we urge the Commission to focus on the following: ensuring real-time, database eligibility determination based on those programs most frequently relied upon by Lifeline applicants with the most significant of which are the Supplemental Nutrition Assistance Program (SNAP) and the Food Distribution Program in Indian Reservations (FDPIR).

Chairman Wheeler, we conclude this letter by reiterating our concern for the consumers whose lives will be transformed by Lifeline reform. Whether the subscriber is a single mother whose children are falling behind because they lack the right tools and being effected by the “homework gap,” or if the subscriber is a rural ESL speaker who lives in a largely immigrant community, or a homeless American needing only basic mobile voice service to stay in touch with essential emergency services, each of these people deserve support and access to essential and locally available communications services. The Lifeline program should dignify the need for interim or long-term support rather than belittling people for needing assistance.

We look forward to working with the Commission on this issue and we commend the agency’s leadership in bringing this program back to the nation’s attention.

Sincerely,

Asian Americans Advancing Justice (AAJC)
Blacks in Government (BIG)
Multicultural Media, Telecom and Internet Council
National Health IT Collaborative
National Action Network
National Black Caucus of State Legislators (NBCSL)
National Coalition on Black Civic Participation (NCBCP)
National Organization of Black County Officials (NOBCO)
National Organizations of Black Elected Legislative (NOBEL) Women
National Puerto Rican Chamber
National Urban League
OCA-Asian Pacific American Advocates
Rainbow PUSH Coalition
The LGBT Technology Partnership