Smarter Subsidies: 
Data Collection in the Emergency Broadband Benefit Program

Sarah Oh
Scott Wallsten

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Comments of
Sarah Oh, J.D., Ph.D.
Scott Wallsten, Ph.D. *

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We respectfully submit the following comments in response to the Federal Communications Commission’s (“FCC”) request for public comment on Emergency Broadband Connectivity Fund Assistance.1

Introduction

The FCC seeks public comment on how to distribute $3.2 billion in the Emergency Broadband Connectivity Fund through the Emergency Broadband Benefit Program (“EBBP”). The Notice focuses mostly on questions related to the mechanics of how to distribute the funds, which is understandable given the importance of speed of implementing pandemic assistance. Our comments focus on ways the FCC might maximize the effectiveness of the funds and how we might learn from the EBBP to continue addressing the digital divide beyond the EBBP.

1. Determine the Program’s Objective

The law states that the EBBP is “a monthly discount for an eligible household applied to the actual amount charged to such household,”2 but does not explicitly state what the program aims to achieve. The FCC should consider carefully what it wants—or believes Congress wants—to accomplish via the program.

* Senior Fellow and President and Senior Fellow, respectively, Technology Policy Institute. The opinions expressed here are those of the authors only and do not necessarily reflect those of anyone else affiliated with TPI. All mistakes are our own.


2 Id. at 5, n.30, citing H.R. 133, div. N, tit. IX § 904(a)(7)) (“Consolidated Appropriations Act”).
A program without a clear objective is likely to be muddled and unlikely to yield meaningful results. Suppose, for example, that the program ultimately provided subsidies to eligible existing subscribers who would not have otherwise lost their connections. In that case, the program would amount to an income transfer program. Income transfers to low-income people may be an effective method of helping families weather the pandemic-induced economic downturn, but doing it through an FCC program with high administrative costs like this one is not likely to be efficient.

The first question the FCC should determine, then, is the explicit objective of the EBBP. Several possible objectives seem consistent with the law:

- Minimize the number of households who lose their broadband service due to financial distress caused by the pandemic;
- Increase broadband adoption so that more households can participate online during the pandemic; or
- Some combination of the above two, such as increasing broadband adoption among the eligible population subject to limiting connection losses to some level.

In short, the FCC needs to think on the margin—what does the FCC (or Congress) hope to achieve with the $3.2 billion and, moreover, how will it know it achieved that goal? Defining the objective is crucial for determining how the FCC runs and evaluates the program.

2. **Distribute Funds in Ways that Facilitate Studying Ways of Narrowing the Digital Divide**

Little empirical evidence exists on how best to address the income-based digital divide. The EBBP presents a rare opportunity to gain new information that can then be applied more broadly. Using the EBBP to run experiments, though, faces two key constraints: the experiments must be consistent with the law, which provides many details about how the program must work, and the experiments must not significantly delay implementing the program given the law’s overarching purpose of providing pandemic financial relief.

One possible approach for using these funds for experiments and evaluation is to allow providers to set various rules, including some that are the focus of the Notice. Different rules across providers might make it possible to identify approaches that turned out to be more successful at achieving the objective the FCC will have defined. Those lessons could then be applied to low-income programs in the future.

Presumably, the FCC would still have to approve the providers’ plans to ensure that they are consistent with the law and with making a difference on the margin. So, for example, a plan that tried to target households at risk of disconnection would be acceptable. But, say, a plan that allowed existing eligible subscribers to use the subsidy to upgrade to a more expensive

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subscription, would not. The former plan ensures that pandemic-related financial distress does not cause a low-income household to lose its valuable connection. The latter plan would mostly just increase an ISP’s revenues.

Skeptics may say that experiments or different plans across providers or states would be too complicated to implement in an emergency program such as the EBBP. Given the expertise of the FCC over twenty years and hundreds of billions of dollars of broadband subsidies, however, it does not seem beyond the FCC’s ability to assess alternative approaches in a reasonable time. The EBBP has the benefit of relying on Lifeline verification databases and existing providers with experience with universal service programs. The FCC should employ policy experiments in addition to distribution of more subsidies in order to narrow the digital divide faster. With smarter programs to distribute subsidies, the FCC can get more bang for the buck.

3. Measure and Evaluate the Program’s Effectiveness

With a stated objective (as discussed in section 1) and planned experiments and variation in how the program is implemented across the country (as described in section 2), it becomes possible to evaluate how well the program worked. Evaluation requires good data collection, another area the Notice discusses. The precise data to be collected may differ depending on the objectives the FCC identifies. Regardless of the objective, measurement should include efforts to identify the relevant trend before and after implementing the EBBP, likely through a combination of very short surveys, existing Census and other data, and data collected while implementing the program.

In the Notice, the FCC seeks comment on how providers should track enrollments and verify eligibility in the EBBP. The FCC lays the groundwork for collecting relevant data in the EBBP:

To track the eligibility of households and prevent duplicative support, we propose to require all participating providers to track enrollments of eligible households in the Emergency Broadband Benefit Program in the National Lifeline Accountability Database. This proposal would require that the National Lifeline Accountability Database be able to associate a subscriber record with up to two providers—one Lifeline provider and one Emergency Broadband Benefit provider.4

In submitting claims, we propose the providers include sufficient detail so that USAC and the Commission can verify that each claimed household has been appropriately enrolled in the National Lifeline Accountability Database and that the discount does not exceed the standard rate for the applicable service tier (or $100 for a connected device). Such information would facilitate the swift verification that claims are valid and meet the requirements of the statute.5

The FCC should take this a step further and use these data to help evaluate the program’s effectiveness. These data should be collected and combined with existing data. For example, the FCC already requires Lifeline providers to keep records of prospective subscribers.6 Together,

4 EBBP Notice, supra note 1.
5 Id.
6 Universal Service Administrative Corporation, “Record Keeping,” https://www.usac.org/lifeline/additional-requirements/record-keeping/ (“The subscriber’s full name; The subscriber’s full residential address; Whether the subscriber’s residential address is permanent or temporary; The subscriber’s billing address, if different from the subscriber’s residential address; The subscriber’s date of birth; The last four digits of the subscriber’s Social Security number; The subscriber’s telephone number, if different from the subscriber’s residential address.”)
these data would help the FCC determine whether the program tended to help more financially distressed households with existing subscriptions or helped connect additional households without existing subscriptions.

The FCC’s Office of Economics and Analytics (OEA) should be involved in designing the EBBP implementation in order to help facilitate evaluation. OEA should then conduct a detailed, empirical analysis of it. Additionally, the value of the data the FCC collects increases with the number and variety of researchers who can use it. We therefore encourage the FCC to make anonymized data available to non-FCC researchers.7

Conclusion

Congress has allocated $3.2 billion for the EBBP, but has not clearly articulated its objective for the program. The FCC’s first step should be to determine the program’s objective, with an eye towards helping households on the margin—that is, trying to target households at risk of disconnection or encouraging households without broadband connections to subscribe. That determination will help the Commission answer many of the questions it asks in the Notice and help facilitate meaningful evaluation of the program.

To the extent allowable by the law, the FCC should design experimentation and evaluation into the program. The evaluation can then be done using the extensive data that it appears poised to collect, both by the FCC’s OEA and outside researchers.