



Chairman Ajit V. Pai
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

August 12, 2019

Re: Universal Service Contribution Methodology, WC Docket No. 06-122

Dear Chairman Pai and Commissioners:

The Institute for Intellectual Property and Social Justice (IIPSJ) submits the below comments in opposition to the Federal Communications Commission's (FCC) recent proposals to impose an overall budget cap on the Universal Service programs. IIPSJ works to address the social justice implications of intellectual property law and policy both domestically and globally. This includes the scholarly examination of intellectual property law from the social justice perspective; advocacy for social justice-cognizant interpretation, application, and revision of intellectual property law; and programs to empower marginalized communities through the protection, use, and dissemination of intellectual property. As discussed in more detail below, we oppose the proposed cap because it will harm communities of color, impede entrepreneurial efforts of diverse and small businesses, and mute the creative contributions emerging digital creators.

Developments in technology have revolutionized how we create, share and monetize our ideas.

As the Commission has consistently found, both voice and broadband services are essential for full participation in today's economy. Traditionally, Americans have relied on broadband for access to news and information, education, employment, civic participation and health care. Over time, the internet has presented revolutionary opportunities for the development, dissemination, and monetization of information, ideas, and individual creative expression.

The Internet is the ideal tool to create opportunities for traditionally marginalized individuals and communities and promotes the building of wealth, or at least a living wage, among the most disadvantaged in society. Generally, it costs less to operate and manage a business online because an Internet presence eliminates traditional expenses such as brick-and-mortar overhead costs and human resource costs. Moreover, the use of the Internet in operating or simply advertising a business exponentially increases an owner's market exposure. Most importantly, historically marginalized creators no longer have to convince traditional

gatekeepers of the value-of and benefits-to distributing their work. Instead, those creators can now display and market their work on an internet platform for the cost of crafting a profile or a webpage.

Universal Service Fund Programs promote economic mobility within communities of color.

Universal Service Fund (USF) Programs present an especially critical and timely opportunity for thriving creator communities of color unable to enter the market due to their being on the wrong side of the digital divide.¹ These programs boost effective access to technology, build a ladder for digital entrepreneurship,² and inspire the next generation of digital creators.³

Universal Service Fund (USF) Programs promote the use of technology by marginalized communities and cultivates the digital creator economy - entrepreneurs, small business owners and artists integrating advances in digital technology into their practice - and presents the opportunity to bring low income communities into the economic mainstream. A recent study of creators who have seized opportunities arising from tech innovation and entrepreneurship, outlines how the digital creator economy will continue to expand as the public's awareness of its opportunities increases and as technological advances provide more advanced platforms.⁴ The study found that nearly 17 million Americans used the top nine platforms in 2017 to earn income from their creations (a 16.6 percent increase since 2016).⁵ Collectively, these independent creators earned a baseline of an estimated \$6.8 billion in 2017 from their creations (a 17 percent increase since 2016).⁶

USF Programs are not only cultivating entry into the digital creator economy today, they are cultivating future generations of digital creative entrepreneurs.⁷ The widespread production and dissemination of creative works, that broadband access supports, benefits not only the creator, but also, the recipients as they are exposed to and able to make use of the creative works therein. Furthermore, the production of additional works by the first order recipients not only spurs their creative talents, but ultimately also those of the next order of recipients who continue the cycle, igniting and perpetuating a chain reaction of economic advancement.

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https://www.freepress.net/sites/default/files/legacy-policy/digital_denied_free_press_report_december_2016.pdf

2 http://washburnlaw.edu/profiles/faculty/activity/_fulltext/jackson-janet-2009-112westvirginialawreview187.pdf

3 <https://iipsj.org/wp-content/uploads/2019/06/issues-for-the-digital-information-age-2011.pdf>

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<https://www.recreatecoalition.org/wp-content/uploads/2019/02/ReCreate-2017-New-Creative-Economy-Study.pdf>

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<https://www.recreatecoalition.org/wp-content/uploads/2019/02/ReCreate-2017-New-Creative-Economy-Study.pdf>

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<https://www.recreatecoalition.org/wp-content/uploads/2019/02/ReCreate-2017-New-Creative-Economy-Study.pdf>

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USF Programs address the challenges of access, quality of use, and education in many marginalized communities, policy should work to promote and not impede these programs. IIP SJ urges the FCC to affirmatively reject this proposal as expeditiously as possible. Should you require further information or have any questions regarding this issue, please contact Kimberly Tignor, Executive Director for the Institute for Intellectual Property and Social Justice at Kim.Tignor@IIP SJ.org.

Sincerely,

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