

Before the Federal Communications Commission

In the Matter of)	
)	
Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Lifeline and Link Up)	WC Docket No. 03-109

COMMENTS OF EVERYONEON

EveryoneOn respectfully submits these comments in response to the Federal Communication Commission's Notice of Proposed Rulemaking on Lifeline and Link Up reform and modernization.

Introduction

Flatlining broadband adoption rates over the past mean that nearly 20% of American households do not have access to our most important communications platform.¹The vast majority of those offline are low-income and minority Americans, deepening the opportunity gap for our already most marginalized populations.²

With the exception of the eldest segment of the senior population, the key indicator for whether or not a household has an Internet subscription is income level. An annual household income of around \$30,000 marks the edge of the connectivity cliff in the United States and adoption rates plummet for households below this level. Only 47 percent of households with annual income of \$25,000 or below have an Internet connection of any kind at home, and that includes families subscribing to second tier Internet technologies, including DSL and the 2.1 million Americans still using dial-up service, that can make meaningful access to 21st century tools and content difficult or impossible³.

Compare this data to the more than 92 percent subscription rates for households that make \$100,000 in annual income⁴ and affordability comes into sharp focus as the

¹ <http://www.census.gov/history/pdf/2013computeruse.pdf>

² <http://www.pewinternet.org/2015/06/26/americans-internet-access-2000-2015/>

³ *More than 2 million people still pay for dial up*, CNET.com, May 8, 2015:
<http://www.cnet.com/news/more-than-2-million-people-still-pay-for-aol-dialup/>

⁴ *Computer and Internet Use in the United States*, United States Census: 2013;
<http://www.census.gov/history/pdf/2013computeruse.pdf>

primary barrier to broadband adoption for low income and minority Americans. Access to digital literacy training and content is key to meaningful use, but as the National Broadband Plan first asserted more than five years ago, affordability remains the primary barrier to broadband adoption for low-income Americans.⁵

Affordable access to technology can remove the barriers to knowledge that are born of circumstance, and expose everyone to the opportunities to achieve, thrive, and grow. However, the bi-partisan bottomline is that when we do better to provide affordable Internet to every American, we will all do better. Perhaps the most important and lasting benefit of a connected America—one that is truly representative of all its citizens—is in the impact millions of new digital citizens will have on our nation’s competitiveness in a global economy and in the rich diversity it will bring to the next wave of digital content and innovation.

About EveryoneOn

EveryoneOn is a national nonprofit working to eliminate the digital divide by making high-speed, low-cost Internet service and computers, as well as free digital literacy training, accessible to all unconnected Americans. It aims to leverage the democratizing power of the Internet to provide opportunity to all Americans—regardless of age, race, geography, income, or education level. Our strong support of the expansion of Lifeline is in line with our efforts to accelerate affordable adoption

EveryoneOn serves as an intermediary facilitator between low-income households and Internet service providers, device refurbishers, digital literacy training, and more. In addition to interacting with the end user, EveryoneOn also works with its enrollment partners (nonprofits, schools, and other community-based organizations) across the country to better reach eligible populations. Additionally, through its community technology investments program, EveryoneOn assists organizations in subsidizing service and devices for their beneficiaries.

EveryoneOn’s technological platform and partner platform help coordinate between Internet service providers or device refurbishers and the end customer. EveryoneOn assists in marketing these offers, and with some partners, assists with customer service and data collection.

Service Standards & Levels

At EveryoneOn, we have remained committed to ensuring that our customers get high-quality affordable service. Not all plans are equal, and low-income households are entitled to service that allow them take full advantage of the opportunities the Internet has to offer.

⁵<http://www.broadband.gov/plan/9-adoption-and-utilization/>

We found that if offered affordable service, the Americans that Lifeline will be targeting are not only willing to enroll and pay for services, but also that they continue to pay over long periods of time with low failure and churn rates. Preliminary third-party research and evaluation examining the behavior of more than 3,300 EveryoneOn subscribers from 30 states reveal subscription retention rates above 77% over a evaluation period of around 12 months. (December 2013 and November 2014).⁶ In addition, less than 10% of those subscribers experienced a failed billing transaction, defined as voluntary nonpayment, insufficient funds, or a late payment, over the same time period.

This is an important finding, as it suggests that Internet providers delivering services at a rate affordable to low-income households will benefit from minimal churn rates and failed payment events, which reduces the average cost of goods and services to each company in serving this population. This initial data is aligned with EveryoneOn's experience connecting hundreds of thousands of low-income individuals across the nation - if Internet access is made affordable and accessible, the majority of low-income Americans will choose to adopt these offers and will continue to subscribe to Internet service for long periods of time.

Additionally, households that enroll in our unlimited Internet plans (i.e. with no data caps) tend to take full advantage and, on average, use 44 GB of data per month. Data is of particular contention with mobile plans, and we feel that customers should be allowed to apply a Lifeline subsidy to a range of plans (with varying end user charges) in order to ensure they have access to a plan that best suits their needs. While there need not be a necessary minimum, families with children in school, for example, might need and want more data than those who are using the Internet for email and web browsing, and should have the ability to choose plans as such.

For fixed broadband service, speeds are increasing, and prices are constantly going down. We believe using a standard like one set by the Connect America Fund could provide an easy method of updating requirements for eligible telecommunications carriers (ETCs). However, we also recognize that 10/1 may be prohibitive to sustainable participation for some ETCs and that variables such as differences in technologies, scale, and business models should be considered in establishing adequate service levels for specific ETCs.

Transferring Lifeline Benefits & Support Level

Low-income customers should not be limited to bottom-tier plans through Lifeline. Rather they, like all customers, should have choice and flexibility in choosing what service they'd like to put their subsidy toward.

⁶ This data is available by request and is scheduled to be publicly available in October 2015.

In this scenario, it could be expected that end users face varying charges based on which plan they choose. It would be wrong to require ETCs to provide all service at \$9.25, as some plans are more expensive than others. However, Lifeline customers should not be limited to plans that are only valued at \$9.25.

Third-Party Eligibility Determination

We support the Commission's suggestions that the responsibility of verifying subscriber eligibility be removed from the ETC. The verification process places an added burden onto the provider, increasing administrative costs and making it less attractive for providers to remain in the Lifeline program.

In EveryoneOn's experience, individuals are much more likely to enroll in plans if it is through a trusted source. More than 50 percent of EveryoneOn beneficiaries have signed up for low-cost Internet service through our platform after being directed there by a school, library, nonprofit, or other trusted organization in their community. The households that want to get affordable Internet access are not necessarily those who are currently Lifeline beneficiaries. In order to ensure that the program is truly successful, utilizing other federal and state programs' resources and beneficiary bases can be an effective way to ensure Lifeline subsidies are getting to the households that need them. Lifeline customers are, by and large, enrolling in other federal and state programs, and it reduces waste to coordinate enrollment and leverage verification processes from other programs.

If Lifeline enrollment is coordinated with existing means-tested eligibility programs, a national verifier may be better poised to handle cross-program eligibility structures. Business process solution providers such as Solix, Inc, can bring expertise in Lifeline program administration, eligibility determination, and customer care and could be leveraged to coordinate enrollment with other federal and state programs. Additional coordinated access solutions, like those provided by Single Stop USA and others, may also be leveraged to streamline coherent processes, increase cost efficiencies, and maintain high-fidelity to the eligible population.

In addition, the FCC should consider granting states the authority to collect and distribute funds for state-level broadband Lifeline programs that would supplement the federal program.

We also strongly recommend an approach that is performance-based and results-oriented, with specific quantified goals for broadband adoption in low income and other underserved communities based on current addressable populations of eligible non-adopters. A forthcoming EveryoneOn evaluation conducted by the Open Technology Institute and scheduled for public release in October 2015 finds that transparent collection and systematic sharing of adoption data among public, private, and nonprofit partners is critical to meaningful broadband adoption for low-income

households.⁷ Standardized and open data sharing protocols will allow states, anchor institutions, CBOs, and ISPs to collaborate in accelerating adoption with customized, local strategies while ensuring the privacy and security of the data is maintained.

Innovative Services

While Lifeline is a great first step in addressing our country's digital divide, the digital inclusion community needs to continue to be creative in coming up with efficient, cost-effective solutions. One such solution involves spectrum.

Educational Broadband Service (EBS) spectrum was originally provided to schools, churches, nonprofits, and other educational institutions across the country to assist in the provision of educational content to students. Much of the spectrum, now much more valuable than when first given out, is now being used for commercial, not only educational, purposes.

We believe, as was suggested in the National Broadband Plan, that the expansion of Lifeline should ideally coincide with the consideration of licensing spectrum with the condition of offering affordable service. Spectrum like EBS or other unlicensed bands should be looked at to determine if it is feasible to offer low-cost service, thereby reducing the burden on the Universal Service Fund and Lifeline to be a panacea for the digital divide.

Respectfully submitted,

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⁷ <https://www.newamerica.org/oti/oti-and-everyoneon-release-adoption-metrics-rubric-and-instruments/>