

Before the Federal Communications Commission

Washington, D.C. 20554

In the Matter of)	
)	
Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Telecommunications Carriers Eligible for Universal Service Support)	WC Docket No. 09-197
)	
Connect America Fund)	WC Docket No. 10-90

Comments of Ralph B. Everett

During my career in the practice of telecommunications law, as a government official, and a policy advocate, I have developed a keen appreciation for the central role that broadband technology can play in expanding economic opportunity for individuals and society. Based on this experience, I strongly support the Federal Communications Commission’s (FCC) proposed reform and modernization of its Lifeline Program. I believe the proposed reforms will enable many more low-income Americans to enjoy the full benefits of the digital economy. It is my privilege to offer the following comments in this proceeding.¹

It is widely agreed that access to broadband and the full array of digital technologies offers significant new opportunities in such critical areas as jobs, education, and health care. Continued digital innovation, including the coming “Internet of Everything,” is generally predicted to spur growth for the broader U.S. economy and holds out the promise of higher incomes and a better quality of life for less affluent Americans as well as for racial and ethnic groups who have often lagged behind.² In sum, digital communications technologies have the potential to be a great equalizer that cuts the gaps between America’s haves and have-nots.

Lifeline was created in 1985 by the Reagan Administration to help bring basic phone service to low-income Americans based on the belief that access to core communications technology is crucial to full

¹ Second Further Notice of Proposed Rulemaking on Lifeline and Link Up Reform and Modernization, WC Docket 11-42, WC Docket 09- 197, WC Docket 10-90, Released June 22, 2015, <https://www.fcc.gov/document/fcc-releases-lifeline-reform-and-modernization-item>

² For example, see: McKinsey Global Institute, “Unlocking the Value of the Internet of Things,” June 2015, http://www.mckinsey.com/insights/business_technology/the_internet_of_things_the_value_of_digitizing_the_physical_world; Michael Mandel and Diana G. Carew, “Tech Opportunity for Minorities and Women: A Good News, Bad News Story.” Progressive Policy Institute, April 2015, http://www.progressivepolicy.org/wp-content/uploads/2015/04/2015.04_Mandel-Carew_Tech-Opportunity-for-Minorities-and-Women_A-Good-News-Bad-News-Story.pdf; and Cisco, “Embracing the Internet of Everything to Capture Your Share of \$14.4 Trillion”, 2013 http://www.cisco.com/web/about/ac79/docs/innov/loE_Economy.pdf

participation in American society and the economy. With broadband replacing voice service as the essential communications technology of the 21st century, modernizing the program to help consumers obtain high-speed connectivity is the next logical step in honoring this long-standing national commitment.

For many Americans, especially the more affluent, broadband connectivity is just one more reality of life that is taken for granted. For those of us who routinely communicate by e-mail or turn to an Internet search engine to answer almost any question that comes up in our daily life, it is easy to forget that for large numbers of our fellow citizens Internet access is still a luxury good that they cannot afford. As the Commission has documented, nearly half of Americans with incomes of less than \$25,000 a year are not connected to broadband at home. Even with incomes up to \$50,000 annually, about three in ten lack broadband.³

Most troubling for America's future, the list of digital have-nots includes millions of low-income schoolchildren. The Pew Foundation has reported that more than 30 percent of households with school-aged children (ages 6-17) and incomes below \$50,000 a year do not have high-speed connectivity at home. The lower you go on the income scale, the broadband adoption numbers get worse. Almost 40 percent of young students in households with incomes of less than \$25,000 lack broadband in the home. All told, Pew estimates that more than five million households with school-aged children are not connected to broadband.⁴

Students who can't get online or can do so only sporadically face a real-life cap on learning. More than half of teachers of low-income children say their students' lack of technology resources is a major challenge that limits lesson plans. These teachers face a conundrum – assign work that uses online resources even if that means some students are disadvantaged, or limit the assignments in a way that short-changes every student equally. Either choice exacerbates the disadvantages that resource-deprived and lower-income children already face when they have to compete against more fortunate and better-prepared peers. Indeed, a majority of teachers surveyed by the Pew Foundation fear that technology is widening existing divides among students.⁵

Walling off students from full participation in the digital economy sets them behind in educational opportunity and economic competition. Some will overcome these challenges because exceptional people with determination often succeed against great odds. We know, for example, that some students take advantage of free Wi-Fi at commercial establishments such as McDonald's and Starbucks, to get their homework done.⁶ But the quality of a young person's education should not depend on proximity to restaurant chains. The sad fact is that most young students who lack regular broadband

³ op. cit, Second Further Notice of Proposed Rulemaking (Lifeline) – (para 4, page 5)

⁴ John B. Horrigan, "The Numbers Behind the Broadband Homework Gap," Pew Research Center, April 2015, <http://www.pewresearch.org/fact-tank/2015/04/20/the-numbers-behind-the-broadband-homework-gap/>

⁵ Kristen Purcell et al, "How Teachers Are Using Technology at Home and in Their Classrooms," Pew Research Center, February 2013, <http://www.pewinternet.org/2013/02/28/how-teachers-are-using-technology-at-home-and-in-their-classrooms/>

⁶ Anton Troianovski, "The Web-Deprived Study at McDonald's," The Wall Street Journal, January 28, 2013, <http://www.wsj.com/articles/SB10001424127887324731304578189794161056954>

access will start behind and stay behind – not because they lack skills, or intelligence, or ambition, but because they don't have access to the same tools as more affluent peers for engaging in the digital economy.

One way to help low-income students who do not have broadband at home is to expand access to Wi-Fi hotspots that are closer to where the students live. Targeted locations for additional Wi-Fi hotspots might include public housing, subways, school buses, and other public transportation. Although a supplement, not a replacement, for 24-hour connectivity at home, expanding the number and capacity of Wi-Fi hotspots in this fashion would provide a useful hand up for students who own smartphones and laptops. But in order to address the more intransigent problem presented by the lack of round-the-clock, home-based connectivity, the FCC can and should bring its Lifeline program into the 21st Century.

Given the stakes, especially the long-term burden imposed on students who lack digital tools, I urge the Commission to act boldly. Opportunities for major reforms come along infrequently, and we must seize the moment when they arrive. The FCC has the chance now for a sea change in the Lifeline Program that will enable broadband connectivity for millions of Americans and give them a better chance to compete and succeed. Significantly, the impact will extend far beyond the immediate recipients. The benefits to the initial recipients of Lifeline-enabled broadband will be passed on to their families, to their children and their children's children as each generation builds upon their predecessors' gains. We must not squander this moment.

First, Lifeline should be revised by allowing qualified lower-income consumers to use subsidies to help pay for broadband. With this change, consumers could decide for themselves which communications services meet their needs (voice or broadband). The financial assistance should go directly from the government to the consumer without an intermediary to make it easier for consumers to exercise this right to choose.

At the same time, the program must be reformed to wring out waste, fraud, and abuse so that taxpayers and consumers get the biggest return on the dollar. Sadly, in recent years, some Lifeline funds have been wasted because of flaws in the program's structure. The Commission can close one of the biggest sources of Lifeline fraud by giving the government, not providers, the responsibility for identifying the consumers who are eligible for subsidies. In the past, some providers signed up a significant number of consumers who did not qualify for financial assistance, and the dollars wrongfully padded the providers' bottom line. Whether the errors were intentional or just honest mistakes, taking eligibility determinations out of providers' hands virtually eliminates the chance this type of failure will happen again. It's also possible that removing this administrative chore from providers' backs will encourage more providers to offer Lifeline service, a development that would give low-income consumers a wider range of providers and competitive offerings to choose from.

The FCC also should make the program operate more efficiently by adopting a coordinated enrollment process so that consumers can sign up for Lifeline at the same time they apply for other government benefits such as SNAP (food stamps) and Medicaid that serve low-income Americans. For further convenience and a possible reduction in costs, the subsidies might be electronically distributed to

consumers through the use of stored value cards or a similar mechanism. Linking de-enrollment to whether consumers have been de-enrolled from the government program that affirmed their eligibility for Lifeline also makes sense.

I do not pretend that broadband connectivity or Lifeline is a magic bullet that will cure all of society's inequities. But I am certain that broadband connectivity will open the doors of opportunity and give lower-income Americans a better chance to take advantage of their own gifts to improve their lives. This is especially true for schoolchildren who are just starting out on their life journey. High-speed connectivity made possible by Lifeline will enable them to get the best possible education, stoke their ambitions, and enhance the possibility that they can reach their dreams.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "R. B. Everett", is written over a horizontal line. The signature is stylized and cursive.

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