



March 24, 2016

Chairman Tom Wheeler
Commissioner Mignon Clyburn
Commissioner Michael O’Rielly
Commissioner Ajit Pai
Commissioner Jessica Rosenworcel

Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: WC Docket No. 11-42, Lifeline and Link Up Reform and Modernization

Dear Chairman Wheeler and Commissioners Clyburn, O’Rielly, Pai, and Rosenworcel:

On March 31, 2016, the Commission is set to consider a major reform to the current Lifeline program that is already helping millions of low-income Americans. EveryoneOn now offers our voice to the choir of support to modernization of Lifeline that will be life altering for millions of low-income Americans. This is a huge opportunity to bring this program into the 21st Century.

At EveryoneOn, we have been working since 2013 to end this digital divide. We believe that digital inclusion requires three things: (1) affordable, high-speed home Internet service, (2) affordable devices on which to use said service and (3) top notch digital literacy training. Specifically, EveryoneOn does three things:

- Negotiates with Internet Service Providers and device manufacturers to create and refine low cost offers that low-income families can afford.
- Help these families sign-up for these offers through our website, text messaging platform, and enrolment events.
- Follow up and cultivate on-the-ground people and partners to help fight the digital divide at the local level.

It’s a three-legged stool approach and it is working. We have connected almost 200,000 low-income families in 49 states since 2013. What we have learned unequivocally is that

when you make the Internet accessible and affordable, people will adopt it and lives will be changed.

With the proposed change to allow the \$9.25 per month subsidy to be applied to not just voice service, but Internet service or a bundle of both, we believe that millions of more Americans will adopt Internet at home. Currently, most of the low-cost offers negotiated by EveryoneOn are priced at approximately \$10 per month. With this reform, these families could adopt the Internet for just cents per month. If Lifeline is reformed along these lines, we estimate that five to 15 million unconnected Americans could experience the life-changing opportunity the Internet provides.

While the changes to the subsidy application are paramount, there are other facets of reform that we deem vital to a successful modernization of the Lifeline program:

Reasonable Minimum Service Standards: We believe that qualifying broadband plans should have a reasonable minimum standard of service. We are supportive of efforts to update these requirements as the needs of the Lifeline qualifying consumers and the digital world change. In short, we support and encourage efforts of widespread participation by as many eligible telecommunications carriers (ETCs) as possible. Additionally, we believe that any Lifeline offers that are bundled with wireless phones, should come with Wi-Fi and tethering capability. Just as in the traditional marketplace, Lifeline eligible consumers should have the same choices for Internet service that the rest of us do.

Easy, Efficient and Exact Eligibility Verification: We also firmly support easy, efficient, and exact eligibility qualifications for potential qualifiers, including the establishment of a third-party National Eligibility Verifier process. This process will remove the program verification process from the service providers, which has become a barrier for many families in qualifying for the subsidy. This process should be as easy and streamlined as possible for the end-users to ensure that bureaucracy is never a barrier to adoption.

Inclusion of HUD-Assisted Housing Residency As An Eligibility Category: In addition, we support refinement to the list of federal programs that may be used to validate Lifeline eligibility to include programs that best identify people needing this kind of support. Specifically, living in HUD-assisted housing should be an eligibility qualification. According to data from the U.S. Department of Housing and Urban Development (HUD), the average income of families living in public housing is \$12,500 per year, which is far below the federal poverty line. Already, we have seen the impact that low-cost broadband service can provide for these families, specifically in our work as the

non-profit lead for the Obama Administration's ConnectHome. By expanding the eligibility to those living in HUD-assisted housing, the most in-need Americans could easily and efficiently qualify for the program based on just an address verification. Including this as an additional eligibility category, we can make sure that the Internet is available to the neediest among us.

Creation of a User Advisory Group: Finally, we encourage the FCC to establish a User Advisory Group to help contribute to the discussion, possible expansion, and overall support of the Lifeline program. This group should be modeled after a similar user advisory group for e-Rate. Its primary goal would be to advise USAC on the implementation of the reform and to make sure that the needs of recipients are reflected. Members of such a body should include Lifeline-qualified families, non-profit organizations, trusted intermediary organizations, and community members committed to informing low-income Americans about their eligibility. The creation of this group will ensure that the final Lifeline program is effective in theory and in reality.

We know from our work that there is great demand for the service that Lifeline could provide. Third-party research and evaluation examining the behavior of more than 3,300 EveryoneOn subscribers (subscribed to service starting at about \$10 per month) from 30 states reveal subscription retention rates above 77% over a evaluation period of around 12 months.¹ 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. Through this research and our own experience on the ground, we know that every family wants access to the Internet and Lifeline could be their means to access it.

The Lifeline reform is an important part of ending the digital divide that currently exists in our country. We believe that this reform is important for a simple reason: more choices and more qualifications means more people can get online. This makes sure that that no matter where you live, how much money you make or who your parents, everyone has access to the Internet and the opportunity it provides.

Respectfully submitted,

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¹ <https://www.newamerica.org/oti/oti-and-everyoneon-release-adoption-metrics-rubric-and-instruments/>