

February 23, 2017

The Honorable Ajit Pai, Chairman  
The Honorable Mignon Clyburn, Commissioner  
The Honorable Michael O’Rielly, Commissioner  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

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

Dear Chairman Pai, Commissioner Clyburn and Commissioner O’Rielly:

We, the undersigned, continue to support in full the Lifeline reforms adopted in March 2016 to modernize the program for the digital age. For that reason, we encourage the Commission implement those modernizations swiftly. Specifically, we call on you to reverse the Wireline Competition Bureau’s Order on Reconsideration<sup>1</sup> that has undermined Lifeline’s important goal of bringing affordable communications services to poor people, and to set aside any further efforts to erode Lifeline’s promise.

Lifeline has brought affordable telephone service to millions of people in poverty. Now it is the only federal program poised to bring broadband to poor families across the U.S. so that they can connect to jobs, complete their homework, and communicate with healthcare providers and emergency services.

Most policymakers now recognize that home internet access is a necessity for adequate participation in modern society. They see that for those individuals fortunate enough to have it, broadband technology can open up a world of opportunities.<sup>2</sup> Yet major broadband adoption gaps persist between rich and poor people, white people and people of color, rural and urban residents, and along other divides too.

The lingering narrative that non-adopters simply do not want to go online is dead wrong, based on usage data and survey responses for families living in marginalized communities. As

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<sup>1</sup> *Telecommunications Carriers Eligible for Universal Service Support, Lifeline and LinkUp Reform and Modernization*, WC Docket Nos. 09-197 & 11-42, Order on Reconsideration, DA 17-128 (rel. Feb. 3, 2017).

<sup>2</sup> See, e.g., Remarks of Commissioner Michael O’Rielly Before the Internet Innovation Alliance, “What is the Appropriate Role for Regulators in an Expanding Broadband Economy?” (June 25, 2015) (“[T]he constant advancements and ever-changing marketplace have provided a profession and steady income but, more importantly, *technology has expanded my capabilities beyond measure. I have taken advantage of Internet broadband to expand my horizons* both as a consumer and a professional.”) (emphasis added). Despite this recognition of the benefits he gained from access to technology, Commissioner O’Rielly missed the importance of ensuring that others have the same opportunities he enjoys, claiming that “Internet access is not a necessity in the day-to-day lives of Americans . . . People can and do live without Internet access, and many lead very successful lives. Instead, the term ‘necessity’ should be reserved to those items that humans cannot live without, such as food, shelter, and water.” *Id.*

Free Press' recent report *Digital Denied* shows, low-income families and people of color lacking home internet access have a very high demand for it.<sup>3</sup> Non-adopters in these demographic groups take extraordinary measures to go online elsewhere, and would overwhelmingly subscribe if home access were more affordable.<sup>4</sup> Affordability is also the most important factor to low-income families that currently have home internet, a population particularly vulnerable to being forced to drop service in the face of financial stress.<sup>5</sup> Furthermore, the data indicates that increasing the affordability of pre-paid broadband services in particular would have a substantial impact on adoption in low-income communities of color.<sup>6</sup>

Just as Lifeline is set to catch up with the 21st century, it is once again under attack from critics using flawed logic. They suggest that Lifeline is unnecessary because poor people would adopt these technologies absent a subsidy, and they retreat to the long-discredited argument that waste, fraud and abuse are rampant in the program.<sup>7</sup> The dangerous assumption that poor people still may adopt absent a subsidy fails to recognize that, for most poor people, taking on a bill for an essential communications service means forgoing food, healthcare, clothing, school supplies, and other basic necessities that so many take for granted. That point was clearly and correctly settled in the Commission's Lifeline Modernization order last year.<sup>8</sup> That order also summarized the Commission's extensive progress towards curbing corporate waste and fraud in the program.<sup>9</sup>

For these reasons, we respectfully request that the Commission reject any further efforts to undermine Lifeline, swiftly implement the March 2016 Lifeline modernization order, and overturn the Wireline Competition Bureau's Order on Reconsideration that rescinded Lifeline Broadband Provider designations for nine carriers prepared to offer Lifeline broadband services.

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<sup>3</sup> S. Derek Turner, Free Press, "Digital Denied: The Impact of Systemic Racial Discrimination on Home-Internet Adoption," Part V. (Dec. 2016).

<sup>4</sup> *See id.*

<sup>5</sup> *See id.* at 95.

<sup>6</sup> *See id.* at 77.

<sup>7</sup> *See, e.g.*, Mark Jamison, Op. Ed., *Help the poor by dropping Lifeline*, TECHPOLICYDAILY.COM (Feb. 15, 2017), <http://www.techpolicydaily.com/communications/help-poor-dropping-lifeline/> (arguing that eliminating Lifeline, the only federal program designed to address the affordability gap, would somehow help poor people, and falsely presuming that whether or not a household would adopt essential communications services in the absence of the subsidy is a good metric for a subsidy's effectiveness); *see also* Sean Moran, *FCC Chairman Pai Cuts Obamaphone Waste Fraud and Abuse*, BREITBART (Feb. 7, 2017), <http://www.breitbart.com/big-government/2017/02/09/fcc-chairman-pai-cuts-obamaphone-waste-fraud-abuse/> (reiterating long-discredited claims of waste, fraud and abuse).

<sup>8</sup> *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 et al., Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd. 3962, 3984, para. 57 at n.163 (2016).

<sup>9</sup> *Id.* at 3975, para. 36 ("This argument, however, overlooks the significant measures already put in place over the last five years to root out waste, fraud, and abuse and, just as importantly, underestimates the critical importance broadband plays for individuals on a daily basis. Since 2012, when the Universal Service Administrative Company (USAC), the Administrator of the Fund, disbursed more than \$2.1 billion in Lifeline support payments, reforms to improve program integrity have reduced disbursements by nearly a third, with Lifeline support payments dropping below \$1.5 billion in 2015.").

Sincerely,

18MillionRising.org  
AFL-CIO  
American Library Association  
Appalshop, Inc.  
Asian Americans Advancing Justice - AAJC  
Center for Media Justice  
Center for Rural Strategies  
Color Of Change  
Common Cause  
Common Sense Kids Action  
Communications Workers of America  
Fight for the Future  
FOOTPRINTS INC  
Free Press  
Generation Justice  
Global Action Project  
human-I-T  
Inclusive Technologies  
Institute for Local Self-Reliance  
Media Mobilizing Project  
MetroEast Community Media  
Mobile Beacon  
Monterey County Office of Education  
NAACP  
National Consumer Law Center, on behalf of its low-income clients  
National Digital Inclusion Alliance  
National Hispanic Media Coalition  
Native Public Media  
New America's Open Technology Institute  
Open MIC (Open Media and Information Companies Initiative)  
Partners Bridging the Digital Divide  
Public Knowledge  
SPNN  
The Benton Foundation  
The Greenlining Institute  
United Church of Christ, OC Inc.  
WinstonNet, Inc.