Before the
Federal Communications Commission
Washington, D.C. 20554

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

Comments from Coalition of City Mayors

The undersigned Mayors of Chattanooga, TN; Kansas City, MO; Memphis, TN; Laredo, TX; Little Rock, AR; Los Angeles, CA; Newark, NJ; New York, NY; Portland, OR; Providence, RI; San Antonio, TX; Seattle, WA; and Washington, D.C. write to offer our strong support for the Federal Communication Commission's ("FCC" or "Commission") efforts to reform and modernize the Lifeline Program. As leaders in local government, we have unique insight into the communications needs of residents of communities large and small and are eager to share a series of recommendations for how the Lifeline Program can best address those needs.

I. Background

For thirty years, Lifeline has provided critical subsidies for telephone service for low-income Americans. Nationwide, more than 12 million people used the Lifeline Program in 2013 to subsidize their telephone connections.[1] Through the program, the Commission has guaranteed that hard-working Americans can get help in emergencies and maintain connections to their families and communities. These fundamental services continue to be essential, and Lifeline, which is available to households with incomes at or below 135% of the federal poverty line or that participate in government assistance programs including Medicaid, SNAP, SSI, TANF, and Head Start--guarantees that they remain accessible to those who otherwise could not afford them.

Yet, the last 20 years have seen a sea change in how Americans' communicate that has impacted nearly every aspect of their lives. High-speed Internet service has moved from a luxury to an absolute necessity. Most everything our most vulnerable populations need for improved quality of life quality of life must be accessed through the Internet. School, work, health, business, government, education and even social interaction depend on Internet connectivity. Affordable broadband is now essential for children to complete their homework and develop skills for the 21st century economy, for adults to find and apply for jobs, for entrepreneurs to build their businesses, for residents to access public information and services, and for us all to communicate

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[1] http://www.usac.org/_res/documents/about/pdf/annual-reports/usac-annual-report-2014.pdf at p.9.

with each other. At the same time, access to broadband Internet is essential for multiple forms of necessary communication, including the voice communication that the Lifeline program has historically supported.

Low-income Americans could benefit from the increased access to health information, consumer options, employment opportunities, education resources, and community organizing opportunities made possible by affordable broadband service. Broadband adoption is most effectively increased by community-driven efforts that combine affordable home broadband service, public broadband access and locally trusted technology training and support. In sum, Internet service has become essential to daily life and worthy of the Universal Service principle.

II.   Lifeline Reform and Modernization & Local Broadband Equity Goals

Across the country, local elected leaders recognize the importance of affordable broadband and are taking bold steps to close the digital divide. As the Commission notes, 95% of U.S. households with incomes of $150,000 or more have Internet at home Internet, while only about 48 percent of the households making less than $25,000 and 69 percent of households with incomes between $25,000 and $49,999 subscribe to home Internet access.[2]

A. Local Challenges

These national challenges are also mirrored at the local level. In New York City, for example, some 22% of households lack access to a residential broadband connection. This number jumps to 36% where low-income households are concerned.   Approximately 1.3 million City households are eligible for the Lifeline subsidy.[3] New York City residents face broadband affordability challenges beyond the national standard.   An estimated 46 percent of New York City residents struggle with monthly bills.[4] Studies suggest that broadband service in New York City is more expensive than both the national average and by international standards.[5]

In Los Angeles, while some areas have access to high-speed broadband, nearly 30% of all Angelenos – and possibly more - either do not have access to broadband or cannot afford it. Research suggests that one million households in Los Angeles do not own computers. As the City of Los Angeles relies more and more on Internet based systems for work, education, hiring, training, and for daily interactions between government, community institutions and the public, it becomes more critical to address these disparities in Internet availability.

In Newark, residents with low and fixed incomes face serious choices when trying to decide how to spend limited household funds. A Newarker with a per capita income of about $17,000 per

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[2] S*ee* Thom File and Camille Ryan, Computer and Internet Use in the United States: 2013, American Community Survey Reports, U.S. Department of Commerce, Economics and Statistics Administration, U.S. Census Bureau, at 3-4 , Figure 2 (Nov. 2014), http://www.census.gov/history/pdf/2013computeruse.pdf.
[3] Center for Economic Opportunity analysis.
[4] *Id.*
[5] Whitefence; Cost of Connectivity.

year, for example, could end up paying nearly 10% of their income on a monthly bill for cable and broadband services.

Kansas City, MO has determined that some 25% of its population is impacted by the digital divide. In forty-five contiguous census tracts in the city, only 20-40% of households have broadband. Only 2% of Kansas City's public housing units have a broadband subscription, and some 70% of students in the Kansas City Public Schools do not have Internet at home. According to Census data, for many neighborhoods only one in five households own a computer and has an Internet connection.

Seattle is well known as a technology capital. Yet while its high-tech industry thrives, many of its residents still struggle to afford access to communications technology and to be full participants in a digital world. Seattle's lowest income residents earning under $20,000 per year are about 25% less likely to use the Internet than those earning more than $100,000 and 15% of its residents do not have Internet access at home. The percent without access is even higher for its immigrant/refugee families.

In Portland, OR, 28% of Hispanic households and households with residents 65 or older don't have Internet at home. This figure rises to 29% for households with income under $30,000. Similarly, in Memphis, more than 32 percent of residents have no Internet access at all; this includes dial up or mobile services. Some 46 percent of Memphians have no fixed broadband access.

In Chattanooga, leadership has made initial progress at closing the digital divide, but additional resources are needed to ensure all citizens have the ability to access to potential economic and social prosperity that can result from connectivity to the Internet.

B. Creative Solutions

Recognizing such challenges, cities are deploying a range of strategies to support residential Internet service. New York City is using state and local funds to invest in municipal infrastructure and public-private partnerships, investing $10 million in wireless networks serving public housing developments in the Bronx, Brooklyn and Queens and collaborating with local library systems to pilot a hotspot-lending program. In the next ten years, the City expects to invest some $70 million more to expand service options for in-home and public service, consistent with its goal of making affordable broadband available across the five boroughs.

Los Angeles is working to ensure, to the extent possible, that basic levels of broadband access are available to every Angeleno regardless of income and that high-quality, high-speed access is available everywhere at reasonable prices. CityLinkLA, is a city-led initiative to bring world-class, high-speed Internet access to all residents and businesses in the City of Los Angeles through partnerships with providers that are committing to deploying advanced communications networks citywide. Likewise, Newark has responded by creating high-speed, free WiFi networks covering two major parks and the downtown area and offering free WiFi in 10 community recreational centers. This fall, the City will partner with JerseyOn to offer free 3GB

of service per month to 500 students, digital literacy programs for young people. It will also use workforce investment funds to train residents in web development.

Kansas City is addressing its challenges by providing free public access to fiber at its community centers and public libraries, along with computer centers offered by nonprofit community organizations. Its housing authority has established computer labs in four public housing facilities, and is working toward creating more.   Kansas City is also working toward innovative solutions such as wireless coops and a hotspot lending program in partnership with the Kansas City Public Library, the Kansas City Public Schools and its nonprofit partners. The City is also working with public libraries and community organizations to provide training in digital literacy and help new users find the best options for in-home connectivity. Finally, Kansas City supports recycle and reuse programs that can provide affordable refurbished computers and tech support to those on the wrong side of the digital divide.

In Seattle, the City launched a Digital Equity Initiative to improve Internet access, skills and online services for all. [6]Broadband deployment and adoption are fundamental to this effort. Seattle's efforts to promote digital equity include a variety of funding programs. The Community Technology Program[7] provides funding to organizations to increase technology literacy and access to enhance electronic civic participation. Seattle has also conducted several residential Technology Indicator[8] surveys and over the past 16 years results show an increasing need to support access to broadband services.

Portland's Broadband Strategic Plan commits the City to eliminate broadband capacity, equity, access and affordability gaps so the City achieves near universal adoption of broadband. The City and its community partners are developing a holistic strategy to address inequities in digital access, literacy and relevance and increase marketplace competition.

In Memphis, local leaders have developed "Broadband in Soulsville," an aggressive plan to incentivize business and community development by providing free broadband wireless access in the Soulsville community. The city has also participated in the Community Digital Advantage Program, improving the Soulsville area by establishing a community Wi-Fi network for residents and neighborhood businesses. And in April, Chattanooga announced that EPB, the city's publicly-owned provider of electronic power and Internet services, will offer 100 megabits per second of Internet (faster than most any regularly available connection) to the families of any Title I student at $26.99 per month. The initiative, called Netbridge, was rolled out in the schools at class registration. In addition, the Enterprise Center, a non-profit recently reorganized principally by city government, has begun Tech Goes Home, a series of classes designed to increase usage and literacy on the web, not just access.

In addition, Kansas City, MO, Little Rock, Los Angeles, Memphis, Newark, New York City, San Antonio, Seattle, and Washington, D.C. will all participate in the President's ConnectHome pilot program, which aims to accelerate broadband Internet adoption by families and children through

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[6] http://www.seattle.gov/digital-equity

[7] http:/www.seattle.gov/tech/

[8] http://www.seattle.gov/tech/indicators

partnerships between local governments, private industry, non-profits, and others focused on solutions to the digital divide.[9]

Such efforts, while critical to ensuring that cities achieve broad access to high-speed Internet, are best complemented by national policy that ensures that broadband options are within reach of all Americans. Even as our cities support expanded options, affordability will continue to be a barrier to adoption for too many residents. Lifeline modernization can change this.

A modernized Lifeline service would promote competition and innovation by bringing additional low-income customers into the market. With appropriate safeguards, including responsible third-party determination of eligibility and minimum service standards, making broadband eligible for Lifeline support would lead to new products and incentivize providers to focus on affordability and competition for low-income customers. Creative approaches to Lifeline could include roles for libraries and government agencies as enrollment aggregators and facilitators. As discussed further below, Lifeline could also be instrumental in expanding innovative approaches to closing what Commissioner Rosenworcel has deemed "the homework gap" and otherwise making it possible for more Americans to access Internet in the home.

III. Recommendations for Reform and Modernization

To realize these benefits, we recommend that the Commission take the following steps to modernize and strengthen the program, integrating key features and conditions.

A. Make broadband service eligible for Lifeline support.

As the Commission has recognized in its Notice of Proposed Rulemaking ("NPRM"), [insert quote from NPRM acknowledging importance of broadband.] The success and sustainability of the program demand investment of rate-payer dollars in 21st century technology. As noted above, allowing the Lifeline subsidy to be directed to broadband will make it easier for hard working Americans to connect with family and community, to access employment, entrepreneurial and educational opportunities and to secure assistance in emergencies. As such, it should be the cornerstone of Lifeline reform and modernization.

B. Ensure that Lifeline subsidies may be used for multiple service options.

As the U.S. Conference of Mayors acknowledged in its recently adopted resolution on Lifeline reform and modernization must permit eligible households to qualify for the communications functions they need.[10] It is essential that the modernized Lifeline program allow users the flexibility to pursue multiple service options. Landlines and wireless phone service remain critically important to many communities, particularly for emergency services. Similarly, alarm systems and medical alert devices relying on the traditional landline system phone service are

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[9] *See* Department of Housing and Urban Development, "ConnectHome: About the Pilot," *available at* http://connecthome.hud.gov/pilot.

[10] See U.S. Conference of Mayors, Resolution: Modernize the FCC's Lifeline Program to Promote Adoption, *available at* http://usmayors.org/resolutions/83rd_Conference/displayresolution.asp?resid=83aReso206.

essential during prolonged power failures.   Stated simply, the revamped Lifeline program must allow participants to purchase the particular combination of essential communications services that best suits their needs.

C. Eliminate the ETC status requirement so providers of standalone broadband service can be eligible.

By establishing a customer base and creating revenue streams the Lifeline Program has the potential to catalyze public and private investments in broadband infrastructure and other broadband related initiatives. The key to such opportunities, however, is modernizing the requirement that an Eligible Telecommunications Carrier must provide telephone service so that providers of standalone broadband services are eligible for the broadband subsidy. If the Commission expands the subsidy to broadband, but limits Lifeline subscribers to those providers who furnish both telephone and broadband services, it will have missed a critically important opportunity to increase competition and choice for consumers while spurring new investments that could increase access.

D. Establish minimum service standards.

The Commission has already taken important steps toward setting standards for broadband and should leverage this rulemaking opportunity to take further steps. In January 2015, for example, the FCC established the standard download speed at 25mbps and upload speed of 3mbps to be classified as broadband.[11] Lifeline broadband must not fall below the FCC threshold and needs to keep pace with technological developments. Holding to this standard of quality will force broadband providers to continue improving their service for both paying and subsidized customers.

E. Shift responsibility for customer eligibility determination to a responsible third-party administrator.

The Commission has already pursued reforms that have substantially curbed duplication and fraud and these efforts must continue.   However, currently the onus is upon the telecomm carrier to verify eligibility for a program that customers must buy into, and that ultimately pays the telecomm carrier for each subscriber. The most effective means of curbing fraud is to take eligibility verification out of the hands of telecommunications companies that profit from a large Lifeline consumer base and instead locate this responsibility with a responsible, third party administrator. Options might include state or federal entities or trustworthy partners in the non-profit sector.

F. Streamline the enrollment process through coordination with other federal programs.

There is also a significant opportunity to leverage this rulemaking for greater alignment with existing federal programs, with benefits for government and residents alike. Currently, when a NYC resident visits the Human Resources Administration, which administers a range of federal programs, for resource assistance, Lifeline is not one of the services offered to most customers

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[11] https://www.fcc.gov/document/fcc-finds-us-broadband-deployment-not-keeping-pace.

with need-based concerns. Additionally, we would support more robust reporting requirements on program utilization by geography and demography to facilitate outreach.

G. Enable public-private partnerships to increase affordability and improve outreach.

Finally, the rulemaking affords an opportunity to expand on creative initiatives that have been undertaken by cities and nonprofit partners. We would support an expansion of the Lifeline program that extends the subsidies available for broadband service to partners such as local schools and libraries, so that they may provide this resource to customers in need of the service, create competition in the ISP market, and integrate digital literacy or other complementary services. In cities across the country, libraries are proving to be effective mediators between low-income communities and access to the Internet.   The City of New York, for example, has partnered with our local libraries – the New York Public Library, Brooklyn Public Library and Queens Public Library – to conduct an innovative hotspot lending program. The libraries have aggregated demand sufficiently so they are able to distribute 10,000 3G/4G portable hotspots at a cost of approximately $13 per month. This two-year pilot effort was possible through the generous support of Google, the Open Society Foundation and the Robin Hood Foundation, but it could achieve much greater scale and longevity if the libraries, their patrons and their service provider partners could leverage support from Lifeline. This would require that consumers be able to direct their subsidized purchases as they see fit and that providers have transparent terms for their product offerings. Under those conditions, partnerships with institutions like libraries, schools and other community anchors would maximize the benefits of the Lifeline program.

IV. Conclusion

By taking the steps outlined above, we believe that the Commission can build upon the significant steps it has already taken to reform and modernize the Lifeline program.   As mayors of some of the nation's largest cities, we recognize both the impact of the program over the last three decades and the tremendous potential of a strengthened and re-imagined Lifeline program to improve the lives of our low-income residents and enhance the long-term prospects for our cities as a whole.

Respectfully submitted,

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