

February 14, 2018

The Honorable Ajit Pai, Chairman
The Honorable Mignon Clyburn, Commissioner
The Honorable Michael O'Rielly, Commissioner
The Honorable Brendan Carr, Commissioner
The Honorable Jessica Rosenworcel, Commissioner

Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Bridging the Digital Divide for Low-Income Consumers, WC Docket No. 17-287; Lifeline Link Up Reform and Modernization, WC Docket No. 11-42; Telecommunications Carriers Eligible for Universal Service, WC Docket No. 09-197

Dear Chairman Pai, Commissioner Clyburn, Commissioner O'Rielly, Commissioner Carr, and Commissioner Rosenworcel:

The National Housing Conference (NHC) has been pleased to work with the FCC on closing the digital divide, and we look forward to continuing work with you to ensure housing plays a role in that effort. We also wish to share our perspective in response to the FCC's Notice of Proposed Rulemaking and Notice of Inquiry in the proceedings captioned above, released December 1, 2017 as part of FCC 17-155.

I. About the National Housing Conference

Everyone in America should have equal opportunity to live in a quality, affordable home in a thriving community. The National Housing Conference educates decision makers and the public about housing policies and practices to move housing forward together. NHC convenes and collaborates with our diverse membership and the broader housing and community development sectors to advance our policy, research and communications initiatives to effect positive change at the federal, state and local levels. Founded in 1931, we are a nonpartisan, 501(c)3 nonprofit organization.

To help achieve affordable broadband connectivity for all, the National Housing Conference (NHC) convened a Connectivity Working Group in 2014 to recommend policy changes. The group draws from affordable housing developers, public agencies, policy experts, capital providers, national intermediaries, and more, all committed to the shared mission of closing the digital divide for low-income people.

NHC met with FCC staff in 2015 to discuss our work on broadband in affordable housing and share our policy recommendations. We submitted comments supporting the expansion of Lifeline to broadband with a role for housing providers. NHC also submitted a letter to Chairman Pai in response to the February 2017 decision to suspend the Lifeline Broadband Provider designation.

II. Recommendations for the Lifeline program

NHC supports flexibility in the Lifeline program so that experienced qualified organizations can provide broadband alongside or in partnership with existing eligible telecommunications carriers. Allowing broadband-only providers into

the program provides opportunity for innovation and locally-tailored solutions to expand broadband effectively. NHC encourages the FCC to maintain some form of the Lifeline Broadband Provider designation and the flexibility it provides to the program, particularly to allow housing organizations to participate. NHC understands changes may need to be made to the criteria and looks forward to working with you in that process.

Public housing agencies, for-profit, and non-profit entities all work at the local level providing subsidized housing to low-income households and could help ensure families living in subsidized housing who are eligible gain access to the Lifeline program. **Public housing authorities, operators of subsidized housing properties, and nonprofit community-based organizations are well-placed to verify consumers and help provide broadband.** These housing organizations already verify resident income as part of qualifying tenants, an eligibility process of long standing, well-monitored practice.

In many communities, housing organizations are pursuing alternative ways to provide home access to low-income consumers through wi-fi hot spots, mesh networks, and other emerging technologies. They also are generally well-known and trusted by low-income consumers and therefore are able to market the program effectively. Encouraging PHAs, operators of subsidized housing, and community based nonprofits to become more involved in the Lifeline program would significantly reduce the digital divide for eligible residents and provide efficient ways of serving eligible low-income families.

For example, in Cleveland, Ohio, Digital C and the Cuyahoga Metropolitan Housing Authority (CMHA) are pursuing a novel initiative to provide broadband access to CMHA apartment building tenants, using millimeter-wave technology to provide backhaul from Digital C's partner provider, Everstream. The pilot project for this strategy is now providing symmetric wireline broadband service, at speeds above 25 mbps, to low-income households in CMHA's Cedar Highrise Apartments. The system uses the building's existing telephone wiring, which is owned by CMHA. Digital C has contributed its own resources to the pilot phase of the project, and the partners are hoping for local philanthropic investment to expand it to other CMHA facilities. Ongoing operating costs, while modest, require an ongoing revenue source. The users are very low income affordable housing residents – mostly seniors – whose ability to pay for the service is limited.

Since the 2016 Lifeline Order, the partners have considered the creation of an innovative Lifeline arrangement as part of the solution to this need. Following the Commission's actions earlier in 2017 which indicated that Federal LBP designation would not be implemented, they have not been able to move forward with a Lifeline arrangement, negatively impacting the growth and sustainability of this model serving low-income families.

III. Concerns about the Lifeline Modernization Order

NHC is concerned about a number of provisions within the November 2017 “Bridging the Digital Divide for Low-Income Consumers” proceeding, in addition to the elimination of the Lifeline Broadband Provider designation, as discussed above.

A. Affordability

Lifeline is the only Universal Service Fund (USF) program designed to address the barrier of affordability to obtaining internet service at home, and affordability is the main barrier to home internet adoption for low-income families. Research consistently finds low incomes, less education and older age as the strongest indicators of lower internet subscription rates. Dividing neighborhoods by income further illustrates this trend. Low-income neighborhoods (i.e., census tracts with median incomes below 80 percent of the area median income) register the weakest internet subscription rates. Thirty-seven percent of people in low-income neighborhoods have poor subscription rates. Without efforts to address this gap,

the Brookings Institute predicts broadband adoption trends will only get worse. Internet service providers will only invest in physical networks where there is an ability and willingness to pay, and therefore are unlikely to serve low income areas.

¹ Plans in the proposal to cap Lifeline's budget, implement a benefit limit, and other changes would negatively impact participation and internet affordability for low-income families, worsening the digital divide.

B. Non-facilities based providers

Almost 70 percent of current Lifeline recipients rely on service from non-facilities based providers. Removing non-facilities based providers will severely reduce Lifeline options in all fifty states. NHC encourages the FCC to study what improvements could be made to improve accountability among non-facilities based providers and then implement those changes based on a robust review of providers. If determining a significant change needs to be made, the phase-in period should be no shorter than 3 years, so families have time to find other internet options. NHC is not confident facilities-based providers will step up to enter the program to address the service provision gap if non-facilities based providers are removed from the program. ATT's plans to leave the Lifeline program despite these proposed changes illustrate this concern. Keeping non-facilities based providers in the program is important to continue the current level of access in the Lifeline program.

C. Lifeline Broadband Provider designation

The proposal seeks to eliminate the Lifeline Broadband Provider (LBP) designation process which was intended to bring new and innovative broadband-only providers into the program. The proposal to eliminate altogether the LBP designation process would undermine efforts to bring community based providers, like housing providers, into the program.

Moreover, the proposal fails to address that many telecommunications providers have opted out of providing Lifeline broadband service. And as NHC discussed earlier, this designation offers an important opportunity for community based providers, nonprofits and housing providers to serve their residents and clients with broadband, which they are well-positioned to do. If the FCC wants to give more authority to states to explore flexibility in terms of Lifeline provider participation, it should provide explicit direction to states, clearly giving them jurisdiction over this issue, and should improve the process for giving new providers the ability to join the Lifeline program.

D. Equipment requirement

NHC is concerned about the potential to remove the equipment requirement for Lifeline providers. The Lifeline program currently limits its internet support to one device per household, so the FCC should ensure that internet access via the device can be shared by all household members. Lifeline-provided wireless phones should be wifi-capable. Wifi capability is standard for even basic smartphones. The value of Lifeline broadband to participants and their communities is significantly enhanced by ensuring that those participants can use public wifi networks where they are available -- like any other mobile wireless user.

¹ Shivaram, Ranjitha and Tomer, Adie. "Rollback of the FCC's Lifeline program can hurt households that need broadband the most." Nov. 27 2017. <https://www.brookings.edu/blog/the-avenue/2017/11/27/rollback-of-the-fccs-lifeline-program-can-hurt-households-that-need-broadband-the-most/>



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IV. Conclusion

Many of the ideas in the proposal appear to have a negative impact on internet access and affordability for low-income households and affordable housing residents. We would welcome the opportunity to work with you on ways to improve the effectiveness and accountability of the Lifeline program while ensuring access and affordability of broadband for low-income households.

To discuss any of these comments in further detail, please contact Rebekah King, Acting Director of Policy, National Housing Conference, (202) 466-2121 x248, rking@nhc.org.

Sincerely,

A handwritten signature in black ink that reads "David M. Dworkin". The signature is fluid and cursive.

David M. Dworkin
President and CEO