



1212 New York Ave. NW
Suite 900
Washington, D.C. 20005
202-525-5717

Free Markets. Real Solutions.
www.rstreet.org

_____)	
)	
In the Matter of)	
)	
Emergency Broadband Connectivity)	WC Docket No. 20-445
Fund Assistance)	
)	
)	
_____)	

Comments of R Street Institute

Americans rely on broadband connectivity more than ever. Whether it be a student trying to connect to a virtual class or an office trying to maintain productivity when employees must remain home, the COVID-19 pandemic has highlighted just how important a reliable broadband connection has become. Fortunately, internet service providers (ISPs) in the United States have done a commendable job adapting to the new reality, ensuring networks remain functional despite a large influx of traffic.¹

Unfortunately, many Americans cannot realize the benefits of this connectivity. While some still simply choose to forego a broadband connection, the economic realities of the pandemic limit the opportunity for many Americans to maintain or afford to subscribe to a new broadband service.

The new Emergency Broadband Benefit Program will undoubtedly help alleviate this burden and ensure Americans maintain access to broadband connectivity during the pandemic.² We are

¹ Doug Brake, "Lessons From the Pandemic: Broadband Policy After COVID-19," Information Technology and Innovation Foundation, July 13, 2020. <https://itif.org/publications/2020/07/13/lessons-pandemic-broadband-policy-after-covid-19>.

² Consolidated Appropriations Act, 2021, H.R. 133, div. N, tit. IX, § 904 (2020) (§ 904).



1212 New York Ave. NW
Suite 900
Washington, D.C. 20005
202-525-5717

Free Markets. Real Solutions.
www.rstreet.org

encouraged to see the Federal Communications Commission (FCC) work quickly and efficiently to implement the program as directed by Congress. However, the Commission must also understand that resources are finite, and it is vital that we maximize the value of every dollar spent. Therefore, R Street submits these comments primarily to address a few key aspects of the notice of proposed rulemaking (NPRM).

First, the FCC should, to the extent possible, leverage existing tools to lower the administrative burdens on providers who wish to participate in the program. Second, the Commission should help non-eligible telecommunications carrier (ETC) providers quickly get up to speed with the Universal Service Administrative Company (USAC), allowing additional consumer choice. Third, as consumers have different needs, the Commission should allow flexibility regarding supported connected devices. Finally, the FCC should work with USAC, participating providers, and community institutions to increase public awareness of the program and potential offerings.

I. The Commission should utilize existing tools to maximize value while limiting fraud

As required by the statute, providers must verify whether a customer meets the eligibility requirements of the program.³ However, the Commission should ensure that the verification process does not impose undue burdens on providers that go beyond what is necessary to prevent fraud and abuse of the benefit.

Funding for subsidy programs will inherently be limited. And at a basic level, any subsidy program will insert the regulator's judgment values for market outcomes. When this happens, a core

³ § 904(b)(2)



1212 New York Ave. NW
Suite 900
Washington, D.C. 20005
202-525-5717

Free Markets. Real Solutions.
www.rstreet.org

objective of the regulator is to limit the harms. At the same time, the regulator should attempt to maximize the value derived from the benefit.⁴ Congress designed this program to aid those Americans who want to either gain access or maintain broadband connectivity, and therefore it is critical that the Commission place appropriate safeguards to ensure that only those eligible for the benefit actually receive it. Indeed, past experiences with fraud in the Lifeline program indicate just how important vigilance will be.⁵

At the same time, if users cannot find participating providers in their areas or plans that work for their specific needs, the value of the benefit will likewise be diminished. Carriers want to provide service to consumers, but many providers may find that burdensome verification processes or requirements will make participation in the program either uneconomic or otherwise not worth the effort. Fortunately, USAC and the Commission already have existing tools in place that can be leveraged for this new program, namely the National Verifier and Accountability Database.⁶ As the Commission proposes, these tools can be leveraged as the sole resource for both verifying the eligibility of participants and ensuring that benefits provided comply with Commission rules.

⁴ T Randolph Beard et al., “Bridging the Digital Divide: What Has Not Worked But What Just Might,” *Phoenix Center Policy Paper Number 56*, p. 4 (June 2020). <https://www.phoenix-center.org/pcpp/PCPP56Final.pdf>.

⁵ See generally *Additional Action Needed to Address Significant Risks in FCC’s Lifeline Program*, U.S. Government Accountability Office (May 2017). <https://www.gao.gov/products/GAO-17-538>

⁶ National Verifier, Universal Service Administrative Company (last visited Jan. 1, 2021). <https://www.usac.org/lifeline/eligibility/national-verifier/>; National Lifeline Accountability Database, Universal Service Administrative Company (last visited Jan. 12, 2021). <https://www.usac.org/lifeline/enrollment/national-lifeline-accountability-database-nlad/>.



1212 New York Ave. NW
Suite 900
Washington, D.C. 20005
202-525-5717

Free Markets. Real Solutions.
www.rstreet.org

Apart from the benefits to the Commission (namely that utilizing existing resources will allow for a quicker transition into the realization of the benefit), allowing providers to rely solely on these tools will lower the burdens that may otherwise come from participation in the program. As the costs of participation are lowered, the easier the decision becomes. And as more providers join the program, the more options recipients of the benefit will have in terms of choices for devices and service plans that fit their specific needs. Therefore, while the Act allows for flexibility in terms of verifying participants, the Commission should make clear that utilization of these tools will suffice any obligation on the providers to verify recipients or ensure that a participant is not exploiting the program.

II. The Commission should streamline non-ETC participation

Many ISPs are not currently designated as ETCs, but still offer broadband connectivity.⁷ As explained above, increasing provider participation will likely lead to more available offerings for consumers. Congress rightly determined that ETC designation was unnecessary to participate in the program, though the FCC must approve non-ETC providers to limit potential fraud.⁸ The Commission should ensure that the approval process for non-ETC providers wishing to participate in the program will not inhibit their ability to offer discounted service to consumers quickly.

A key component of this will be encouraging USAC to begin working with these companies prior to completion of the order and implementation of the program. Administrative requirements such as

⁷ “A Common Sense Fix to Speed Broadband Deployment to Unserved Communities,” NCTA (June 15, 2020). <https://www.ncta.com/whats-new/a-common-sense-fix-speed-broadband-deployment-unserved-communities>

⁸ § 904(d)(1).



1212 New York Ave. NW
Suite 900
Washington, D.C. 20005
202-525-5717

Free Markets. Real Solutions.
www.rstreet.org

signing up for the verifier and compiling necessary information will take time, but many of these steps can begin now. The Commission should work with USAC to encourage providers to begin the process, as well as aid them through it, prior to adoption of a final order. If non-ETC providers face delays as they attempt to navigate the bureaucracy, consumer choice will inherently be limited.

III. The Commission should interpret “connected device” broadly

As explained above, the FCC should attempt to maximize the value of each dollar spent through this program. As R Street has consistently explained, markets generally work best as a means for allocating resources because customers and consumers can best gauge the value of a given product to their individual needs. Here, Congress has already placed restrictions on the available devices, but the FCC should be careful not to limit this further.⁹

If an individual travels significantly for work, then a laptop or desktop PC may not fit their needs. However, if the option is available at limited or no additional expense to them, they may still receive funds for a device that provides some but not the optimal value. For example, a tablet may be a better fit as they can use mobile connectivity to engage in video calls. In fact, R Street recently held an event in which one panelist needed to go to her ranch where the connectivity was more stable to participate in the panel.¹⁰

⁹ § 904(a)(3).

¹⁰ “Government Owned Networks: How Not to Promote Broadband Investment,” R Street Institute (Dec. 9, 2020). <https://www.rstreet.org/2020/12/10/event-government-owned-networks-how-not-to-promote-broadband-investment/>.



1212 New York Ave. NW
Suite 900
Washington, D.C. 20005
202-525-5717

Free Markets. Real Solutions.
www.rstreet.org

The Commission asks, “[h]ow would we distinguish between smaller tablets and larger mobile phones?”. As it considers the parameters of the statutory language for connected device, it should do so with the understanding that artificially limiting devices available to consumers will undoubtedly limit the value of each dollar spent. If a user does not need video conferencing capabilities to meet their needs, for example, it does not make sense for the Commission to force an offering to contain such capabilities. With additional flexibility, lower cost devices may be the best option, lowering the burden on the program as a whole and maximizing the value of each subsidy dollar spent.

IV. The Commission should take steps to promote the availability of the benefit

Finally, the Commission asks for comment regarding what methods best promote awareness to the public of the availability of the benefit. Promoting awareness can help ensure those needing support will be able to enroll in the program and stay connected, but also presents the consumer with the available choices. If a consumer is presented with only limited information, for example, they may jump at the first option even though alternatives may better serve their needs. Therefore, the Commission should embrace efforts to publicize the availability of the benefit.

Leveraging existing institutions such as USAC and their connections to existing Lifeline subscribers is a good starting point. Undoubtedly, if these subscribers were struggling to afford broadband connectivity prior to the pandemic, the need will only increase as the pressures accumulate. USAC should take steps through existing communications to promote the additional benefit likely available to these subscribers. This minimal cost method of promoting awareness will likely provide significant benefits.



1212 New York Ave. NW
Suite 900
Washington, D.C. 20005
202-525-5717

Free Markets. Real Solutions.
www.rstreet.org

At the same time, the Commission should be careful not to impose additional public awareness requirements on participating providers or local institutions that may deter participation. Providers and civic entities such as schools and libraries want participants to sign up and receive benefits. On the provider side, this generally means more revenue, even if the return may not be as significant as a regular subscriber. And as consumers leverage the use of the benefit, many will likely maintain connectivity after the emergency subsidies. Local institutions, likewise, will want to ensure that those in need get the support that this would provide. In other words, the incentives exist for institutions to make available information about the program. Instead of requiring specific actions, the FCC should direct USAC to work directly with these groups to provide information and assistance as they begin their awareness campaigns.

R Street appreciates the work the Commission has done to keep Americans connected during the pandemic and welcomes this opportunity to comment on the new emergency benefit.

Respectfully submitted,

_____/s/_____

Jeff Westling
Technology and Innovation Resident Fellow

Jan. 25, 2021



1212 New York Ave. NW
Suite 900
Washington, D.C. 20005
202-525-5717

Free Markets. Real Solutions.
www.rstreet.org