Lifeline Modernization

October 7, 2015
WC Docket Nos. 11-42, 09-197, 10-90

TOM KOUTSKY
Chief Policy Counsel
Connected Nation, Inc.
Agenda

☑ Overview

☑ Community Institution Proposal

☑ Implementation Issues

☑ Technology Transitions and Access to Data
CN Background

- **10** state-based broadband public-private partnerships, from Alaska to Puerto Rico, impacting **876 counties**
- Residential adoption survey research in **9 states and Puerto Rico**
- BTOP adoption grant programs in Ohio and Tennessee
- *Drive* digital literacy initiative employed in Lifeline broadband pilots (http://driveyourlearning.org)
- Workforce training initiatives in Ohio, Michigan, and Kentucky
- **171 communities** actively engaged in local technology planning activities
- Library-focused initiatives in an additional **13 states** in partnership with the Bill & Melinda Gates Foundation
Digital Workforce Training

Turning Unemployed into Digital Workers

- Establish location in conjunction with community
- Outreach to long-term unemployed
- Offer training and workspace
- Online training platform
- Match trained with employers

- **13 locations** – 8 in Ohio, 3 in Kentucky, 1 in Michigan, 1 in Texas
- **500 jobs** created

[http://www.digitalworksjobs.com](http://www.digitalworksjobs.com)
1. Community Institutions and Training Matter – to make progress in broadband adoption we need to reach people where they are.

2. Cost is an important barrier to adoption, but not the only one.

3. Lifeline program administration needs to be improved – the current provider-based qualification method makes integrating community institution outreach and training exceptionally difficult, even when the provider wants to make it work.

4. Do not unintentionally create “qualification gaps.”
Community Institution Proposal

Figure 1
Community Institution as Distributor of Lifeline Broadband

Community Institution
(technology center, library, training site, shelter, etc.)

Community Institution Must:
1. Establish History of Operation
2. Qualify Specific Low-Income Assistance Program
3. Document Consumer Eligibility (by individual or community)
4. Document Service Eligibility

Low-Income Consumers

Broadband Service

Universal Service Administrative Company (USAC)

Lifeline Subsidy

Partial Payment

Broadband Provider

Broadband Service Fee

Broadband Service (wholesale)
Figure 2
Community Institution Provider Model

Community Institution
(telemetry center, library, training site, shelter, etc.)

Broadband Service

Payment for Service

Community Institution Must:
1. Meet ETC or “registered provider” requirements
2. Build, operate broadband network, or resell broadband service
3. Submit requests to USAC for subsidy and receive funds
4. Maintain customer relationship
5. Document individual consumer eligibility
6. Document service eligibility

Universal Service Administrative Company (USAC)

Low-Income Consumers

Lifeline Subsidy
Distribution Model

- Quick to Implement
  - Provider network and service infrastructure in place
  - Community institutions need not be ETCs to participate (though they should be allowed to if they desire)
  - Several existing programs (e.g., Wi-Fi hotspot check-out)

- More community institutions can take advantage

- Increase social value of broadband use
  - Remote health monitoring offered by community health center

- Economies of scale in purchasing
  - Savings would inure to Lifeline fund

- Promotes additional community institution services (training, outreach, device distribution programs) by supporting ongoing connectivity
Implementation

- Third-Party Validation and Verification Process

- Qualifying for the Program
  - Community Institution = state/local agency, non-profit, community center, service agency, shelter
  - Require community service experience and program to target low-income population
  - Connectivity purchase from a qualifying provider (ETC or successor)

- Reimbursement Choice
  - Institution can choose to document individual recipients as qualifying, or
  - Employ Community Eligibility by applying community poverty rate to Lifeline support
No Qualification Gaps

- Limiting Lifeline qualification to SNAP and NSLP qualification would be devastating to Puerto Rico – as neither operate in the territory

- **2 million broadband non-adopters** in Puerto Rico – only 11 states have more residents without broadband

- Qualifying for federal nutrition assistance in Puerto Rico (NAP block grant) requires income *one-quarter to one-third* of federal poverty rate

- Puerto Rico needs:
  - Independent income verification process
  - To work together with NLAD and national third-party verifier, to make the PR Lifeline Fund efficient and complementary to federal Lifeline
  - Accommodation for different availability of federal assistance programs
Questions?

Tom Koutsky

tkoutsky@connectednation.org
202-674-8409