Broadband Deployment Advisory Committee
Increasing Broadband Investment in Low-Income Communities Working Group

DRAFT RECOMMENDATIONS REPORT

OCTOBER 29, 2020

Increasing Broadband Investment in Low-Income Communities
Working Group Progress 3Q20

Bi-weekly meetings:

- ➤ Review available data and develop initial recommendations
- ➤ New member: J. Brent Legg, EVP Government Affairs, Connected Nation (*alternate to Tom Ferree*)
- ➤ Low-Income WG **DRAFT** Report delivered 30 September 2020

Subject Matter Expert (SME):

- ➤ Hal Wood, Chief of Policy, Kids First Chicago

Resources:

- ➤ The Wallstreet Journal: *Chicago Hopes Broadband Plan Could Help Other Cities Address Digital Divide*, July 9, 2020

Increasing Broadband Investment in Low-Income Communities
Working Group Progress 3Q20 (cont'd)

Legislative/Policy/Advocacy:

- ➤ S.4789, Sen. Cornyn's "**Eliminate the Digital Divide Act**" was introduced on 10/1.
- ➤ S.4411, Sen. Graham's "**Governors' Broadband Development Fund Act of 2020**" was introduced on 8/4.
- ➤ S.4515, Sen. Manchin's "**Accelerating Connected Care and Education Support Services on the Internet Act**" was introduced on 8/6.
- ➤ H.R.7032, Rep. Clyburn's "**Accessible, Affordable Internet for All Act**" was introduced on 6/24. (Sen. Klobuchar filed companion legislation, S.4131, in the Senate on 7/1)
- ➤ National Digital Inclusion Week, NDIA October 5-9th
- ➤ FCC creation of 5G Fund for Rural America and increasing opportunities for unlicensed TV White Space devices
- ➤ Increased Private Sector/Philanthropic Focus on Digital Divide
- ➤ COVID-19 Relief Packages & Impact Studies, Ongoing

A Look Ahead (4Q20+)

- ➤ Report Fit and Finish
- ➤ WG Lessons Learned Session
- ➤ Close-Out Activities

Increasing Broadband Investment in Low-Income Communities:
Working Group Charges

➢ Identify regulatory and other barriers that deter the development of high-speed broadband infrastructure and services to low-income communities.

➢ Recommend actions to increase incentives to invest in deployment of high-speed broadband to low-income communities.

➢ Identify barriers to adoption and use of high-speed broadband services in low-income communities.

➢ Recommend actions to increase broadband adoption and use among low-income Americans. Examine whether greater broadband adoption rates among low-income Americans would give providers strong incentives to deploy more broadband infrastructure to low-income communities.

➢ Recommend best practices for states and localities to encourage deployment of high-speed broadband to low-income communities and to encourage broadband adoption within such communities.

➢ Examine and explain how the Commission should identify low-income areas where additional action or reform would most increase broadband deployment.

DRAFT Report Organization

I. **Introduction**
   - Working Group (WG) Charge
   - WG Make-Up & Resources (personnel, subject matter experts, resource library)
   - Preamble
   - Definitions

II. **Deployment Subcommittee Report**
   - The Digital Divide; Deployment Overview
   - The Need for Accurate, Publicly-Available "Open" Mapping Data
   - Correlation Between Income and Deployment
   - COVID-19 Deployment Study
   - Deployment Subcommittee Recommendations

III. **Adoption Subcommittee Report**
   - Why Broadband Matters to Low-Income Communities; Adoption Overview
   - Principle Barriers: Cost of Service, Digital Literacy, Availability of a Broadband Connection
   - COVID-19 Adoption Study (*3 case studies)
   - Adoption Subcommittee Recommendations

COVID-19: A Case Study in Rapid Response

➤ The public and private sectors have developed new and forward-thinking initiatives (and updated existing initiatives) to ensure broadband adoption during the COVID-19 crisis, with an emphasis on low-income communities and individuals.

- *Keep Americans Connected Pledge:* At the FCC, Chairman Pai announced the Keep Americans Connected Pledge: (1) no service terminations; (2) no late fees; (3) open Wi-Fi hotspots to the public. Also urged companies to expand and improve low-income adoption programs. Further called on broadband providers to relax their data usage limits in appropriate circumstances and take steps to promote remote learning and telehealth. The private sector response has been robust and unprecedented – more than 750 companies have signed.

- *Lifeline & E-Rate Requirements:* The FCC has modified several Lifeline and E-rate rules to address concerns during the pandemic.

- *CARES Act:* Congress' coronavirus response allocated $200 million for FCC telehealth programs, and the FCC acted quickly to put these funds to work. Also allocated billions to the Department of Education that could be used for remote learning. Other initiatives also funded (e.g., VA, HHS).

  - Continuing Congressional discussions related to further broadband adoption support (e.g., HEROES Act).

- *Internet Service Providers* took other significant steps to maintain and expand connectivity for households (e.g., low-cost or no-cost access, opening Wi-Fi hotspots, equipment subsidies, expanded eligibility and/or increased speeds for existing low-income programs, waived installation costs and/or other fees, etc.).

  - https://www.benton.org/blog/what-are-isps-doing-get-more-people-online-home-during-pandemic
  - https://www.fcc.gov/companies-pledging-keep-americans-connected-during-pandemic-go-above-and-beyond-call

Adoption

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Adoption Subgroup Members

Scott Rudd, *Office of Lt. Governor Suzanne Crouch, State of Indiana (Chair)*

Jordan Goldstein, *Comcast (Vice-Chair)*

Kevin Donnelly, *National Multifamily Housing Council*

Tom Ferree, *Connected Nation*

Marc Ganzi and Anthony Lehv, *Digital Bridge Holdings, LLC*

Carlos Gutierrez, *LGBT Tech Partnership*

Paul Mitchell, *Microsoft*

Kimball Sekaquaptewa, *Santa Fe Indian School*

Tim Schneider, *Tilson Technology Management, Inc.*

Christopher Yoo, *University of Pennsylvania*

Low-Income Adoption Recommendations

(1) **Address Issue Holistically.** The pandemic has highlighted that effectively addressing adoption gaps requires addressing multiple barriers to adoption: cost of service, device affordability, and digital skills and relevance.

(2) **Improve Data.** There is a lack of data sources and data validation. To better target adoption efforts, there is a need for data that:
- Are as localized as possible.
- Are accurate as possible.
- Include utilization data, longitudinal studies, and adoption trend data.
- Focus on both fixed and mobile broadband.
- Are broken down geographically and demographically.

(3) **Improve Data Sharing.** The pandemic has put the importance of good data front and center. To better enable data collection, drawing conclusions, and targeting adoption efforts, we should improve data sharing among relevant groups in a manner that protects confidentiality of the information.
- Sharing of data collected at the federal, state, and local levels, as well as, between the public and private sectors.
- Promulgate a body of standards or best-practices for like-data
- Improve accessibility; clearinghouse/one-stop functionality

Low-Income Adoption Recommendations *(cont'd)*

(4) **Engagement and Coordination.** Closing the adoption gap necessarily must involve efforts by all stakeholders in the public and private sectors working together.
- It is more important now than ever to ensure that public sector efforts, including Lifeline and other programs, complement one another and are coordinated – including among different levels of government (federal, state, local) and among different departments and agencies at each level.
- COVID-19 rapid response successes have highlighted the value in broadly engaging community organizations, the nonprofit sector, and the business community (e.g., from communications and technology to health care, education, and financial services).
- Case Study: Chicago Connected Program

(5) **Improve Affordability**. Many segments of Americans who elect not to subscribe to broadband still cite affordability as the reason for their lack of adoption.
- Demand side interventions (e.g., service subsidies)
- Supply side interventions (i.e., increasing the number of providers offering service in a given location)

(6) **Improve Outreach.** The pandemic has made it critical to improve outreach efforts to ensure that individuals and communities are aware of the adoption programs currently available to them from the public (federal, state, and local) and private sectors.

Deployment

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Deployment Subgroup Members

Geoff Feiss, *Montana Telecommunications Association (*__Chair__*)*

Claude Aiken, *WISPA*

Elizabeth Bowles, *Aristotle*

Commissioner Karen Charles Peterson and Mark Merante, *Massachusetts Department of Telecom & Cable*

Courtney Dozier, *Office of Virginia Governor Ralph Northam*

Tom Ellefson and Jane Builder, *T-Mobile*

Ross Lieberman and Mike Jacobs, *ACA Connects*

Tim Walden, *CenturyLink*

Randy Wilson, *Airosmith Development*

David Young, *City of Lincoln, Nebraska*

Community Deployment Recommendations

1) Will require an "all-of-the-above" approach to address the gap: need both supply (provider-focused) and demand (consumer-focused) solutions
   * Includes workforce issues
   * Includes public-private and private-private partnerships

2) Establish state and local streamlined broadband deployment-friendly policies
   * Example: The State of Alaska recently replaced annual lease payments for fiber optic cable deployment in state right of way with a one-time fee structure
   * Example: Arkansas Act 198 of 2019 encouraged public-private deployment of broadband
   * Example: Mississippi Broadband Enabling Act removes barriers for electric companies to provide broadband

Community Deployment Recommendations

3) Tax incentives, including job creation tax credits, property tax abatement, etc.
- Example: The State of Iowa removed telecommunications property from central assessment (which imposed a higher tax rate on telecommunications property). The State now taxes telecommunications property on a par with other commercial property.
- Example: The Montana Legislature passed legislation to provide a temporary tax abatement on deployment of new fiber (other states have removed discriminatory tax treatment of broadband infrastructure).
- Encourage the conversion of existing state USF programs to fund broadband upgrades over continued funding of legacy networks.

4) Remove regulatory barriers
- BDAC Model State (Article 9 & 10) and Municipal Codes
- Small Cells Order and subsequent clarification
- "Accessible, Affordable Internet for All Act" The House of Representatives has started a serious conversation about supporting broadband deployment and removed state barriers to broadband deployment
- Interagency coordination and collaboration on broadband funding options

Community Deployment Recommendations *(cont'd)*

5) Expand use of Community Reinvestment Act for broadband infrastructure projects
   - U.S. Department of the Treasury, December 2019 (https://home.treasury.gov/news/press-releases/sm864)

6) Facilitate middle-mile and last-mile broadband deployment to facilitate access to un- and under-served areas
   - Investing in broadband infrastructure means more than deploying "last-mile" facilities to end-users. It also requires investment in "middle-mile and last-mile" infrastructure sufficient to deliver broadband from the Internet backbone to rural consumers.

7) Establish/expand state programs
   - Example: State universal service, grants, loans *(See Pew's survey of state broadband policies)*
   - Include broadband in infrastructure investment policy. "Infrastructure" projects often are focused on roads, bridges, water, and sewer projects. "Infrastructure" should include broadband Infrastructure projects.

Community Deployment Recommendations *(cont'd)*

8) Consider expansion of advanced broadband connectivity for rural health care, online learning, and telecommuting (particularly in light of COVID-19 crisis)
    - The effectiveness of the temporary coronavirus response initiatives implemented by the FCC and private providers should be evaluated and the effectiveness measured; and where demonstrated to be effective, these measures should be considered for permanent implementation.
    - States and state government subdivisions can augment federal programs and pandemic related initiatives. For example, as discussed above, the FCC has *temporarily* waived gift rules for the Schools and Libraries Program and the Rural Health Care Program. If these initiatives expire, states and/or localities could implement similar programs.

9) Data Resources
    - The Broadband DATA Act should be funded to provide more granular broadband availability & adoption data
    - Publicly available open datasets will enable identification of discrepancies in broadband availability and produce reports and analyses that can be used for developing broadband policy, planning, and investment decision-making. Users could compare broadband availability with population density or socioeconomic data to prioritize the planning or funding of broadband projects to meet policy objectives.

Community Deployment Recommendations *(cont'd)*

10) Wireless Infrastructure Deployment Incentives
   - Facilitate tower siting. Cite: Small Cell Order and NTIA Broadband report for DIA towers.
   - Access to spectrum, especially in rural areas. The FCC should consider extending its Special Temporary Authority access to spectrum.
   - Further, the Commission should require buildout measurements for spectrum license holders that require coverage throughout a wireless license area, based on geographic coverage—not just population served.
   - The Commission should adopt a "use it or share it" policy. If wireless carriers are unable to extend service throughout their service areas for an extended period of time, they should make unused spectrum available to allow other carriers to serve underserved areas.

Low-Income Community Deployment Recommendations

The previous subsection scanned policy options that can be adopted on a wider scale by local, state, or federal entities to encourage broadband deployment in the economy. The following recommendations are more narrowly tailored to speak to *low-income communities* specifically.

1) Create gigabit opportunity zones with preference for low-income communities lacking sufficient broadband availability
   - Include streamlined broadband deployment-friendly policies

2) Establish set-asides (RUS, FCC) for investment specifically in low-income areas
   - Examples: Tribal set-aside, C-band set aside proposal (Thune)

Low-Income Community
Deployment Recommendations (*cont'd*)

3) Tax (e.g., expensing, capital gains, tax abatement) preference for qualified investment in low-income areas
   - Provide incentives for entities, including the low-income communities themselves to invest in broadband through non-profit corporations or public-private partnerships
   - Additional funding for rural broadband - BDAC State Model Code – Article 9: Rural Broadband Deployment Assistance Fund

4) Strategic planning
   - Create community-based organizations (e.g., cooperatives, partnerships) that may identify public and private funding sources, and other broadband investment options
   - Identify deployment obstacles and activities necessary to ensure access to affordable broadband
   - Develop locally-based strategic plans (including adoption) for broadband deployment and adoption

5) Focus Community Reinvestment Act resources on broadband infrastructure projects in low-income areas
   - U.S. Department of the Treasury final guidance, December 2019 (https://home.treasury.gov/news/press-releases/sm864)

Comments & Discussion

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