



January 25, 2021

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Re: *Emergency Broadband Benefit Program, WC Docket No. 20-445*

Dear Ms. Dortch,

New America's Open Technology Institute ("OTI") strongly supports the Emergency Broadband Benefit ("EBB") and applauded Congress in December for finally taking action to help the millions of people suffering through the COVID-19 pandemic without access to the internet. The high cost of broadband service is one of the principal causes of the digital divide, yet the federal government has done little to directly address affordability beyond the context of the Commission's Lifeline program—of which OTI remains a steadfast champion.

OTI submits the following comments in the above-captioned proceeding in response to the Commission's Public Notice seeking clarity on the most efficient and effective manner to administer the EBB program. We make the following recommendations:

1. The Commission needs to build consumer trust in the EBB program
2. The Commission should adopt a "broadband nutrition label" for the program
3. The Commission should prioritize finishing the National Verifier
4. The application process should be maximally streamlined for K-12 and higher education students
5. The Commission should collect ISP pricing data to ensure program integrity
6. The Commission should prohibit ancillary fees and include them in "standard rate" calculations
7. The Commission should aggressively publicize the program
8. USAC should report weekly on program expenditures

These recommendations are consistent with an overarching theme: the Commission should strive for maximal simplicity and efficiency in all aspects of the EBB’s implementation. Doing so will ensure that the program successfully reaches a wide population and helps bridge a digital divide that has long afflicted the United States and become even more acute during the COVID-19 pandemic.

1. The Commission needs to build consumer trust in the EBB program

Consumer trust in the EBB program is not a given. Many consumers have been burned by promises of low-cost deals during the pandemic that failed to materialize. Moreover, consumers are generally wary of telecom service contracts as they may fear hidden fees or other costs that are not immediately clear.

OTI’s latest *Cost of Connectivity* research demonstrates that this fear is warranted.¹ In the United States, the typical internet service plan is opaque, misleading, and intimidating. Consumers must navigate a maze of complex pricing schemes and ancillary fees to determine the total cost of internet service. Common hidden costs include fees for equipment rental, installation, activation, data overages, and contract termination—and they are often costly. For instance, modem rental fees in the United States can add an additional 75 percent to the cost of monthly internet service, while abroad they only add an additional 30 percent. Promotional rates add to the complexity, causing the average monthly price to jump from \$68.38 to \$83.41 after promotions expire. The situation is worse in Tribal communities, where the average cost jumps up to \$127.51 after promotional rates expire. These ancillary fees create complicated pricing structures that make it difficult for consumers to compare plans and understand the total price they can expect to pay—all of which erodes consumer trust and can be a particularly strong deterrent for low-income consumers.

Against this backdrop, it is imperative that the Commission take steps to ensure that consumers trust that the EBB plans are, in essence, real. ISPs should not sell these plans using their typical dense language, hidden fees, and marketing gimmicks. The best way to build consumer trust is to infuse the program with *simplicity* and *efficiency* across all aspects: straightforward marketing, transparent pricing, streamlined application processes, efficient enrollment systems, and minimal bureaucracy for all parties involved. We make several recommendations in these comments that work toward this goal. Importantly, simplicity does *not* mean a less rigorous implementation; if anything, the following steps to build simplicity and trust will require more rigor and more work from the Commission and the Universal Service Administrative Company.

¹ Becky Chao and Claire Park, [The Cost of Connectivity 2020](#), New America’s Open Technology Institute (July 15, 2020).

2. The Commission should adopt a “broadband nutrition label” for the EBB

The Commission should require EBB plans to be marketed and disclosed to consumers in a clear, standardized format. The format should include all contract terms, expected speeds, and, perhaps most importantly, price. The marketed price must be all-inclusive; hidden fees should be banned from the program. Moreover, a standardized format is necessary to (1) ensure program simplicity, (2) foster consumer trust, and (3) facilitate comparison shopping between plans.

OTI has long promoted a “broadband nutrition label” that meets these criteria.² The label, based on the familiar Food and Drug Administration nutrition labels for food products, is a format that would work well for this program. The Commission adopted a version of this label in 2016 that could be revised for the EBB.³ Importantly, the 2016 label was endorsed by the Commission’s Consumer Advisory Committee, which included a cross-section of public interest advocates and telecommunications providers. Given the expediency required by this new program, we urge the Commission to consider its 2016 consumer label for the EBB.

3. The Commission should prioritize finishing the National Verifier

OTI is deeply concerned about the incomplete status of the National Verifier and whether it can adequately support the EBB when it launches. Congress contemplated that the EBB would rely on the National Verifier to process applications.⁴ However, nearly five years after its creation, the Verifier is still not ready for primetime—let alone a pandemic. The system is not active in all 50 states and has experienced significant delays in connecting with federal and state databases.⁵ Over the past year, many state unemployment systems crashed under an influx of new applications, leaving many waiting weeks and months for urgently needed unemployment benefits. The failure of state unemployment systems under pandemic-induced hardship offers a cautionary tale for the EBB and the National Verifier.

If successfully implemented and promoted, the EBB should produce an influx of applications perhaps far larger than anything Lifeline has produced. The EBB offers a \$50 monthly subsidy that is significantly larger than Lifeline’s \$9.25. Moreover, the EBB includes expanded eligibility groups beyond the standard Lifeline pool: (1) the newly unemployed, (2)

² Emily Hong, Laura Moy, and Isabelle Styslinger, New America’s Open Technology Institute, [Broadband Truth-in-Labeling: Empowering Consumer Choice Through Standardized Disclosure](#) (July 2015).

³ *Consumer and Governmental Affairs, Wireline Competition, and Wireless Telecommunications Bureaus Approve Open Internet Broadband Consumer Labels*, Public Notice, GN Docket No. 14-28 (April 4, 2016).

⁴ *Wireline Competition Bureau Seeks Comment on Emergency Broadband Connectivity Fund Assistance*, WC Docket No. 20-445 (Rel. Jan 4, 2021), (“Public Notice”) at 4.

⁵ See New America’s Open Technology Institute, [How to Revive the FCC’s Lifeline Program: A Blueprint to Build Back Better After Four Years of Neglect and Regulatory War](#) (Jan. 2021).

households with a student in the National School Lunch Program, and (3) higher education students receiving a Pell Grant. This expanded eligibility pool and enhanced benefit could create an unprecedented surge in applications—which should be the Commission’s goal, but also presents risks.

If an influx of EBB applications crashes the National Verifier and results in prolonged application backlogs, there is a risk that many applicants will lose faith in this new, untested program and drop out. Moreover, there is a risk that applicants who wait the longest may find that the program’s limited \$3.2 billion appropriation has already been exhausted by the time their applications are approved. The Commission needs to do everything it can to avoid this chaotic outcome.

First, the Commission should work to quickly establish data-matching agreements with existing federal and state enrollment systems for Pell Grants, the National School Lunch Program, and unemployment benefits. These agreements can give the National Verifier a direct connection to those systems that automates and expedites the application process. The Verifier has established such agreements with Medicaid and the Supplemental Nutrition Assistance Program, among others.

Second, the Commission should augment the Universal Service Administrative Company’s capacity to manually process applications. In the event that data-matching agreements cannot be established before the EBB launches, many applications will likely divert to USAC’s manual processing system. USAC already processes many Lifeline applications manually, but it is unlikely that this manual system can bear the entire burden of EBB applications. The Commission should evaluate this manual capacity and make appropriate adjustments to ensure that USAC can accommodate a potential influx of EBB applications. Moreover, the Commission should consider asking Congress for assistance in augmenting USAC’s capacity and expediting data-matching agreements with the National Verifier.

4. The application process should be maximally streamlined for students

The Commission should make every effort to streamline the verification process for applicants and avoid cumbersome processes that may deter participation—particularly for newly eligible students. Congress expanded the EBB’s eligibility pool beyond the parameters of the Lifeline program, adding two new student categories: (1) households with a student enrolled in the National School Lunch Program and (2) higher education students receiving a Pell Grant. The COVID-19 pandemic has put enormous strain on students, families, and teachers, causing increased mental and physical health risks, significant learning loss, and

worsening divides in educational outcomes.⁶ Schools are experiencing severe teacher shortages and budget cuts that leave little leeway for additional administrative or logistical burdens.⁷ Meanwhile, virtual and blended learning models mean more students than ever need reliable home internet to fully participate in school.⁸ The EBB is urgently needed in America's schools and universities, but the application process must be simple and efficient. Accordingly, we recommend the following steps for higher education and K-12 students.

→ Higher education students and the Pell Grant program

The EBB is urgently needed for college and university students, many of whom are at risk of dropping out. According to a December 2020 survey commissioned by New America, nearly one in five community college students said a lack of technology or internet access prevented them from continuing their program.⁹ This is particularly concerning in light of data showing millions of students with some college experience but no credential, many of whom are left holding debt with no degree.

Students receiving a Pell Grant—which helped approximately 7 million students pay for higher education last year—are eligible for the EBB. However, the Commission does not currently have a data-matching agreement with the Department of Education's Pell database, which could significantly slow the application process for these students. The Commission should quickly establish an agreement with the Department of Education, which already has similar agreements with many other agencies including the Social Security Administration, Veterans Affairs, and the Department for Homeland Security.¹⁰ These sharing agreements exist for the purposes of verifying information applicants submit on the Free Application for Federal Student Aid (FAFSA) and could help guide a new matching agreement with the Commission.

Given that a data matching agreement is likely to take some time, the Commission should also accept a menu of alternative documents to verify an applicants' Pell Grant status. Alternatives are necessary to accommodate the thousands of institutions of higher education in the United States, which operate in varied and idiosyncratic ways, and to ensure minimal burdens on students. The menu of alternative documents should include: (1) written or electronic confirmation from students' institutions of higher education that students received

⁶ Emma Dorn et al., [COVID-19 and learning loss—disparities grow and students need help](#), McKinsey & Company (Dec. 8, 2020).

⁷ Daarel Burnette II, [Data Lookup: Assess Your School District's Risk for Budget Cuts](#), EducationWeek (May 8, 2020).

⁸ Rafi Goldberg, [Digital Divide Among School-Age Children Narrows, but Millions Still Lack Internet Connections](#), National Telecommunications and Information Administration (Dec. 11, 2018).

⁹ Rachel Fishman and Sophie Nguyen, [Where Did All the Students Go?: Understanding the Enrollment Decline at Community Colleges During the Pandemic](#), New America, *EdCentral* (Jan. 14, 2021).

¹⁰ See Comments of New America's Higher Education Program and the State Higher Education Executive Officers Association, WC Docket No. 20-445 (Jan. 25, 2021).

Pell Grants in the current award year; (2) copies of the Student Aid Report indicating Pell Grant receipt in the current award year; (3) official financial aid offer letters, provided by the institution to the student, demonstrating students' receipt of a Pell Grant in the current award year; and (4) copies of paid invoices documenting Pell Grant receipt in the current award year.

→ K-12 students and the National School Lunch Program

Households with a student enrolled in the National School Lunch Program, which provides free or low-cost meals to K-12 students, are also eligible for the EBB. To streamline the application process for this student population, we recommend the Commission rely on the USDA's Community Eligibility Provision (CEP) for eligibility verification.¹¹ CEP provides free and reduced price meals (FARMs) to all students at qualifying schools without requiring verification of eligibility from individual families. This method would significantly reduce the burden on schools and families while maintaining program integrity. The USDA list of CEP-eligible schools is already public information that the Commission could draw on to efficiently verify students by enrollment.¹²

In an effort to be conscious of the needs and circumstances of the 1 million students of undocumented families across the country,¹³ the Commission should use the student as the benefit qualifeye (as CEP does) when considering eligibility based on school-related eligibility criteria. Doing so would ensure the maximum number of eligible recipients utilize the benefit; if families understand they do not need to provide information that they feel might jeopardize their safety, they may be more likely to take advantage of the program.

To ensure the EBB is additionally accessible for the 12 million U.S. public school students who speak a language other than English at home, the FCC should consider publishing any materials, forms, applications, or information aimed toward recipients in multiple languages.¹⁴

¹¹ [Community Eligibility Provision](#), U.S. Department of Agriculture (April 19, 2019).

¹² [Community Eligibility Provision Status of School Districts and Schools by State](#), U.S. Department of Agriculture (March 30, 2019).

¹³ [Undocumented Students](#), National Association of Secondary School Principals (March 2019).

¹⁴ [Children who speak a language other than English at home in the United States](#), The Annie E. Casey Foundation Kids Count Data Center (Oct. 2020).

5. The Commission should collect pricing data to ensure program integrity

The Commission asks several questions about the authorizing statute's requirement that the EBB be "no more than the standard rate" for an internet service plan. Implementing this provision will prove challenging for the Commission, as the agency does not collect the kind of pricing data that would inform what a provider's "standard rate" actually is. In lieu of clear Commission data on this point, the statute defines "standard rate" as "the monthly retail rate for the applicable tier of broadband internet access service as of December 1, 2020, excluding any taxes or other governmental fees." As OTI's *Cost of Connectivity* research demonstrates, determining the monthly retail rate for broadband service is no simple task.¹⁵ With opaque promotions, complex pricing schemes, and hidden fees, it will be difficult for the Commission to efficiently and reliably determine this figure.

The Commission suggests soliciting pricing documentation from the providers to meet this statutory requirement, which is a prudent step. However, the Commission would greatly benefit from its own pricing data against which to verify and audit the provider documentation. Indeed, the lack of pricing data collection is a longstanding deficiency in the Commission's Form 477 program, and the creation of the EBB only adds to the urgency to fix this problem.

The Commission should immediately begin the process of adding pricing data to Form 477 to protect the EBB program from the kinds of waste, fraud, and abuse that Congress was trying to prevent with the statute's "standard rate" language. The House of Representatives recently passed a bill mandating the Commission begin collecting pricing data from ISPs, underscoring the necessity of this reform.¹⁶ Although Congress may enact this legislation later this year, the Commission does not need to wait for legislative permission for this particular data collection reform. The Commission has already waited too long to begin collecting pricing data, and the integrity of the EBB is at risk as long as the agency continues to ignore this problem.

6. The Commission should prohibit ancillary fees and include them in "standard rate" calculations

Ancillary fees add a substantial financial burden to the cost of home broadband service that could deter low-income consumers from enrolling in the EBB. According to OTI's latest *Cost of Connectivity* research, equipment fees are particularly onerous. The average fee for buying a Wi-Fi router from a provider is \$83.29. Router purchase fees can add up to 558 percent to the advertised monthly price. The average fee for renting a Wi-Fi router is \$6.13 per

¹⁵ Becky Chao and Claire Park, [The Cost of Connectivity 2020](#), New America's Open Technology Institute (July 15, 2020).

¹⁶ Moving Forward Act, H.R. 2, 116th Cong. (2020).

month, which may seem low, but when taken in the context of advertised monthly internet prices, can add an additional 65 percent to the monthly cost.

Accordingly, the Commission should prohibit participating providers from charging ancillary fees if they would push the total cost beyond the \$50 monthly subsidy (or \$75, in the case of Tribal communities). A rule to prohibit ancillary fees is consistent with Congressional intent, as the statute includes a prohibition on providers charging more than the “standard rate” for service. Equipment fees are a substantial part of the standard internet service plan, so the Commission should require their disclosure in any pricing documentation they require from providers as part of the “standard rate” calculation.

7. The Commission should aggressively publicize the program

We urge the Commission to publicize and promote the EBB program to ensure the program reaches maximal participation. The Commission should require participating providers to promote and advertise the availability of the benefit as widely as possible.¹⁷ This should include a commitment to market the program to individuals and households with prior unpaid bills or disconnections. Participating providers should be encouraged to pursue outreach campaigns with libraries, food banks, local news, grocery stores, and other community anchor institutions. Moreover, the Commission should partner with other government agencies to raise public awareness and lend the federal government’s credibility to the program.

In developing its public awareness campaign for the EBB, the Commission should consider examining the experience of military veterans with the Lifeline program. Lifeline has been consistently underutilized with low participation rates—except for veterans, who enroll in Lifeline at notably high rates. According to the most recent data, an estimated 1.3 million veterans are Lifeline subscribers, accounting for 10 to 13 percent of the program’s total subscriber base. Those figures are not far below the 1.75 million veterans who participate in Medicaid, which otherwise vastly eclipses Lifeline in terms of participation—68.8 million total enrollees compared to Lifeline’s 7.7 million monthly subscribers, according to the most recent data.¹⁸ Lifeline’s success with military veterans could offer a blueprint for the Commission to publicize the EBB.

¹⁷ Public Notice at 10 (“Should participating providers have any obligation under the program’s rules to publicize the availability of the benefit? What are the most effective means of publicizing this benefit to the communities most in need?”).

¹⁸ See [Veterans Should Get More Help, Not Less, from the FCC's Lifeline Program](#), Business Wire (Nov. 9, 2018); Ex Parte of the National Association of American Veterans, WC Docket No. 17-287, WC Docket Nos. 11-42, 09-197 (Nov. 9, 2017), <https://ecfsapi.fcc.gov/file/1113046716674/NAAV%20SNOV%202017.pdf>.

8. USAC should report weekly on program expenditures

The Commission should obligate the Universal Service Administrative Company to publicly disclose on a consistent basis—weekly, if possible—the expenditures and participation rates of the EBB program. This disclosure is essential for a program with a \$3.2 billion budget that is intended to be exhausted as quickly as possible. Broadband providers, consumer advocates, social services organizations, and prospective applicants should know the rate at which the program’s limited budget is being drawn down in order to make appropriate plans for the future. Such transparency is also vital for policymakers overseeing the program and consistent with the Commission’s interest in avoiding waste, fraud, and abuse.¹⁹

As millions of people suffer through the COVID-19 pandemic without access to the internet, the stakes for this proceeding couldn’t be higher. We urge the Commission to implement the aforementioned recommendations as it works to quickly launch the Emergency Broadband Benefit. These recommendations are intended to strengthen program integrity, build public trust, increase transparency, and ensure as many people as possible are able to take advantage of this important new program. We look forward to working with the Commission, USAC, and broadband providers to make this program a success.

Respectfully submitted,

/s/

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¹⁹ Public Notice at 8.