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FCC Must Make Broadband Access Universal

by

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The Federal Communications Commission now has a full complement of five commissioners, bringing decades of professional experience to the task of overseeing the dynamic information, communications and technology sectors which comprise one-sixth of our national economy.

Their first major assignment is to develop a congressionally-mandated nationwide broadband plan. That process already has begun, although unfortunately much of the \$7 billion dollars in federal stimulus funds appropriated to further increase broadband deployment and adoption will already have been distributed by the time the FCC's plan is released early in 2010.

However there are tools available to the FCC to increase broadband adoption which the FCC can utilize immediately, specifically the Lifeline and Linkup federal subsidy programs which provide discounts on initial home telephone installation fees as well as for monthly service charges. These discounts are available for qualified low-income subscribers who meet stringent income eligibility criteria. There are already strict audit controls in place.

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The Lifeline/Linkup programs, which thus far have been somewhat underutilized, could be expanded to provide discounts for installation and monthly charges for today's broadband services just as they have for old-fashioned telephone services. In addition to helping the urban poor who can't afford broadband, this expansion would help low-income persons in remote areas.

This step, which should not require congressional action, could be taken immediately without waiting for the still-necessary fundamental reform of the wasteful and bloated universal service system.

Clearly, the nation has already made substantial progress regarding deployment and adoption of broadband as broadband providers have invested over \$200 billion in private capital in recent years. State-funded broadband efforts as well as newly blossoming public-private partnerships have played a positive role as well. Over 93% of American households now have access to a broadband provider and a recent study by the Pew Internet and American Life Project found that home broadband adoption stood at 63% of adult Americans.

However, we must remember that the remaining 37% is not merely an abstract number, but represents millions of American families who are still "offline" in today's wideband world. There are a variety of reasons for non-subscription, some of which have nothing to do with affordability. But the Pew study shows, not surprisingly, that income level does have a significant effect on broadband adoption, even as adoption rates have increased over time among all income brackets.

For example, the 2009 survey indicated that 88% of adults with annual incomes over \$100,000 had broadband at home, 53 % of those in the \$20,000-\$30,000 income subscribed at home, but only 35% of those adults with incomes under \$20,000 did. So, the price of a broadband subscription is definitely a consideration at the lower end of the income scale. And, although adoption among minorities has steadily increased, the Pew study concluded that "African Americans experienced their second consecutive year of broadband adoption growth that was below average."

There is also an adoption gap for seniors over the age of 75, the majority of whom are on fixed incomes. Many of these seniors could also benefit from participation in a Lifeline/Linkup broadband program. For example, broadband would increase their easy access to news and information, facilitate comparison shopping for prescriptions and use of telehealth monitoring and reducing social isolation.

Facilitating broadband deployment has been compared as historically analogous to last century's building of the interstate highway system or electrification of rural America. Today, this technology superhighway is central to the delivery of services, cost efficiency of business, and the overall improvement of the quality of life. Quickly extending Lifeline/Linkup to broadband would help "keep the lights on" for those at the lower end of the income scale once the country undergoes similar "broadband-i-fi-cation".

Updating Lifeline/Linkup to support broadband has even more significance now that there is actually funding through the federal Recovery Act to ensure high-speed broadband networks will be built, especially in previously unserved areas.

There has been a great deal of concern that if a full-scale effort to increase broadband adoption does not occur, the digital divide between information technology “haves” and “have nots” will continue to grow. The first sentence on the FCC’s Lifeline-Linkup webpage states: “Telephone service is considered a necessity for daily modern life. Yet the cost of starting and maintaining such service may be too high for some consumers.” I hope the newly reconstituted Commission will act quickly to update both its website and the nation’s policy to reflect the fact that broadband is indeed the lifeline of today.

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