

Broadband Deployment Advisory Committee

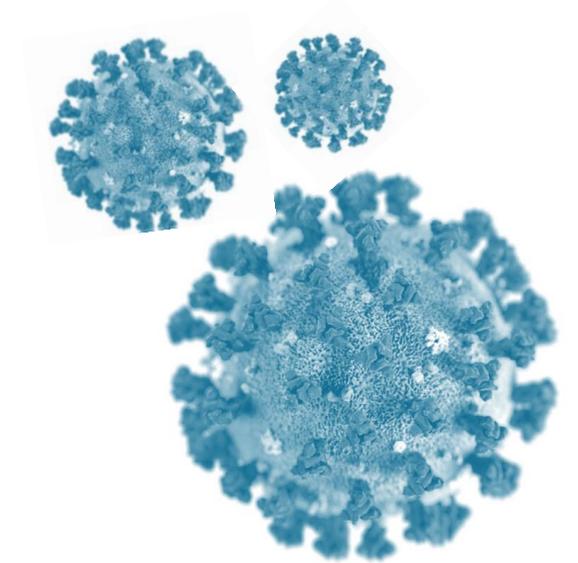
*Increasing Broadband Investment in Low-Income Communities
Working Group*

A PROGRESS REPORT
MARCH 27, 2019 – WASHINGTON, DC

Working Group Spotlight:

Why Broadband to Low Income Communities Matters

- America's Digital Divide
 - 18.3 million lack broadband access
 - 45% of low-income households
 - 12 million school-aged children lack an internet connection
- COVID-19 (Novel Coronavirus) Response
 - Social distancing ≠ social isolation
 - Low-cost programs awareness & special considerations
 - Medicare expanded Telehealth benefit
 - E-rate gift rules suspension



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.

Increasing Broadband Investment in Low-Income Communities

Working Group Progress 1Q20

Bi-weekly meetings:

- Review available data and develop initial recommendations



Guest speakers:

- Bryan Darr, Executive Vice President, Ookla
- Adrian Berezowski, President & Founder, Birch Co.

Reports:

- NACO, [*Understanding the True State of Connectivity in America*](#), February 2020
- Federal Reserve Bank of Philadelphia: [*Toward Digital Inclusion*](#), March 2020
- USDA, FCC, and NTIA, [*Rural Broadband Coordination Report to Congress*](#), March 2020

Increasing Broadband Investment in Low-Income Communities

Working Group Progress 1Q20 (continued)

Legislative/Policy:

- Rural Digital Opportunity Fund (RDOF) Launch, January 2020
- ReConnect Round 2 Applications, March 2020
- Passage of Broadband DATA Act (S.1822), March 2020
- COVID-19 Response

Framing The Report:

A *DRAFT* Preamble

- The Working Group is charged with developing recommendations for the Commission on new ways to encourage deployment of high-speed broadband infrastructure and services (including at least 25 Mbps download/3 Mbps upload fixed and high-quality mobile broadband service) to low-income communities.
- While recognizing continuous investment in broadband deployment and a number of innovative programs by a variety of broadband providers aimed at broadband adoption, the Working Group finds that there are opportunities for enhancing both deployment and adoption of broadband connectivity in low income areas.
- There is evidence that broadband infrastructure and adoption in low income areas may lag behind connectivity in higher income areas. However, the WG finds that more evidence is needed to establish the relationship of income, deployment and adoption.
- The WG therefore identifies a number of recommendations, many of which are based on existing resources. The recommendations represent a severable collection of independent proposals that address various aspects of deployment and adoption in low income areas.
- The WG recognizes that this is a work in progress. The recommendations herein are intended to be considered holistically. They should be considered in the context of existing programs, resources and efforts so as to avoid unintended consequences that could discourage, rather than promote, broadband investment in low income areas.

Working Definitions

Low Income

- 75% of national median family income. (Source: Chairman Pai's Digital Empowerment Agenda)

Low Income Area

- Census blocks for rural/non-metro areas
- Census tracts for urban/metro areas

Broadband

- 25/3 minimum. (Source: BDAC Report, 2018)
- Evolving standard; pegged to Sec. 706
- Additional criteria: latency, data caps, quality of service—not to mention affordability

Broadband Deployment or Availability

- “Broadband Services available for purchase by at least 90% of the residents and business of a particular area.” (Source: BDAC Model State Code, 2018)
- **Need to distinguish between minimum standards, expectations and demands of business vs. residential market**

Adoption

BDAC LOW INCOME COMMUNITIES WORKING GROUP
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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*

Subgroup Spotlight:

Principle Barriers to Adoption

- Cost of Service
 - Individuals may not be aware of broadband adoption programs available to them that offer low-cost service, whether sponsored by governments, providers, community organizations, or partnerships among them.
- Digital literacy and relevance issues
 - NTIA data show that nearly 60 percent of households that do not subscribe to home broadband cite lack of need or interest as their main reason for not going online.
- Cost of equipment/lack of proper equipment



Subgroup Spotlight:

Key Topics Being Explored

- Reviewing broadband adoption data and identifying relevant gaps that are in need of attention to help the government, private sector, and non-profit community address adoption barriers, and highlighting opportunities to increase public-private data sharing and cooperation.
- Developing effective adoption strategies for various groups (e.g. seniors, veterans, families with school-age kids, LGBTQ individuals) accounting for different priorities and needs and engaging relevant community organizations.
- Analyzing the differences between rural and urban low-income communities which may require different adoption strategies.
- Simplifying/automating enrollment in adoption programs.
- Determining how to incentivize people to encourage family/friends to adopt.

Relevant Points to Consider

- A study (first published in 2013) funded by the National Agricultural and Rural Development Policy Center found that nonmetropolitan counties that had high levels of broadband adoption (greater than 60%) in 2010 had higher growth in median household income—23.4% versus just over 22%—between 2001 and 2010 when compared to counties that had similar characteristics in the 1990s but were not as successful at adopting broadband.
- According to Census data from the 2018 American Community Survey, 85.1% of American households have a broadband internet subscription. Recent survey data from the Pew Research Center show that populations that continue to have lower rates of internet adoption include people with low incomes, seniors, the less-educated, and households in rural areas.
- Home broadband adoption gaps still remain – particularly among low-income populations. Data from the 2018 American Community Survey shows that 62.3% of households with annual incomes below \$20,000 had a home broadband subscription, compared with 95.3% of homes with annual incomes at or greater than \$75,000.
- Two-thirds of veteran households that do not use the Internet indicate the primary reason is lack of interest or necessity.

Initial Recommendations

- (1) Address Issue Holistically:** To effectively address the adoption gap, solutions should address all three barriers to adoption: cost of service, cost of equipment, and digital literacy and relevancy.
- (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:
 - Is as localized as possible.
 - Includes utilization data, longitudinal studies, and adoption trend data.
 - Focuses on both fixed and mobile broadband.
 - Is broken down geographically and demographically.
- (3) Improve Data Sharing.** To better enable pulling together data, 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 level.
 - Sharing of data between the public and private sectors.

Initial 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.
- Ensure that public sector efforts complement one another and are coordinated – including among different levels of government (federal, state, local) and among different departments and agencies at each level.
 - Broadly engage community organizations, the nonprofit sector, and the business community (e.g., from communications and technology to health care, education, and financial services).
- (5) Address Geographic and Demographic Strategies.** While the working group is considering different strategies based on geographic issues such as rural versus urban, it is also important to consider adoption strategies and data from a demographic standpoint.
- Different uses of the Internet. For example, seniors may use the Internet to find health care information or connect with family and friends; families with school-aged children may use the Internet to complete school assignments; and veterans may use the Internet to seek jobs or access VA benefits.
 - Which government agencies and community organizations are involved in adoption efforts and what training is necessary may depend on particular group demographics.
- (6) Improve Outreach.** We should 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, *ACA Connects*

Tim Walden, *CenturyLink*

Randy Wilson, *Airosmith Development*

David Young, *City of Lincoln, Nebraska*

Subgroup Spotlight:

Principle Barriers to Broadband Deployment

Testing the Hypothesis

- The Deployment subgroup continues to explore the correlation between low income and deployment.

Using a recent report from the Philadelphia Federal Reserve, we've selected sample metro (urban) and non-metro (rural) areas in Pennsylvania to compare broadband deployment (using FCC Form 477 for wireline deployment data and Ookla data for wireless deployment data) with low income census areas, using ACS datasets through EPA's EJScreen

- The resulting map will provide a basis from which to test assumptions regarding broadband deployment investment incentives

Initial Recommendations

General Deployment Focused

- Establish state and local streamlined broadband deployment-friendly policies
- Tax incentives, including job creation tax credits, property tax abatement, etc.
- Remove regulatory barriers
- Interagency coordination and collaboration on broadband funding options
- Expand use of Community Reinvestment Act for broadband infrastructure projects
- Facilitate middle-mile broadband deployment to facilitate access to un- and under-served areas
- Establish/expand state programs
 - State universal service, grants, loans
 - Include broadband in Infrastructure programs
- Consider expansion of advanced broadband connectivity for rural health care, distance learning and telecommuting (particularly in light of COVID19 crisis)
 - Include support for devices as a means to promote adoption (See Adoption Subgroup recommendations)

Initial Recommendations (*continued*)

General Deployment Focused

➤ Data Resources

- Develop more granular broadband availability and adoption data
- Compare multiple datasets to identify discrepancies in broadband availability, and produce reports and analyses that can be used for broadband policy, planning, and investment decision-making
- Make data publicly available
 - Users could compare broadband availability with population density or socioeconomic data to prioritize the planning or funding of broadband projects to meet various policy objectives

➤ Wireless Infrastructure Deployment Incentives

- Facilitate tower siting
- Access to spectrum, especially in rural areas (use it or share it)
- Build-out incentives and requirements

Initial Recommendations

Low-Income Community Specific

- Create gigabit opportunity zones with preference for low-income communities lacking sufficient broadband availability
 - Include streamlined broadband deployment-friendly policies
- Establish set-aside (RUS, FCC) for investment specifically in low-income area
- Tax (e.g., expensing, capital gains, property tax abatement) preference for qualified investment in low-income areas
- 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)
- Focus Community Reinvestment Act resources on broadband infrastructure projects in low-income areas

Comments & Discussion

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