

Keeping Connected Amid Crisis

Policies to Keep People Online During the COVID-19 Pandemic

Introduction

On March 2, 2020, the *New York Times* devoted its front-page to the Democratic primary. Below the fold was a story titled “Death at Nursing Home as Virus Spreads in U.S.,” which reported the second death at a facility in Kirkland, Washington. Two weeks later, the *Times* was top-to-bottom COVID-19 coverage, and at least 29 deaths were associated with the Kirkland facility. This exponential explosion in COVID-19 and coverage reflects the staggering rate of change for everyone. Hundreds of thousands worldwide have tested positive, and hundreds of millions have been told to stay home and live online.

Large-scale crises always sharpen our collective focus on infrastructure needs and the inequities surrounding them. But unlike a devastating hurricane, unprecedented fire season, or a banking-induced market crash, the global COVID-19 pandemic has forced people to recognize how critical and essential telecommunications networks are to society and modern life, and how U.S. policies have left behind low-income people, communities of color, and other underserved groups.

Washington policymakers charged with oversight of the U.S. communications systems are thankfully starting to take action to keep people connected in this crisis. But some of them were until just a few days ago mocking calls to treat these networks like the essential utilities that they are. For years, as the Federal Communications Commission debated whether to restore its basic authority over residential broadband networks, internet service providers (“ISPs”) lobbied to discredit “utility-style” regulation, though outside of Washington people know broadband should be treated as essential infrastructure.

Now that millions of people are forced to work from home and find themselves reliant upon broadband to do their jobs and educate their children, the lack of “utility-style regulation” has painful consequences. We’re now glimpsing what happens — and what needs to be corrected — after we’ve let corporate greed and radical ideology weaken government and undermine regulatory powers.

The FCC, having abdicated its oversight responsibilities over broadband providers, has been reduced to begging and prodding monopoly phone and cable ISPs not to disconnect people during a national emergency. Democratic FCC Commissioner Jessica Rosenworcel said in response to the unfolding crisis and the agency’s response: “Let’s not confuse generosity for justice, because we need a national plan to ensure that everyone is connected during these unprecedented days.”

She’s right. But this current crisis is fundamentally different from all others we’ve faced in modern times. We need both generosity and justice, and we need it now. Achieving the goal of high-quality connectivity for all as soon as possible will require a massive effort by local, state and federal officials, telecommunications providers, civic and non-profit leaders — and quite a bit of money. Now is the time for action. But actions taken today won’t be enough to achieve universal connectivity throughout the duration of this crisis, should it continue as long as most experts are warning. Congress is reportedly moving quickly to spend billions and put money directly into the hands of the public. That’s a good thing, but it’s just the beginning of the work that must be done.

Summary

Immediate Demand-Side Stimulus Policies that Will Help Get and Keep Everyone Connected

- Emergency Federal funding for the FCC’s “Lifeline” Low-Income Program
 - Congress should appropriate \$1 billion for an immediate emergency Lifeline fund to accommodate an influx of new sign-ups and ensure robust, unlimited service for all.
- Emergency Eligible Telecommunications Carrier Waivers for Existing Form 477 Filers
 - The FCC should immediately waive its ETC rules and allow Lifeline subscribers to apply their \$9.25 discount to any broadband service.
- Public Awareness Campaign Promoting Lifeline
 - The FCC should work with stakeholders including broadcasters to create and distribute Lifeline Public Service Announcements (“PSAs”) in multiple languages.
 - Congress could appropriate up to \$25 million to pay for consumer outreach.
- Promoting Easier Lifeline Sign-Ups Online, At Home, and Through Other Social Services
 - Congress should fund education and training in the use of the Lifeline National Verifier Portal for staff administering other social service programs.
 - The FCC should grant provisional approvals for new Lifeline subscribers for at least 90-days.
 - Congress should mandate that the FCC (in conjunction with the relevant oversight agencies) develop a unified application for social services that includes Lifeline.
 - The FCC should waive or permanently eliminate overly-burdensome National Verifier requirements on proof of enrollment in qualifying programs and proof of address.
 - While online and mail-in application options will allow many subscribers to apply for Lifeline without leaving home, Congress should fund an expansion of existing USAC call centers to create at-home jobs and allow applications to be taken over the phone.

Medium-Term Supply- and Demand-Side Stimulus to Help Get and Keep People Connected

- Lifeline Broadband Vouchers
 - Allocate up to \$25 billion over a two-year period for Lifeline qualifying households, to provide \$50 monthly vouchers for broadband from any current or temporarily-designated ETC.
- Congress Should Create and Fund a standalone “e-Rate@Home” Program
 - Allocate \$3 billion over three years to subsidize laptop purchases and fund construction of Wi-Fi networks extending school or library broadband to surrounding neighborhoods.

- Helping HotSpots
 - Congress should temporarily expand e-Rate to appropriate an emergency \$2 billion for schools to purchase hotspots and hotspot plans (typically sold in gigabyte buckets) to loan out to students that do not have a home internet connection.
- Every Child Online Tax Deduction
 - Congress should establish the “Every Child Online Tax Deduction Program” for the approximately 20 million households or families with qualifying children (under 18 years of age) earning less than \$60,000 in taxable income during 2019.
- Learning@Home Child Care Tax Credit
 - Enact a “Learning@Home” tax credit, to offset a portion of the costs of home learning services.
- Matching Grants for States to Expand Existing Low-income Programs
 - Congress should create a \$2 billion Emergency Lifeline Matching Grant fund, which would offer states a 1:1 match on their existing low-income funds, and a 2:1 match on new low-income funds.
- Broadband Deployment Fund
 - Congress should create a 5-year, \$50 billion broadband deployment fund with a mix of interest-free loans and grants for high-capacity networks in unserved areas.
- “Cash for e-Clunkers”
 - Congress should create a \$3 billion program offering \$150 rebates on computer purchases for the approximately 20 million households with less than \$60,000 in taxable income.
- Congress Should Immediately Pre-empt all State Anti-Municipal Broadband Prohibitions
 - Congress should prohibit anti-competitive bans on municipal broadband to ensure local communities can offer affordable high-speed internet access.

Immediate Private Actions that Will Help Get and Keep Everyone Connected

- All ISPs should follow Charter’s lead, and offer free home Internet on a temporary basis to those in need, but with no strings attached with regard to long-term contracts.
- All mobile carriers should follow T-Mobile’s lead to offer unlimited data on all wireless plans and increase Lifeline broadband data allotments. All Lifeline carriers should also drop their 1,000 monthly voice minute cap and offer unlimited calls.
- All ISPs should follow Charter’s, AT&T’s, Comcast’s and other ISPs’ lead, and suspend all data caps and overage fees.

Analysis and History

An Unprecedented Economic Crisis Requires an Unprecedented Response

In December 2008, Free Press released “Down Payment on Our Digital Future: Stimulus Policies for the 21st-Century Economy,” a paper that described a \$44 billion package focused on broadband-related economic stimulus policies that would provide the economy a much-needed boost while increasing our nation’s connectivity. Our proposals then were based on Keynesian approaches aimed at boosting both supply and demand and included direct and indirect subsidies for fixed and mobile broadband network construction, as well as direct and indirect user-subsidies. Congress ultimately adopted a much smaller \$9.7 billion broadband aid package, under the Broadband Technology Opportunity Program (“BTOP”) and additional funding for the Rural Utilities Service’s (“RUS”) telecommunications grants and loans program. (\$7.2 billion for BTOP, \$2.5 billion for RUS). BTOP was primarily focused on construction of “middle-mile” networks, along with some funds for mapping and computer training. Congress also required the FCC to produce the National Broadband Plan, which the FCC and policymakers mostly ignored except for the recommendations to transform the FCC’s \$4.5 billion annual Universal Service High Cost Fund into a broadband-centric subsidy.

While well-intentioned, the 2009 BTOP stimulus package represents a missed opportunity. Had Congress been more willing to act boldly (with many of the same voices now calling for a \$1 trillion aid package balking at the notion of deficit spending in 2009), we could have long ago brought next-generation networks to the millions of rural homes that lack adequate (or any) broadband services. This unwillingness to spend on infrastructure seems odd in retrospect, as the 2008 economic crisis was a typical one, where a massive influx of government funds for infrastructure construction would have created or maintained millions of jobs, which in turn would have generated salaries that these workers would gladly spend in the broader economy. Indeed, Congress was more than willing to allocate a substantial portion of the American Recovery and Reinvestment Act toward infrastructure spending, but not when it came to building last-mile broadband networks.

However, the economic crisis we’re entering now is far different than the last one — and it requires a different response, at least initially. The millions of office workers sent home with a laptop can’t go outside and spend their money. But millions of others soon won’t have any money to spend. According to the U.S. Department of Labor, 20 percent of all U.S. jobs (32 million of the 161 million) are in the Retail, Leisure and Hospitality sectors. Most of those people cannot go to work and cannot work from home, and so are likely to be out of a job very soon. Many already lived paycheck to paycheck, and will soon face agonizing choices about which bills to pay. Those people will very much need the checks that the government might send out.

Congress has a duty to act quickly to get funding to the people who need it the most, while it prepares longer-term measures to aid the people and industries that will be hardest hit as the initial economic shock fades into a more typical recession. While we’re not in an official recession (or depression) yet, that one is coming is a certainty. Workers that can work from home today may not have a job by the end of summer, and government checks they may save now will become even more important. There will be a strong need for the Keynesian policies that replace the decline in private spending with public spending in order to save and replace lost jobs.

The focus of this paper is the need to get and keep every single person connected to communications networks, so that distance working and learning can occur while ensuring that a host of other basic needs are met (calling your doctor, telehealth visits, news and information sharing, grocery delivery, etc.). Most importantly, the options below are needed so that those out of work will not be forced to choose to forgo food, shelter or other basic needs to maintain the connectivity they must have so their kids can keep learning and so they can find work during or after the immediate part of this crisis abates.

Our policy and private options below are broken down into three categories.

1) Immediate demand-side stimulus: People may not be able to go out and spend money, but they require connectivity. Millions that currently have connectivity may not have an adequate level of connectivity (e.g., they may be on a metered wireless plan), and millions more may soon lose their jobs and with it their ability to pay their mobile and home internet bills. Though the “adoption” digital divide is slowly closing, there are still 60 million people in the United States that do not subscribe to a home Internet service, many of whom are low-income or otherwise vulnerable (such as the elderly). Getting as many of these people online now is imperative, as is keeping as many current subscribers from dropping off the network when the full brunt of the COVID-19 economic impact hits.

2) Medium- to Longer-term supply and demand side stimulus: Though the National Broadband Plan outlined in great detail how we could finish the job of deploying broadband to every U.S. household, at least 20 million people live in areas where wired broadband services have never been built. (Depending on transmission speed, the number is potentially lower or higher, but still substantial).

The FCC, acting on the National Broadband Plan’s recommendation, did partially transform the \$4.5 billion annual high-cost fund to directly support construction of rural broadband networks. But the FCC’s “reforms” still preferenced incumbent telephone companies, and have been the subject of debates about what speed qualifies as “broadband.” The FCC also has been too slow to consider the limitations of spending ultimately supported by a regressive tax on telecommunications users. The agency recently outlined a plan to spend an additional \$20.4 billion over the next decade, but it will still leave millions of rural people with no fixed terrestrial broadband options.

Thus, as the broader economy enters into a recession (even after quarantines are lifted) there will be “shovel ready” projects that can put people back to work and finish the job of broadband deployment. Yet tens of millions of hospitality and service industry workers will likely find themselves in a period of prolonged unemployment if our service-centered economy is forced into hibernation for more than a few weeks, with families that can afford broadband today unable to afford it tomorrow. These families will include millions of children who have no issue completing their online homework assignments today, but in a few weeks won’t be able to connect because their parents can’t afford a \$50-\$100 monthly cable or DSL broadband bill. We can see that this next phase of the crisis is coming, and therefore offer actions that can mitigate the harms of a prolonged economic slowdown.

3) Immediate ISP action: Providers need to suspend disconnections, open their networks, raise or remove data caps, and offer low- and no-cost service. Many ISPs have taken some of these steps already in response to public pressure. But there is so much more they can do, and they should act now.

Recommendations

On the following pages, we describe a mix of immediate-, short- and medium-term public policies and private actions to bring us closer to the suddenly even more urgent goal of universal connectivity. Our economy needs immediate demand-side stimulus and mid- to longer-term supply and demand stimulus to get the nation through this crisis, and to ensure we all stay connected in the future.

Immediate Demand-Side Stimulus Policies that Will Help Get and Keep Everyone Connected

Millions of people that currently have broadband may not have plans adequate for the crisis (for example, they may be on a metered wireless plan); and millions more may soon lose their jobs and with it their ability to pay their mobile and home internet bills.

Though the “adoption” digital divide is closing by some measures, there are still 60 million people in the U.S. who do not subscribe to a home internet service, many of whom are low-income or otherwise vulnerable (such as the elderly). Getting them online now is imperative, and so is keeping current subscribers from dropping off the network when the full brunt of COVID-19’s economic impact hits.

Our economy needs immediate demand-side stimulus. These emergency policy measures would help to get and keep as many people online as possible, as quickly as possible.

- Emergency Federal funding for the FCC’s “Lifeline” Low-Income Program
 - **Congress should appropriate \$1 billion for an immediate emergency Lifeline fund to accommodate an influx of new sign-ups and ensure robust, unlimited service for all.**
 - Congress is poised to spend \$1 trillion in ongoing stimulus packages, supposedly aimed at helping those most-impacted by COVID-19-related job losses and the economic slowdown.
 - Appropriating new funding will ensure Lifeline as currently administered can handle a large influx of new customers using more data and voice minutes without harming other ratepayers.

Background

Lifeline currently offers qualifying low-income households \$9.25 per month for telephone or bundled telephone and data services from “Eligible Telecommunications Carriers” (ETCs).

More than 92 percent of the current 6.7 million Lifeline households choose a “free” wireless program like Tracfone’s “Safelink” brand or Sprint’s “Assurance.” The current FCC minimums for such services are 1,000 voice minutes and 3 gigabytes of data.

While this minimal level of service truly represents a “Lifeline” for these 6.7 million households, it is plainly inadequate during a global pandemic that has people quarantined, with children home from school and dependent on online learning, while millions of parents work online from home and millions more may lose their jobs.

These families need the robust connectivity that can only come from an unlimited data subscription. For families with children, this likely requires an uncapped wired connection or uncapped Mobile hotspot that can be used by the whole household, but current customers on mobile plans need unlimited voice and data during this time of increased usage too.

Nearly 40 million households potentially qualify for Lifeline (because of low income and/or participation in other benefits programs like SNAP or Medicaid), yet less than one-fifth of these subscribe. This could be for a number of reasons: lack of awareness of the program, or a low-perceived utility for a metered wireless plan from carriers that aren't household names.

Whatever the reasons, it is likely that a massive economic downturn could result in tens of millions of households that currently qualify for Lifeline opting in, along with millions more newly-qualifying households. But the unfortunate reality is that the Lifeline program as structured and funded (not out of general treasury, but via a somewhat regressive telecom tax) is not capable of absorbing a massive influx of users. Even 5 to 10 million new Lifeline households could trigger a sizable increase in the bills paid by millions of poor and near-poor who do not participate in any subsidy programs.

- Emergency Eligible Telecommunications Carrier Waivers for Existing Form 477 Filers
 - **The FCC should immediately waive its ETC rules and allow Lifeline subscribers to apply their \$9.25 discount to any broadband service.**
 - If major residential ISPs like Comcast and Charter (with infrastructure that passes more than 100 million homes, and which already offer reduced-cost services for low-income households) could accept Lifeline, they would be top choices for most Lifeline households.
 - The FCC could limit the waiver to those ISPs who have filed FCC Form 477 data consistently during the prior two-year period, to limit participation to providers that are well-established.

Background

When Congress created the Federal Universal Service Fund (“USF”) in the 1996 Telecom Act, it anticipated that law would govern all providers of two-way communications, and that cable and wireless companies would be eligible for subsidies. Some cable companies did initially enter the market as “CLECs” (competitive local exchange carriers that could indeed be ETCs); but once the FCC decided gave away its regulatory authority with its *2002 Cable Modem Declaratory Ruling*, cable companies claimed their two-way voice and data services were “information services” not “telecom services” — and thus not eligible to receive USF support.

Because of these decisions and other similarly short-sighted FCC actions, the cable companies that control two-thirds of all home broadband connections are not eligible to receive universal subsidies, and potential Lifeline subscribers are not able to apply their \$9.25 monthly benefit to cable internet services — even when cable ISPs like Comcast and Charter offer discounted internet services to these very same low-income families.

The FCC can bridge this gap by waiving its ETC rules to allow Lifeline subscribers to apply their \$9.25 discount to any broadband service. Any concerns about unqualified companies receiving subsidies are far outweighed in the short-term by the emergency need, and the ability for people to connect to cable companies and other established ISPs not currently eligible for Lifeline. Such waivers could be temporary and set to expire after a certain period of time if the ISP does not request an additional waiver or go through the normal state-designation process.

- Public Awareness Campaign Promoting Lifeline
 - **The FCC should work with state utility regulators, Lifeline providers, local TV and radio broadcasters, and providers of direct social services to create and distribute Lifeline Public Service Announcements (“PSAs”) in multiple languages.**
 - PSAs should be funded by local broadcasters, in fulfillment of their public interest obligations.
 - **Congress could appropriate up to \$25 million to pay for consumer outreach.**
 - The FCC should run online or print ads targeted at potential subscribers or those who might know them, though platforms like Facebook and Google should donate ad space as well.

Background

The FCC’s Lifeline program offers struggling families a literal lifeline, and the peace of mind of knowing they don’t need to forgo other necessities to pay for basic, essential communications service. But overall awareness of the program is low, and recent FCC changes have reduced participation.

As explained above, nearly 40 million U.S. households *could* receive the \$9.25 monthly Lifeline benefit (and that number that is sure to grow in the coming months), but less than 7 million used the subsidy during 2019 (down from 13 million in 2016). Participation varies widely, with a high of 59 percent of eligible households taking Lifeline in Puerto Rico and a low of 3 percent in Wyoming.

- Promoting Easier Lifeline Sign-Ups Online, At Home, and Through Other Social Services
 - **Congress should fund education and training in the use of the Lifeline National Verifier Portal for staff administering other social service programs.**
 - **The FCC should grant provisional approvals for new Lifeline subscribers for at least 90-days.**
 - **Congress should mandate that the FCC (in conjunction with the relevant oversight agencies) develop a unified application for social services that includes Lifeline.**

- **The FCC should waive or permanently eliminate overly-burdensome National Verifier requirements on proof of enrollment in qualifying programs and proof of address.**
- **While online and mail-in application options will allow many subscribers to apply for Lifeline without leaving home, Congress should fund an expansion of existing USAC call centers to create at-home jobs and allow applications to be taken over the phone.**
- The FCC must ensure that any administrative delays in Lifeline processing do not impede the ability of an eligible subscriber to secure a device and service as soon as possible.

Background

Even as Lifeline remains unused by a vast majority of potentially eligible subscribers, the current crisis and the immediate impact of shelter-in-place policies will likely mean a massive expansion in the pool of eligible subscribers as people become under- or unemployed.

The recent implementation of the Lifeline National Eligibility Verifier — a centralized eligibility determination portal administered by the Universal Service Administrative Company that lets applicants apply the benefit to the Lifeline provider of their choice — means people can apply online (<https://nationalverifier.service-now.com/lifeline>) or via the mail, in addition to the previous method in which subscribers applied for the benefit directly through individual Lifeline providers.

Yet many individuals and families will need to apply for other benefits such as unemployment insurance, SNAP or Medicaid prior to using that eligibility to qualify for the Lifeline benefit, assuming they were aware of Lifeline in the first place.

To ease an unfamiliar transition for many during this stressful time, the FCC should consider granting provisional approvals for new Lifeline subscribers for at least 90-days, or develop in conjunction with the relevant administering agencies a unified application to secure the full slate of benefits for which the applicant qualifies.

Recent National Verifier implementation requirements (opposed by Free Press and others) should be waived for at least the period of the crisis (or eliminated permanently). In particular, this means suspending or eliminating the requirement to demonstrate current SNAP eligibility with additional documentation beyond an individual's valid EBT or SNAP card, and also the overly burdensome requirements intended to ensure only one eligible household per street address as these requirements can improperly disqualify individuals living together in housing shelters, healthcare facilities, and other multi-tenant environments.

The FCC must monitor the implementation of these steps and remove any further administrative burdens on applicants by regularly examining and permitting the release of detailed data by USAC to Congress, the public, and advocacy organizations.

Medium-Term Supply- and Demand-Side Stimulus to Help Get and Keep People Connected

Tens of millions of hospitality and service industry workers will likely find themselves in a period of prolonged unemployment if our service-centered economy is in hibernation for more than a few weeks.

While most economists hope for a speedy recovery, this pandemic may cause systemic changes in many industries, and that will have spillover effects on all other sectors. Thus there will potentially be tens of millions of families that can afford broadband today but won't be able to afford it tomorrow.

These families will include millions of children who have no issue completing their online homework assignments today, but in a few weeks won't be able to connect because their parents can't afford the \$50-\$100 monthly cable or DSL broadband bill. We can see that this next phase of the crisis coming, and therefore offer actions that can mitigate the harms of a prolonged economic slowdown.

- Lifeline Broadband Vouchers
 - **Allocate up to \$25 billion over a two-year period for Lifeline qualifying households, to provide \$50 monthly vouchers (\$600 per year, per household) that could be used for broadband from any current or temporarily-designated ETC (i.e., cable ISPs).**

Background

The temporary changes to Lifeline proposed above are important during the coming weeks. But this pandemic is likely to create massive economic disruption, and along with it, an unprecedented drop in broadband adoption.

Low-income households could face difficult choices: drop cable modem services and go smartphone-only, or forgo buying their children new shoes to keep their home Wi-Fi running. But Congress could ensure with this program that these tough choices don't come to pass.

Funding at this level could support up to 21 million families for 24 months. It is important to note that the existing USF support mechanism could never support this large of an expansion to the Lifeline program (or any USF program) without causing substantial harm to other poor and near-poor families, who do not qualify for or participate in Lifeline. Congress must appropriate these resources in order to soften the blow from the COVID-19 pandemic.

- Congress Should Create and Fund a standalone “e-Rate@Home” Program
 - **Congress should create a stimulus-focused 3-year, \$3 billion fund using e-Rate’s needs-based formula to subsidize the purchase of laptop computers and fund construction of Wi-Fi networks that extend a school or library’s broadband connection to surrounding neighborhoods.**

- This Wi-Fi service should be offered for free to households with students, with funding also set aside for schools that operate particularly long bus routes to support equipping school buses with hotspots for mobile internet access.

Background

In the Telecom Act of 1996, Congress directed the FCC to use the Universal Service Fund to provide discounted telecommunications, internet access, and internal wiring to eligible schools and libraries. The Schools and Libraries program, also known as “e-Rate,” has been particularly effective at ensuring universal internet access in all U.S. schools. According to the FCC, more than 99 percent of public schools were connected by the end of 2002, up from 65 percent in 1996.

This improvement is due in large part to the aid provided by the fund. The FCC expanded e-Rate in 2016, increasing the support for connections, equipment and on-premise Wi-Fi networks. Like all other components of USF, e-Rate is paid for by fees collected from consumers of telecom services. Though the program long ago attracted headlines for a few isolated cases of waste, fraud and abuse, stakeholders largely recognize it as an indispensable tool for students to gain the skills needed to effectively participate in the digital economy.

Ten years ago e-Rate was important, but now that much of modern schooling is computer and internet-mediated, the program is indispensable. But as the use of computers has grown during school hours, the need for computers and connectivity has also grown after hours. When a teacher assigns homework, they must be confident that their students have the resources to complete the task once they leave the schoolhouse.

For many students, the benefits of the digital age are left in the classroom; when these children go home, they have no computers or broadband access. This was an important problem in normal times; now that many of America’s schools are closed, it’s become a crisis.

Free Press called for these steps in 2008, and many lawmakers, FCC commissioners, schools, and advocates called for them too. The need is even more apparent now. Even as the immediate quarantine eases and schools reopen, there will be millions more students impacted by the economic downturn who will have lost their home internet access, or whose families will have dropped their wired services. We can help keep these students online by expanding e-Rate and extending school and library wifi access points into their local neighborhoods.

- Helping HotSpots

- **Congress should temporarily expand e-Rate to appropriate an emergency \$2 billion for schools to purchase hotspots and hotspot plans (typically sold in gigabyte buckets) to loan out to students that do not have a home internet connection.**

- This temporary fix would be a bridge to when school Wi-Fi networks are extended, or other programs described below are stood up to ensure that all students can get online at home.

Background

According to the most-recent U.S. Census data, approximately 8 million households with school-age children did not subscribe to wired home internet services. These are the homes most-impacted by the sudden shift to homeschooling. Much of our near- and medium-term attention should be placed on these families. Even if Congress creates an e-Rate@Home program, schools will face constraints in extending their broadband internet connections. Not every student will be able to receive the e-Rate@Home Wi-Fi service due to geographic and financial limitations, and constructing these networks will take time.

Thus there is a need for a separate program to ensure that all students are able to utilize broadband at home. One method that could be stood up quickly is increasing funding for home “Mi-Fi” hotspots. These are cellular-connected devices that act as portable Wi-Fi hotspots. While large expansion of hotspots is an ideal short-term solution, these cellular-based services are far more expensive than wired and Wi-Fi-based services.

- Every Child Online Tax Deduction

- **Congress should establish the “Every Child Online Tax Deduction Program” for the approximately 20 million households or families with qualifying children (under 18 years of age) earning less than \$60,000 in taxable income during 2019.**
- Participating families or households would be allowed to deduct the cost of home internet access up to \$240 for the year, and deduct up to \$300 in qualifying internet access device expenditures made in 2020.

Background

Even if Congress expands e-Rate to increase the availability of school broadband in students’ homes, there will remain many students that for a number of reasons will not be able to get online after hours. For this program, a qualifying internet access device must be a laptop computer such as a chromebook, and not a tablet or smartphone.

- Learning@Home Child Care Tax Credit

- **Enact a “Learning@Home” tax credit, to offset a portion of the costs of home learning services.**
- Participating families or households would be allowed to claim funds spent on distance tutorial services under the existing Child Care Tax Credit.
- Because prolonged quarantines will reduce families’ typical childcare costs, this change to the existing program should have minimal fiscal cost.

Background

The Governor of California recently gave parents some sobering news: Schools may not open up again until the next school year. Even that is uncertain. This unprecedented change to our public education system might be temporary, but could have generational impacts.

If schools do remain closed, there will be a strong need for distance-learning support, beyond what schools may offer. Virtual tutors will be an important but costly tool that millions of students will need to ensure they don't fall behind.

- Matching Grants for States to Expand Existing Low-income Programs
 - **Congress should create a \$2 billion Emergency Lifeline Matching Grant fund, which would offer states a 1:1 match on their existing low-income funds, and a 2:1 match on new low-income funds.**
 - The U.S. states collectively allocate approximately \$1.7 billion for all state Universal Service Funds, with Lifeline accounting for a fraction of this total.
 - A matching grant fund of \$2 billion over 2-years would bring additional relief to the residents of those states with existing programs in place, while inducing other states to restore or implement their own low-income funds.

Background

The responsibility for helping low-income households get connected does not fall solely on the federal government and the FCC. Many states have their own universal service funds, and 19 provide additional support for low-income families.

The amount of additional subsidy varies widely depending on the state. California provides an additional \$14.85 maximum monthly for qualifying low-income households to apply towards fixed or wireless telephone services (and these funds can be applied to bundled services, which is why many national Lifeline providers provide higher data allotments for their California customers). Other states provide much smaller additional subsidies, but most provide no additional support (with several states ending their Lifeline programs in recent years).

Because the Lifeline participation rate varies widely by state (from 3 percent to 59 percent), there is clearly more that the states can do to keep their residents connected during this time of crisis. While many states may be reluctant to raise funds, the current crisis and additional incentives could change that.

- Broadband Deployment Fund
 - **Congress should create a 5-year, \$50 billion broadband deployment fund with a mix of interest-free loans and grants for high-capacity networks in unserved areas.**

- Congress should utilize the expertise of NTIA, the Department of Agriculture, and the FCC, and create a joint coordinating committee that administers the 5-year fund.
- These monies can augment the FCC's existing Connect America Fund and Rural Digital Opportunity Fund efforts, accelerating many projects that would not be completed for another 10 years.

Background

The need for universal broadband availability is more apparent than ever. Building networks will stimulate our economy and create jobs. But immediate stimulus should not be the only priority. We must finish the broadband deployment jobs in order to soften the blow of any future economic downturns, and to bring sustainable job growth back to rural America.

After the initial wave of COVID-19 economic shock passes and people can return to school and work, we'll likely face a more familiar if no less impactful problem: high unemployment. Furloughs will turn into layoffs, and new jobs creation will grind to a halt. It is possible that certain industries in the service and hospitality sectors will never return to normal, as businesses that once relied heavily on in-person meetings and travel realize they can save money with a shift to telepresence solutions.

We learned difficult lessons after the Great Recession. Some industries never fully recovered, and millions of workers were forced to retrain for new jobs or exited the workforce completely. This reshuffling saw certain areas hit harder than others, with manufacturing towns seeing exodus because many decimated areas had subpar telecommunications infrastructure. While we've seen progress in the past decade, there are still many pockets of slow- or no-connectivity.

Congress pays lip service to rural broadband, but has not been eager to spend money to build networks in areas that private companies refuse to serve. The FCC has made important strides in modernizing its USF High Cost Fund, but USF was not built to handle massive deployment projects: it was designed to provide explicit subsidies for existing high cost rural telephone networks as the nation transitioned away from the Ma Bell-era thicket of implicit support.

In 2009, we missed the moment to solve our nations' telecom infrastructure deployment problem through much-needed job creating government stimulus. The American Recovery and Reinvestment Act's broadband funding — \$7.2 billion to the Broadband Technology Opportunity Program, and \$2.5 billion to the Rural Utility Service program — were substantial, but poorly targeted and conducted with little coordination with the FCC. What's more, this appropriation was not enough to hire workers to quickly build out broadband infrastructure to unserved areas.

The 2010 National Broadband Plan estimated it would cost \$24 billion in Net Present Value (NPV) to bring 4 Mbps downstream/1 Mbps upstream wired network to then-remaining unserved households. We've seen substantial deployment in the subsequent decade, and

equally substantial improvements in technology efficiency and deployment costs. While we recommend that the new fund balance future-proofing with coverage, the overarching goal should be full deployment as quickly as possible, with ISPs able to build fiber to replace copper or to request interest-free loans to upgrade transport links.

- “Cash for e-Clunkers”

- **Congress should create a \$3 billion program offering \$150 rebates on computer purchases for ~20 million households with less than \$60,000 in taxable income.**

Background

Many families with home internet lack equipment necessary to complete their work and schooling. They may have a connection but only an old computer to share with several people.

Congress can address this equipment need and provide much-needed stimulus through the creation of a “Cash for e-Clunkers” trade-in subsidy program, modeled after the 2009 Car Allowance Rebate System, a \$3 billion stimulus that offered rebates of up to \$4,500 for buyers trading in less-efficient vehicles for new, more environmentally-friendly automobiles. That program served the dual purpose of stimulus (increasing buying in the recession-ravaged auto industry) and environmental improvement. A “Cash for e-Clunkers” rebate program could do the same, stimulating U.S. retail while furthering the nation’s educational goals.

- Congress Should Immediately Pre-empt all State Anti-Municipal Broadband Prohibitions

- **Congress should prohibit anti-competitive bans on municipal broadband to ensure local communities can offer affordable high-speed internet access.**

Background

Municipalities in at least 18 states face state laws that limit to varying degrees their ability to invest in municipal broadband networks. Some states ban municipalities from building their own networks while others make it very challenging for cities and towns to do so.

These short-sighted protectionist laws do more harm than good. Municipal networks often offer community members better service at lower prices, which in turn produces competitive pressures that spur incumbent ISPs to offer higher-quality services at more affordable rates.

Removal of these unnecessary restrictions also could help aid our economic recovery by freeing up pent up demand for these deployment projects. These anti-muni broadband restrictions are barriers that Congress must remove during this time when we desperately need to put people back to work and build affordable connections options for everyone.

Immediate Private Actions that Will Help Get and Keep Everyone Connected

In addition to the emergency public policy measures discussed above, we also need immediate action from the nation's broadband providers to get and keep as many people online as quickly as possible.

Responding to calls from Members of Congress, FCC Commissioners, and advocacy groups like Free Press and others, many ISPs have stepped up and answered the call with new offers and terms.

We note that an FCC with authority over broadband could require such actions instead of just pleading for them, and that verification of ISPs' following through on these promises and actually communicating them to their customers is very necessary. Yet the kind of steps outlined below are a welcome and essential start, and should be emulated by all ISPs now.

- All ISPs should follow Charter's lead, and offer free home Internet on a temporary basis to those in need, but with no strings attached with regard to long-term contracts.

Last week Free Press and other digital rights and social justice advocates called on our nations' ISPs to do the right thing: they may not be considered public utilities under current FCC policy, but they should act like they are.

We asked ISPs to immediately halt all disconnects and late penalties for those customers who could not make timely payments. We also called on all ISPs that impose data caps and overage fees to cease applying these arbitrary, unnecessary and punitive policies. And we also called on ISPs to make their basic tiers available free of charge to low-income households, particularly those with children and seniors.

Nearly 200 ISPs subsequently took the FCC's "pledge" to suspend disconnects and late payment penalties, and to open their Wi-Fi networks for free public use, for a period of 60 days. A few ISPs that impose data caps also agreed to suspend those limits for a 60-day period. And a few ISPs that offer a specific low-income, reduced-cost service agreed to reduce the price of that service and/or raise the transmission speeds.

But Charter went further, agreeing to offer any new customer household that has children in school free 100 Mbps cable modem services through the end of May. Charter's new program doesn't require customers to jump through the myriad of qualifying hoops that its own and other ISPs' low-income qualifying plans typically do. (Though we're monitoring anecdotal reports of other barriers and hurdles Charter may be requiring in terms of asking customers to sign long-term contracts to get free service now.)

Charter is no more or less capable of offering free home internet services on a temporary basis than any other ISP; it just decided to do something beyond the bare minimum. It deserves credit for that, and other ISPs should emulate that step too. Like Charter, these other ISPs have long enjoyed extremely high profit margins because they face little to no competition. As former regulated monopolies, they each have a history of receiving special regulatory benefits and protection from competition. And more recently, they have benefited to the tune of

billions of dollars in special tax relief, both temporary during and after the Great Recession, and permanently from the Trump tax cuts of 2017.

Offering needy families free broadband during this crisis won't dent ISPs' profitability or require any bailouts down the line, and in fact, it is likely to gain them new paying customers once life returns to normal.

Congress of course can and should provide direct public aid to lower or eliminate the broadband bills for needy households (including the broadband voucher proposal above). But our nation's ISPs can and should act now.

- All mobile carriers should follow T-Mobile's lead to offer unlimited data on all wireless plans and increase Lifeline broadband data allotments. All Lifeline carriers should also drop their 1,000 monthly voice minute cap and offer unlimited calls.

Unlike wired networks, wireless data services do have legitimate capacity issues that can justify the use of data caps or non-discriminatory network management tools. Though this is changing as technologies improve (and networks are made more robust and dense with additional buildout and spectrum), there are still millions of wireless customers on "metered" data plans. When they reach their monthly allotment, they are either throttled down to transmission speeds barely better than dial-up, or forced to pay expensive add-on data fees. Many of the current metered plans are pre-paid, and they are more likely to be the less-expensive plans chosen by value-focused customers or customers who cannot pass a carriers' credit check for post-paid services.

As a part of its response to the COVID-19 pandemic, T-Mobile announced it would make all of its metered plans unlimited on a temporary basis. As the nation's third-place carrier, and third most profitable, if T-Mobile can make all its plans unlimited so too can the top two carriers, Verizon and AT&T.

T-Mobile also committed to working with its wholesale partners that offer Lifeline services to increase monthly data allotments to 5 gigabytes. This will have a tremendous immediate impact, and all Lifeline carriers should match and exceed it. Sprint-owned Assurance Wireless and Mobile Virtual Network Operator Tracfone are the largest Lifeline providers. Sprint should immediately adopt T-Mobile's Lifeline changes for its Assurance customers. Tracfone obtains its network access from T-Mobile, Verizon, AT&T and Sprint. Tracfone should work with its network partners to match or exceed T-Mobile's temporary Lifeline service commitments.

Finally, it is important to note that while nearly every single commercial wireless plan comes with unlimited voice, Lifeline subscriptions are capped at 1,000 monthly minutes. All wireless carriers who directly or indirectly offer Lifeline services should remove this 1,000 minute limitation during the duration of the COVID-19 National Emergency. Doing so will ensure our nations' most-vulnerable population can stay connected to their doctors, loved ones, and other necessary contacts while they are isolated at home.

- All ISPs should follow Charter's, AT&T's, Comcast's and other ISPs' lead, and suspend all data caps and overage fees.

Data caps on wired networks have always lacked both an economic and engineering justification. They seemed to be a way for ISPs to either discourage “cord-cutting” or recoup some of the lost profits from customers dropping expensive cable TV packages. This was made clear in the post-2015 streaming era, in which major ISPs like AT&T have built their own streaming TV services that use far more data than what was once considered “excessive usage.” Indeed, even as home internet usage reaches new levels during the COVID-19-related sequestering, many ISPs are publicly claiming they’ll be able to handle the additional traffic.

We believe caps and punitive overage fees on wired networks are inherently unjust during normal times. They are potentially dangerous during this pandemic. That is why we joined with other advocates to call on ISPs that impose caps and charge overage fees to suspend this practice during the duration of the pandemic. (Not all ISPs have caps: Charter, Verizon FiOS, Frontier FiOS, and other ISPs have no such limitations at present.)

Several wired ISPs have agreed to suspend caps and fees. AT&T halted caps for 60 days, a commitment it made as it took the FCC’s no-disconnect pledge. Comcast and CenturyLink joined in a day later with the same 60-day commitment. Cable One agreed to a 30-day suspension. But ISPs like Cox, GCI Liberty, Shentel and a number of other wired ISPs have left their caps in place. This is unacceptable. Families need to know that they can work remotely and that their kids can participate in telelearning without facing bill shock. These remaining ISPs should immediately suspend their caps and overage policies, and policymakers from their districts should shine a bright light on them if they do not.