

# Should the FCC Subsidize Internet for Low-Income Americans?

BY: Marissa Lang, San Francisco Chronicle | March 29, 2016

(TNS) – She hadn't meant to cut it so close, but the library was closed and she couldn't think of where else to go, so one hour before her midterm paper was due, Shayna Smith sat outside her doctor's office typing furiously.

Smith, 41, is on a fixed income. She's HIV-positive and relies on dialysis to prevent her kidneys from failing. Not having the Internet at her El Cerrito home used to be the least of her problems.

Until she decided to go back to school.

"When I first got on the Internet about 15 years ago, it was exciting and new, but it didn't seem like I needed to be connected all the time," said Smith, who is studying to earn her associate's degree at Contra Costa College. "But when I went back to school, I realized how fast technology had advanced. For my classes, you can barely do anything without it."

This week, the Federal Communications Commission will debate whether to expand the agency's Lifeline program, which was created in 1985 to offer low-income Americans with subsidies for telephone service. If approved, the expansion would allow low-income people to use Lifeline subsidies for Internet service.

Qualifying Americans would receive a \$9.25 monthly subsidy for broadband Internet — which, advocates hope, would cut the cost to consumers to about \$10 to \$20 per month.

More than 60 million Americans, like Smith, don't have Internet at home. About half say they can't afford it, according to the Pew Research Center. About 6 percent of California households have no Internet access whatsoever, according to the California Emerging Technology Fund. That's about 780,000 homes.

More Americans than ever rely solely on their phones for online access, according to Pew. But smartphones are often not good enough.

"Saying 'Oh, well they have a smartphone!' It's sort of laughable," said Jessica Gonzalez, the vice president of the National Hispanic Media Coalition, which supports the Lifeline expansion. "I would love to see someone fill out a job application on a smartphone. I would love to see those same people fill out a college application on their smartphone."

The California Emerging Technology Fund, a nonprofit that was created with the charge of closing the digital divide in California, has taken up the Lifeline issue as its last big push before it closes up shop. (The fund, created by the California Public Utilities Commission as a condition of its approval of the SBC-AT&T and Verizon-MCI mergers in 2005, has a 10-year life span.)

In its current form, the proposal would have an annual budget of about \$2.25 billion, and would establish a minimum speed for Internet service: 10 megabits per second for downloads and one megabit per second for uploads.

Advocates believe the FCC is unlikely to approve a program that allows Americans to receive help paying for phone and Internet services. They will likely have to choose one or the other — possibly using an Internet phone line.

The Lifeline program as it exists today offers subsidies for landlines and cell phones, which were added to the program in 2005. It costs \$1.6 billion and helps about 13 million families.

Lifeline is one of several federal initiatives that receive funding from the FCC's Universal Service Fund, a pool of money to which telecommunications companies are required to contribute.

Critics of the expansion have accused the program of being a waste of taxpayer dollars.

Even Michael O'Rielly, one of two Republican FCC commissioners, said in a speech last year that having access to the Internet is a luxury — not a necessity.

"People can and do live without Internet access, and many lead very successful lives," O'Rielly said. "Instead, the term 'necessity' should be reserved to those items that humans cannot live without, such as food, shelter and water."

In lobbying for the Lifeline expansion, California Emerging Technology Fund President and CEO Sunne Wright McPeak said she has tried to point to other ways in which having Internet in more American homes will benefit society as a whole.

"There is every reason why this should be a bipartisan vote," said McPeak. "You have to invest in people if you want them to someday get off of public assistance." She believes Internet access drives down health care and housing costs, increases literacy and improves the odds that low-income kids will someday attend college.

According to reports, the FCC's three Democratic commissioners are expected to approve the program.

But establishing a subsidy program is just part of the battle, McPeak said. For many families who don't have Internet, it can be hard to understand why or how to get it.

Many who don't have Internet access — especially in California — are also immigrants who don't speak English at home.

That's why, McPeak said, even after the fund ends, she will continue to work with local organizations, schools and libraries to reach families and individuals who might benefit.

Smith spends most days commuting between classes, doctors and the library. If she had Internet at home, she would be able to spend more time focusing on her homework and her health, she said. That might help her rise out of poverty.

"I won't be able to afford nothing if I can't get a degree to help me get a job and go to work," she said. "The Internet should be for everybody so everybody has the chance to be somebody."

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