

F.C.C. Approves Broadband Subsidy for Low-Income Households

WASHINGTON — The [Federal Communications Commission](#) on Thursday approved a \$9.25 monthly broadband subsidy to help millions of low-income households connect to the Internet, in a move aimed at bridging the digital divide.

Three of the agency's five commissioners voted for the subsidy plan, with two against. The approval, which comes as part of the reform of a fund known as the [Lifeline program](#), is the latest push by the F.C.C. to treat broadband like a public utility. High-speed Internet has become increasingly crucial to households, [used for doing homework](#), finding and maintaining employment, and completing other basic tasks.

The vote ensures that "Americans can access the dominant communications platform of the day," said Tom Wheeler, the chairman of the F.C.C.

During the agency's meeting on Thursday, the F.C.C. also moved forward on a proposal to create the [first broadband privacy rules](#) that would let consumers choose whether AT&T and Comcast could collect and share data about them.

But the [Lifeline vote](#) was the more heavily scrutinized agenda item. Today, one in five people do not have access to broadband at home, and the vast majority of those disconnected are poor. Only about 40 percent of people earning less than \$25,000 a year can afford broadband while 95 percent of all households making over \$150,000 have high-speed Internet at home, the F.C.C. said.

Continue reading the main story

Starting in December, those eligible for programs like the Supplemental Nutrition Assistance Program and tribal and veterans benefits, will be able to apply for the subsidy. The funds can be used for wireless or fixed-wire broadband. The F.C.C. said it would aim to keep the budget of the subsidy program under \$2.25 billion, money that is provided through line-item charges on wireless and Internet bills.

Among the biggest concerns is how financially disadvantaged families are being strained by their inability to connect to the Internet at home. Seven out of 10 schools assign homework that requires Internet access, for example. Most jobs are posted online, and applications for employment are increasingly becoming online-only.

"This meets the 21st-century needs for those most vulnerable," said Mignon Clyburn, a Democratic commissioner.

The vote over the Lifeline plan was delayed for three hours because of back-and-forth between the two Republican commissioners and the three Democratic commissioners over the program's details. The Republican commissioners, who ultimately voted against the subsidy, said the F.C.C. needed to put a lower and hard cap on the Lifeline program's budget. Started in 1985 to bring phone services to low-income families, Lifeline later added subsidies for mobile phone services, but some homes started double-billing the program and the budget for the fund ballooned.

"The commission's failure to clean up the waste, fraud and abuse in the program puts the entire enterprise in jeopardy," said Ajit Pai, a Republican F.C.C. commissioner.

The F.C.C. plans to appoint a third-party administrator to check for double-billing or other instances of fraud.

The agency's two Republican commissioners also voted against the broadband privacy rules, which have drawn strong protest from cable and telecom firms. But the three Democratic commissioners voted in favor, pushing the rules toward a monthslong period of public comments and consideration.

Comcast has protested the agency's privacy proposal, pointing to several recent regulatory decisions that target Internet service providers. The company said that broadband providers had not harmed consumers by abusing their collection and sharing of data. Comcast also pointed to Google and Facebook as more concerning, saying those Internet companies are unregulated, even as their businesses rely on the collection of consumer data for targeted advertising.

Continue reading the main story

"The unfortunate result of the F.C.C.'s extreme regulatory proposals will be more consumer confusion and less competition, and a bunch of collateral damage to innovation and investment along the way," said David Cohen, senior executive vice president at Comcast.

Consumer advocacy groups cheered the vote for Lifeline.

"Inexpensive options for access have dwindled, not grown," said Hannah Sassaman, a director at Media Mobilizing Project. "A broadband subsidy for Lifeline will transform access to this basic human right in American cities, where such access is necessary to apply for even the lowest-wage jobs."