

\$50-per-month emergency broadband subsidies approved in pandemic stimulus

Congress creates \$3.2 billion fund for people with low incomes or who have lost jobs.

[Jon Brodtkin](#) - 12/22/2020, 9:31 AM



[Enlarge](#) / A mother and daughter using Internet-connected devices at home.

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Americans who have low incomes or who lost their jobs during the pandemic will be eligible for \$50-per-month broadband subsidies under the [stimulus](#)

[package](#) passed by Congress last night. Congress is providing \$3.2 billion from the US Treasury for a new Emergency Broadband Connectivity Fund that will be administered by the Federal Communications Commission.

Subsidies won't be distributed immediately, as it could take a couple of months or more for the FCC to start the program. The \$50 monthly payments won't go directly to broadband users but will be paid to ISPs that provide free or reduced-cost broadband under the program. ISPs will be responsible for verifying each household's eligibility and seeking reimbursement from the FCC.

The bill text defines the "emergency broadband benefit" as "a monthly discount for an eligible household applied to the actual amount charged to such household, which shall be no more than the standard rate for an Internet service offering and associated equipment, in an amount equal to such amount charged, but not more than \$50." The monthly per-household subsidy is \$75 on Tribal lands.

ISPs would not be allowed to charge customers anything if the standard rate for the broadband service is \$50 or less (or \$75 or less on Tribal lands). ISPs could charge customers the difference between the standard rate and the subsidy; for example, a low-income customer that qualifies for a \$50 subsidy would pay \$25 per month for a \$75 service.

How to qualify

Importantly, Congress is making the subsidies available to any qualifying household even if they have unpaid broadband bills. There are several ways to qualify for an emergency subsidy. Any household with at least one member who meets the [guidelines](#) for the FCC's Lifeline low-income program would qualify. Households are also eligible if they have been

approved for the [school-lunch](#) or [breakfast](#) program, if any member of the household has received a Pell grant in the current award year, or if any household member "meets the eligibility criteria for a participating provider's existing low-income or COVID-19 program."

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The emergency broadband subsidy is also available if "at least one member of the household has experienced a substantial loss of income since February 29, 2020." The income loss can be documented by a layoff or furlough notice, an application for unemployment insurance benefits, or similar documentation.

Because the money is coming from the Treasury, the FCC won't have to use the Universal Service funding that is collected from surcharges on phone bills to fund other programs. The new program doesn't have a set expiration date but would end when the \$3.2 billion is used up or six months after the US Secretary of Health and Human Services declares the COVID-19 public health emergency to be over.

In addition to \$50 monthly subsidies, the program encourages ISPs to provide customers with discounted tablets or laptops that can access the Internet. The fund will provide ISPs with a reimbursement of up to \$100 for each device as long as the ISP charges the customer less than \$50 for the tablet, laptop, desktop computer, or similar Internet-connected device. One device reimbursement would be available per household.

The bill gives the FCC no more than 60 days to issue regulations for implementing the subsidy program. There could be a gap between issuing rules and the program's start, so it won't necessarily begin within 60 days.

"Much-needed" response to high broadband

prices

The broadband funding received praise from consumer advocacy groups that had urged lawmakers to help low-income Americans purchase Internet service. Free Press VP Matt Wood [called](#) the broadband subsidy "a historic achievement" and "a much-needed response to the lack of affordable broadband choices, which is the primary factor driving the US digital divide."

"It's clear that lawmakers across the political spectrum recognize how critical it is to ensure that people can afford to connect to the Internet, especially when there's a need to conduct so much of our daily lives online," Wood said.

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Consumer advocates have repeatedly argued that the US government's efforts to expand broadband availability haven't focused enough on making it cheaper. The FCC offers subsidies for Internet service through Lifeline, but that program only provides [\\$9.25 per month](#) in most cases.

Wood told Ars that the \$3.2 billion could last eight or nine months if the participation rate is similar to Lifeline. Nationwide, there are [33.2 million Lifeline-eligible households](#) and 8.2 million of them get the Lifeline benefit. The \$3.2 billion would cover 64 million monthly payments if the average subsidy is \$50, but Wood noted that reimbursements would be smaller when an ISP's standard broadband rate is less than \$50.

"We are thrilled to see the acknowledgment that the cost of broadband service is a barrier that must be addressed," the National Digital Inclusion Alliance [wrote](#). "Even as we celebrate, we must keep working toward a permanent broadband benefit plus financial support for outreach to eligible populations, digital literacy training," and other technical help for broadband

users.

Consumer-advocacy group Public Knowledge [said](#) it is "disappointed that Congress did not provide funding to keep students connected as they study from home" but that the "broadband subsidies will still benefit students and families at risk of losing their connectivity... No American should be forced to go without food, water, electricity, or essential communications over broadband."

Another \$3.8 billion for broadband

Separately from the \$3.2 billion subsidy program, the spending bill provides another \$3.8 billion for other broadband programs. That includes \$1.9 billion for ISPs with 2 million or fewer customers to replace equipment made by [Huawei and ZTE](#), \$1 billion for broadband-deployment grants to Tribal lands, \$300 million for broadband grants in rural areas, \$285 million for connecting minority college students, nearly \$250 million for the FCC's COVID-19 Telehealth Program, and \$98 million to improve the FCC's broadband-availability maps.