

REMARKS OF COMMISSIONER MIGNON CLYBURN
We Cannot Wait. It's Time for iBridge Now!
New America Foundation
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Thank you, Michael, for that kind introduction. Allow me to express my appreciation to the New America Foundation for inviting me to focus on a critically important topic I am deeply passionate about – affordable mobile broadband. Some of you may be surprised that we are even here today. When the Open Internet Order went into effect last week, many predicted that the sky would fall, but here I am, there you are —and since I used my Maps App to get here this afternoon, it appears that the Internet is still standing.

It occurred to me, that by pulling out my smartphone to aid in my moving in the right direction, I am directly speaking to what I am here to convey: That these apps rely on a wireless broadband infrastructure and mobile broadband should never be priced so high that it becomes a luxury reserved only for the privileged.

While affordable mobile broadband is not an end, in itself, it is a *means* through which people have access to the tools they need in the 21st century. I continue to believe that broadband is the greatest technological equalizer of our time, and is an essential lever in helping to break cycles of poverty, despair and hopelessness. For children, broadband provides access to a world-class education even if the school they are zoned to is classified as underperforming. For the elderly and disabled, broadband provides a connection, civic engagement, communications and healthcare opportunities that are tailor-made to their needs. For those entering the workforce or recently displaced, broadband helps to find employment or entrepreneurial resources that would never appear in the newspaper's classified section. But for broadband to reach its fullest potential, to improve the lives of every American, it must be both *affordable* and ubiquitous — if it is not, it will become just another barrier that separates the “haves” and the “have nots.”

It pains me to say, today, that millions of Americans remain foreclosed from the promise broadband brings. They are trapped in digital darkness and stranded on the wrong side of the affordability divide. But what continues to motivate me is the fact that the FCC has the tools to assist in building a bridge to enhanced opportunities. In recent years, despite having these tools to retrofit that bridge for the digital age, we were idle – allowing those same fundamental tools, to rust in the FCC's woodshed. Now is the time to dust off, polish and re-engineer those tools, and build a bridge that could aid in transporting consumers out of isolation and fear to connectivity and independence.

This effort does not have to take us down a multi-year, rhetoric-laden road that will lead to endless reports, protracted debates, and non-stop hearings. The templates for the best tools can be found in the current Lifeline program and spectrum auctions.

Those who code and create applications on the Web know that connecting to the Internet and utilizing the Internet are two different things. When consumers use the cutting-edge applications and websites that change our everyday lives, providers supply the data over the mobile spectrum airwaves. But as innovation in mobile broadband has spurred spectrum demand at a breathtaking pace, spectrum remains in short supply. And where the amount of wireless spectrum has not kept pace with the increasing demand for data, consumers pay in slower service and overburdened networks. This makes them less likely to use the mobile services and this, in turn, hurts our overall economy.

This year, the Commission has been advancing a number of initiatives to make more spectrum available, including our recent auction using new spectrum sharing rules and technologies.

I'd like to highlight a few initiatives that I believe are critical to advancing access to spectrum:

Promoting new entrants and small businesses. Since 2010, I have been calling on the Commission to establish innovative and sustainable approaches for new entrants and small businesses in the telecommunications industry. The Commission has been working to update our designated entity rules so small businesses have the flexibility needed to secure financing and effectively compete in an increasingly consolidated wireless market.

Identifying and utilizing the right data. Beginning with the 2010 Annual Mobile Services Report, the Commission significantly expanded its understanding about critical segments of mobile market. This information highlights the difficulties large carriers and smaller service providers face when trying to expand their service in certain license areas or when trying to enter new license areas. By identifying areas that need improvement, at a granular level, these Reports help the Commission develop policies to promote competition.

Learning from a successful AWS-3 auction. A record-setting \$44.89 billion in provisionally winning bids surged past even the highest yield expectations, showing the incredible growth in demand for new spectrum. The auction's success would not have been possible without the efforts of the Wireless Telecommunications Bureau, which worked in cooperation with NTIA, DoD and other federal agencies to substantially reduce the protection zones of federal operations in the 1755 and 1780 MHz band. But I also believe the license and service rules we adopted played an important role in attracting smaller companies to compete with large nationwide carriers. Specifically, we adopted a band plan that included smaller license blocks and geographic license areas. And we adopted a strong requirement that devices manufactured for the AWS-3 band be interoperable with the AWS-1 band.

Planning for the future. The rules we adopted for the forward auction of the upcoming incentive auctions will promote competition in local markets and has the added benefit of ensuring that the auction promotes efficient allocation of spectrum to the highest and best use. This is particularly important in this case, since we must incentivize broadcast TV stations to participate in the reverse auction. We can promote these goals by auctioning smaller block sizes of spectrum in smaller geographic area licenses. So I am glad that we pushed large and small carriers to develop a consensus so we could shift from the larger Economic Areas to smaller Partial Economic Areas.

Reserving spectrum for local use. I also strongly support the rule that would reserve 30 megahertz of spectrum, in the 600 MHz auction, for those companies that hold less than 45 MHz of below-1 GHz spectrum on a population weighted average in a particular local market. There is no question we have the statutory authority to allocate spectrum licenses in a manner that promotes competition, for the Communications Act instructs the FCC, to "avoid[] excessive concentration of licenses," and to "disseminate[] licenses among a wide variety of applicants, including small businesses." The plain language of the Middle Class Tax Relief and Job Creation Act reaffirms the Commission's authority to, and I quote: "adopt rules of general applicability, including rules, concerning spectrum aggregation, that promote competition." Such a spectrum allocation rule would also be consistent with our precedent. As the Order explains, since the 1980s, the Commission has often adopted policies designed to prevent undue concentration of spectrum licenses necessary to provide those services.

Unlicensed. Finally, we recognize the potential of unlicensed areas of our spectrum, which carry significant economic benefits. This helps to reduce the strain on licensed cellular networks. The U.S. has already made a substantial amount of spectrum available for unlicensed use, and we are working to free up even more. I am pleased the Commission has reaffirmed our commitment to ensuring that unlicensed spectrum in the 600 MHz band can be used to provide broadband service, and I hope the Commission continues to allow innovation in unlicensed bands. Furthermore, I have been a strong advocate for unlicensed use of TV White Spaces since we adopted final rules in 2010, because I believe the excellent

signal propagation below 1 GHz has great potential to provide wireless broadband services in difficult-to-serve low-income communities.

Shifting gears - the FCC voted on a comprehensive Notice of Proposed Rulemaking last week, which would fundamentally restructure the 30 year-old Lifeline program for the 21st century. Guided by Congress's simple and clear dictate, that services should be "affordable," and that all consumers, including "low-income consumers and those in rural, insular, and high cost areas, should have access to ... advanced telecommunications and information services," the FCC proposed to modernize the Lifeline program, to comply with these objectives. The FCC recognized that a voice-only program is inconsistent with the statute's directive to ensure that low-income consumers have access to "advanced" telecommunications and information services.

The rhetoric over what we actually accomplished last week has been, well, disappointing. For those who do not follow us on a regularly basis, allow me to clarify what actually happened. The FCC adopted a framework, which would sunset the current Lifeline program, and replace it with what I am proposing to be known going forward as: **iBridge Now!**

What does **iBridge Now!** look like?

First, low-income consumers, will have access to voice and broadband services, comparable to everyone else. Second-class or inferior service would be unacceptable and not eligible for universal service support. The *de minimis* service plans that some providers current offer: Gone.

Second, the program formerly known as Lifeline will treat consumers with dignity. Consumers will no longer be forced to turn over financially sensitive information to an unknown person, in front of a group of strangers, in a parking lot or tent. Seniors, veterans, the disabled, children and others, deserve better and what we endorsed last week proposes to do better.

Third, iBridge Now! will offer competitive options. We are seeking comment on ways to encourage broader participation, by thinking outside the box, reducing unnecessary administrative burdens and rethinking the process for participation in the program: More providers, more options; more options, better services and more choice.

Fourth, and this is critical: the FCC proposes to adopt enhanced oversight, to further eliminate all incentives for waste, fraud and abuse. A neutral third-party – not the carrier – should determine consumer eligibility, and on that last point, I am drawing a line in the regulatory sand. There is no room for negotiation. We will plug any loophole that currently exists. We will forbid carriers from determining eligibility. This critical element is at the heart of what critics seem almost giddy about pointing to in those old news clips about ineligible consumers receiving service. We address this head on. This practice would be totally eliminated. This incentive will be removed.

Fifth, we will reduce administrative burdens, by leveraging efficiencies from other benefit programs. We seek comment on working with existing state programs to determine eligibility. **iBridge Now!** should not reinvent the wheel, or create additional costs or databases, if they already exist.

But that is not all. Despite what you have heard, the Notice also seeks comment, on a budget for the Lifeline program. We ask how to set it, what data we should review, and when it is appropriate to set a budget. Contrary to what you have been led to believe, Mignon L. Clyburn believes that it is appropriate to have a discussion about a budget for the program. But what I also believe is that this should be a data-driven driven process, like the ones we had when we reformed the other universal service programs. Picking one year out of a program's 30-year history in isolation and saying that this is the appropriate budget number is arbitrary and capricious. Under that theory, we would in essence be throwing one dart at a board, while completely ignoring the fact that at the current level of Lifeline

disbursements, we are serving only about 25 percent of eligible households. I believe that qualified consumers and our statutory obligations require us to be better stewards of the public interest. An artificial budget, set to arbitrary amount, disconnected from current realities, to score political brownie points, will risk foreclosing eligible low-income households from connectivity when they need it most. Such a course will ensure that millions of our citizens remain stuck in digital badlands and cycles of poverty, and as a person who has dedicated the majority of her professional life serving the public interest, I will not co-sign to that.

The optimal way to discipline program expenditures for **iBridge Now!** is to focus on leveraging a modernized program to reduce the critical divides that exist in this nation, so that the number of eligible households decline, which means that the current program's expenditures declines. The program should be focused on being part of a pathway out poverty, poor education, lackluster healthcare options, and more. Our goal should be for **iBridge Now!** to be so successful and so enabling, that its recipients no longer need it or any other federal benefit program, because they no longer qualify. We should be bold and visionary and careful not to embrace an artificial budget, set at an arbitrary amount, and risk ensuring that millions remain stuck in digital badlands.

And the answer is yes: The FCC is seeking comment on adopting metrics to determine the effectiveness and efficiency of the program now known as Lifeline, in response to the GAO Report. This **is** also something that we are seeking comment on, as I believe it is important for the agency to evaluate how best to structure the program and modify it as appropriate over time. But to do so, we need to be clear about the purpose of Lifeline in the statute: it is to ensure that service is "affordable." The statute does not state that the purpose of Lifeline is to spur new adoption, nor does it say that services should only be affordable for select few low-income consumers who have never adopted broadband before. The word in the statute is **affordable**.

So, I am anxious to move from the blueprint the FCC adopted last week to adopting an Order, and I look forward to your input on how best to do so. Together, we can construct bridge that would lead to empowerment, independence and connectivity. Together we can move from Lifeline to **iBridge Now!**, and ensure that our spectrum policies remain the envy of the world.