

August 26, 2019

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Room TW-B204
Washington, DC 20554

Re: *In the Matter of Universal Service Contribution Methodology*
WC Docket No. 06-122

Dear Ms. Dortch:

On behalf of Asian Americans Advancing Justice | AAJC (“Advancing Justice | AAJC”), Filipina Women’s Network (“FWN”), and the Japanese American Citizens League (“JACL”), we thank the Federal Communications Commission (“Commission”) for the opportunity to submit the following reply comments in response to the Commission’s Notice of Proposed Rulemaking¹ regarding the universal service contribution methodology. The undersigned organizations write to express our support for comments recently submitted to the Commission by Public Knowledge (“PK”) and the National Hispanic Media Coalition (“NHMC”) that oppose any cap on the Universal Service Fund (“USF”) programs, including the federal Lifeline program.² In their comments, PK and NHMC rightly emphasize that broadband internet access is “the essential communications medium of the digital economy,”³ and justify opposition to the USF cap by citing its negative impact on communities of color, including Hispanic Americans, African Americans, and Native Americans.⁴ Advancing Justice | AAJC and the other undersigned organizations urge the Commission to also consider the negative impact the USF cap will have on the Asian American and Pacific Islander (“AAPI”) community.

Advancing Justice | AAJC is dedicated to advancing civil and human rights for Asian Americans and to promoting a fair and equitable society for all. We provide the growing Asian American community with multilingual resources, culturally appropriate community education, and public policy and civil rights advocacy tools. In the telecommunications and technology

¹ Universal Service Contribution Methodology, 84 Fed. Reg. 27,570 (June 13, 2019).

² Comments of Public Knowledge and the National Hispanic Media Coalition, In the Matter of Universal Service Contribution Methodology (July 29, 2019), [https://ecfsapi.fcc.gov/file/10730004289065/PK%20%26%20NHMC%20Comments%20-%20USF%20Cap%20-%20WC%20Docket%20No.%2006-122%20\(filed%20July%2029%2C%202019\).pdf](https://ecfsapi.fcc.gov/file/10730004289065/PK%20%26%20NHMC%20Comments%20-%20USF%20Cap%20-%20WC%20Docket%20No.%2006-122%20(filed%20July%2029%2C%202019).pdf) (hereinafter, “PK & NHMC Comments”).

³ *Id.* at 2.

⁴ *Id.* at 5.

field, we work to promote access to critical technologies, services, and media for our communities.

FWN is an international advocacy organization dedicated to increasing the power and influence of Filipina women as leaders and policy makers on economic, social justice, and women's rights in the private and public sectors. With members in 31 countries, FWN provides influence, knowledge, and access to support the success of Filipina women in their businesses and careers.

The JACL is the oldest and largest Asian American civil rights organization in the United States. The JACL monitors and responds to issues that enhance or threaten the civil and human rights of all Americans and implements strategies to effect positive social change, particularly to the Asian Pacific American community.

I. Importance of the Universal Service Fund and the Lifeline Program

The USF programs play an integral role in efforts to bridge the digital divide by expanding digital access for low-income consumers, consumers living in rural and insular areas, and schools, libraries, and rural health care facilities across the country.⁵ However, the overall budget cap proposed by the Commission on May 31, 2019 threatens the programs' ability to serve these populations. The undersigned organizations support PK's and NHMC's view that the cap could not only pit the programs against each other for funding,⁶ but also – in the event that demand for each program increases in the coming years – “compromise the [Commission's] ability [to] accommodate USF program growth and utilization” and “create red tape to constrain [its] ability to address universal service challenges.”⁷

The undersigned organizations are particularly concerned about the cap's potential impact on Lifeline. Compared to the other USF programs, it is relatively underutilized: 28% of all eligible households participated in 2017.⁸ In addition, subscribership has declined over the past few years, falling from approximately 10.7 million subscribers in 2017⁹ to more than 9 million in 2018.¹⁰ Instead of investing in the program's growth, the Commission is considering a policy change that will “[create] another potential obstacle for...improvements to Lifeline

⁵ *Universal Service*, FCC, <https://www.fcc.gov/general/universal-service> (last updated Aug. 22, 2019).

⁶ PK & NHMC Comments, *supra* note 2 at 15.

⁷ *Id.* at 21.

⁸ *Lifeline Participation*, Universal Service Administrative Co., <https://www.usac.org/li/about/process-overview/stats/participation.aspx> (last visited Aug. 22, 2019).

⁹ *Id.*

¹⁰ *2018 Annual Report*, Universal Service Administrative Co., https://www.usac.org/_res/documents/about/pdf/annual-reports/usac-annual-report-2018.pdf.

utilization, compromising [its] ability to make broadband more affordable and accessible for low-income families.”¹¹

II. Impact on Asian Americans and Pacific Islanders and other People of Color

People of color who are impacted by the digital divide express a high demand for internet access but do not subscribe largely due to cost concerns.¹² In their comments, PK and NHMC include the U.S. Department of Education’s findings that over half of public school students are from low-income households and that these same students “are the least likely among their peers to have access to the Internet at home.”¹³ Then, pointing to additional research, PK and NHMC assert that “this gap is noticeably more pronounced when factoring in race; Hispanic, African-American, and Native American students are less likely to have home Internet access than white students.”¹⁴

While the undersigned organizations affirm the importance of increasing digital access for these communities, we urge the Commission to also consider the needs of the AAPI community, which are frequently overlooked in conversations regarding the digital divide. Numerous surveys, including the 2015 American Community Survey, purportedly demonstrate that AAPIs enjoy greater digital access than other communities of color, but they contain numerous methodological and sampling issues. In addition to aggregating data of populations from over 20 countries, most studies focus only on proficient English speakers and are completed online, favoring individuals who already have access.

In reality, digital divide indicators – which include education, income level, and English proficiency – suggest that a gap in access exists among different ethnic groups in the AAPI community. For example, 4.5% of Japanese Americans have less than a high school diploma, compared with 47% of Burmese Americans.¹⁵ In addition, whereas the Filipino American community experiences a 6.6% poverty rate, the Burmese American community experiences a 29.3% poverty rate.¹⁶ Among Pacific Islander communities, the Samoan American community and the Tongan American community experience, respectively, 16.2% and 18.9% poverty

¹¹ PK & NHMC Comments, *supra* note 2 at 17.

¹² S. Derek Turner, Digital Denied: The Impact of Systemic Racial Discrimination on Home-Internet Adoption, Freepress (Dec. 2016), https://www.freepress.net/sites/default/files/legacy-policy/digital_denied_free_press_report_december_2016.pdf.

¹³ PK & NHMC Comments, *supra* note 2 at 4-5.

¹⁴ *Id.* at 5.

¹⁵ 2016 ACS 1-Year Estimates, U.S. Census Bureau, https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_1YR_S0201&prodType=table (hereinafter, “2016 ACS Estimates”).

¹⁶ *Id.*

rates.¹⁷ Finally, English proficiency varies drastically by ethnicity: 19.7% of Indian Americans are limited English proficient (LEP), compared with 50.2% of Vietnamese Americans.¹⁸

AAPI enrollment in welfare programs that can qualify a household for Lifeline, such as Supplemental Nutrition Assistance Program (“SNAP”) and Medicaid, represents another digital divide indicator that illustrates the potential gap in digital access. In 2015, 2.6%¹⁹ of SNAP recipients were categorized as Asian American.²⁰ However, the divide between certain ethnic groups was stark: 2.38% of Thai Americans were enrolled in the program, compared with 67.3% of Bhutanese Americans.²¹ Moreover, in 2016, 26% of Asian Americans and 37% of Pacific Islanders were enrolled in Medicaid or some other public insurance program.²²

These statistics not only illustrate striking disparities within the AAPI community, but also allow us to project a potential lack of digital access for a substantial proportion of it. Thus, the undersigned organizations are deeply concerned that the proposed cap on the USF programs, and consequently a cap on Lifeline, will create a barrier to program enrollment for qualifying low-income AAPI households once the cap is met. If that happens, AAPIs on the wrong side of the digital divide could suffer from the “homework gap,” lose out on job opportunities, and lack access to critical emergency services.

III. Conclusion

When Congress passed the Telecommunications Act of 1996, it codified the principle that all Americans should be able to afford access to the internet.²³ The “universal service concept” is more important than ever, as digital access transitions from being a benefit to an absolute necessity in everyday life. By proposing an overall cap on the USF programs, however, the Commission runs the risk of undermining congressional intent and neglecting its responsibility to assist the most vulnerable populations in society. The cap could have particularly dire consequences for Lifeline and consequently harm low-income communities and communities of color. For the sake of bridging the digital divide for the AAPI community and

¹⁷ Karthick Ramakrishnan and Farah Z. Ahmad, *State of Asian Americans and Pacific Islanders Series: A Multifaceted Portrait of a Growing Population*, Center for American Progress (Sept. 2014), <http://aapidata.com/wp-content/uploads/2017/09/AAPIReport-comp.pdf>.

¹⁸ 2016 ACS Estimates, *supra* note 16.

¹⁹ Due to a fear of stigma, AAPI SNAP recipients tend to under-report their usages.

²⁰ Victoria Tran, *Asian Americans are falling through the cracks in data representation and social services*, Urban Institute (June 19, 2018), <https://www.urban.org/urban-wire/asian-americans-are-falling-through-cracks-data-representation-and-social-services>.

²¹ *Id.*

²² The Leadership Conference Education Fund, et al., *Will You Count? Asian Americans and Native Hawaiians and Pacific Islanders (NHPIs) in the 2020 Census*, <http://civilrightsdocs.info/pdf/census/2020/Fact-Sheet-AA-NHPI-HTC.pdf> (last updated Apr. 17, 2018).

²³ Angele A. Gilroy, *Universal Service Fund: Background and Options for Reform*, Congressional Research Service (June 30, 2011), <https://fas.org/sgp/crs/misc/RL33979.pdf>.

creating a fair and equitable society for all Americans, we urge the Commission to reject the proposed cap.

If you have any questions or would like to discuss our comments further, please contact Asian Americans Advancing Justice | AAJC's Senior Counsel for Telecommunications, Technology, and Media K.J. Bagchi at kbagchi@advancingjustice-ajc.org or at 202-296-2300 ext. 119.

Sincerely,

Asian Americans Advancing Justice | AAJC
Filipina Women's Network
Japanese American Citizens League