



November __, 2015

Chairman Wheeler
Federal Communications Commission
445 Twelfth Street SW
Washington DC 20554

Re: *Lifeline and Link Up Reform and Modernization* (WC Docket No. 11-42); *Telecommunications Carriers Eligible for Universal Service Support* (WC Docket No. 09-197); *Connect America Fund* (WC Docket No. 10-90).

Dear Chairman Wheeler and Commissioners Clyburn, Rosenworcel, Pai, and O’Rielly.

Next Century Cities is a national city-to-city coalition of more than 120 member communities committed to delivering the benefits of fast, affordable, reliable broadband to all residents and businesses. The **X** undersigned local government leaders from Next Century Cities member communities write today in support of the Commission’s work to modernize Lifeline to support broadband connectivity. Lifeline modernization will benefit our community members and help us tackle the pressing but rewarding challenges of local governance.

Broadband Internet access has become essential infrastructure in the 21st Century. The proliferation of broadband has transformed commerce and social relations, but deployment has been uneven. Despite some meaningful progress, the digital divide persists. As was found in the 2013 American Community Survey: 92% of households with incomes between \$100,000 and \$150,000 have broadband service, the adoption rate is only 47% for households with income below \$25,000. African American and Latino households are less likely to have broadband at home as well.

Getting more low-income households online will help modernize delivery of public services - facilitating more responsive and effective governance while lowering overheads for local governments. E-government delivery also saves the public the expense of visiting government offices in person - a particular concern for low-income households. Taking advantage of e-government frees public beneficiaries from losing wages if they are paid hourly, and it allows easier and more ubiquitous access to opportunities and resources.

Most importantly, Lifeline modernization will help our school children and give them better opportunities to succeed. The Universal Service Fund’s e-Rate program provides quality connectivity for students during the school day, but too many of them go home to households without broadband. This group of students is distinctly disadvantaged relative to their peers, but Lifeline modernization stands to meaningfully narrow the so-called “Homework Gap.”

Lifeline modernization will provide meaningful connectivity for more of our residents. We also support the principles of greater competition overall in broadband and for the Lifeline program.

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Sufficiently fast connectivity stands to drive aggregate demand, particularly if the Commission makes Lifeline a portable benefit. In that scenario, beneficiaries can take their support from one provider to the next, based on whichever provider best meets their needs - whether wired voice, wireless voice, or data. Doing so will create market dynamics to promote competition among Lifeline providers. The history of Lifeline voice support shows this can work well: providers have competed for subsidy dollars by offering ever more minutes of talk time, for example.

Low income households, by definition, struggle to make ends meet. Thus we urge you to reject any co-payment schemes. Similarly, survey data show that Lifeline is underutilized, so we would strongly discourage placing an artificial cap on Lifeline expenditures. We all want a right-sized Lifeline program, so we feel the program should allow qualifying households the choice: wired voice support, wireless voice support, or broadband connectivity.

This Commission's commitment to competition and narrowing the digital divide is clear. For us as municipal leaders, Lifeline modernization is a community issue, and a nonpartisan one as well. We are closest to civic problems and work across party lines every day to solve challenges. Putting broadband in reach for more low-income households will help us deliver better services community-wide, and foster opportunity for more of our residents.

Sincerely,
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