

Broadband USA Applications Database

Applicant Name: Public Utility Law Project of New York, Inc.

Project Title: Broadband for All New Yorkers

Project Type: Sustainable Adoption

Executive Summary

The Public Utility Law Project of New York, Inc. (“PULP”) proposes a project for funding entitled “Broadband for All New Yorkers.” Its purpose is to increase New York State low income household subscribership to broadband services. Although broadband is available to almost all New Yorker homes, its cost keeps it out of reach for nearly half of NYS’s low income households. PULP proposes a three phase project: 1) Educate low income families about existing, but underutilized, public utility financial assistance resources that can be used to help offset broadband access costs; 2) design a model program to improve broadband affordability statewide; and 3) establish model consumer protections for broadband customers.

Applicant

PULP is a non-profit, civil legal services organization formed in 1981 representing the interests of residential utility (telephone, electric, and natural gas) consumers in New York. PULP’s efforts focus on low income consumers, and on education, research, and activities to advance universal service, affordability, and consumer protections.

Program Rationale

In 2007 there were 7.9 million households in NYS (US Census Bureau). The FCC reports DSL passes 79% of NYS households; cable modem service passes 99%. (FCC 6/30/08 Status Report on High-Speed Internet Access, dated July 2009). The NYS social services department, the Office of Temporary and Disability Assistance, reports more than 1.2 million or 15% of NYS households receive Food Stamps. Nationwide, broadband subscribership for households with \$20k – 30k annual income was 53% in April 2009. (Pew Internet and American Life Project). Based on these statistics, PULP estimates that approximately 47% or 560,000, NYS Food Stamp recipient households lack broadband access. This vulnerable population, for whom affordability is a major obstacle to the goal of universal broadband service, is our target audience.

Phase One – Establish a Low Income Broadband Access Education Program

In NYS, utility financial assistance programs (Telephone Lifeline, utility-specific reduced rates, Home Energy Assistance Program, or HEAP) reach only a fraction of eligible customers. For example, although 1.2 million NYS households receive Food Stamps, only 300,000 receive telephone Lifeline assistance, and receipt of Food Stamps is just one of the eligibility-conferring categories for Lifeline assistance. Utility-specific residential low income rates or discounts are often unadvertised. The result: many low income customers are unaware of their eligibility for financial assistance and therefore, they spend more than they should for utility service. If these households were educated on available benefits, most would reap a monthly saving of \$30, which could be applied to the cost of broadband. The monthly cost of Verizon DSL is \$29.95 and Time Warner Cable RoadRunner service is \$36.

PULP proposes a “low income stimulus package” program to educate low income consumers on how broadband costs could be offset with other available utility benefits. PULP would create bilingual educational materials, including forms and instructions on how to apply for and maintain utility benefits. It would also train low income households on broadband benefits and basic computer literacy. Maximizing telecom and energy assistance through existing programs would act as a powerful stimulus to expand broadband coverage to low income households.

Educational materials developed by PULP would be distributed to key partner community advocates and organizations that work with the low income population. PULP would produce a public service announcement (“PSA”) for radio and television, and create bus and subway advertising. PULP will partner with AARP, NY Library Assn., NY State Community Action Assn., and Syracuse United Neighbors to implement this program.

Phase Two – Design a Statewide Low Income Broadband Assistance Program

PULP proposes to publish a scholarly white paper to address methods for expanding NYS’s universal service fund, the Targeted Accessibility Fund (“TAF”), to include broadband access. TAF currently targets only Telephone Lifeline, E-911 connectivity, and the relay service for the deaf. The expanded TAF would augment the anticipated federal broadband universal service program. Once in place, provider contributions to the fund would be used to provide discounts to low income customers. Thus, the low income broadband access assistance program would receive continued, reliable funding.

Phase Three – Develop Model Broadband Consumer Protections

PULP would publish model consumer protections, identifying barriers to obtaining and maintaining broadband service for all users, including the application process, billing issues, pricing, notifications, and terminations.

Conclusion

“Broadband for All New Yorkers” will boost broadband enrollment in the next two years, and it will help sustain continued and future subscribership by identifying feasible state broadband support initiatives and consumer protections. The program will support universal broadband access indefinitely, but generate no income for PULP. “Broadband for All New Yorkers” will be designed for replication in other states. PULP estimates the costs to hire two coordinators, supervise unpaid interns, research, creation and distribution of educational materials, production of a PSA, and drafting the broadband TAF white paper and model consumer protections will be \$450,000.