



June 2, 2021

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Whom should the government help get superfast internet access? The question is not addressed directly in President Biden's multibillion-dollar infrastructure plan, which devotes tens of billions of dollars to expanding access to broadband but does not provide much detail about how the money will be spent.

Bloomberg

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But veterans of the nation's decade-long efforts to extend the nation's broadband footprint worry that the new plan carries the same bias of its predecessors: Billions will be spent to extend the internet infrastructure to the farthest reaches of rural America, where few people live, and Little will be devoted to connecting millions of urban families who live in areas with high-speed service that they cannot afford. "From an economic and society perspective, the most important thing to do is to get online everybody who wants to be online," said Blair Levin, who oversaw a broadband project at the Federal Communications Commission during the Obama administration and is now a fellow at the Brookings Institution. "From a political perspective, the biggest political capital is behind accelerating deployment where there is none, which means in rural areas."

There is a political and economic logic to devoting billions of taxpayer dollars to bringing broadband to the <u>rural communities</u> that make up much of former President Donald Trump's political base, which Mr. Biden wants to win over. But some critics worry that the capital-heavy rural-first strategy could leave behind urban America, which is more populous, diverse and productive.

About 81 percent of rural households are plugged into broadband, compared with about 86 percent in urban areas, according to Census Bureau data. But the number of urban households without a connection, 13.6 million, is almost three times as big as the 4.6 million rural households that don't have one. "We also have to be careful not to fall into the old traps of aggressively solving for one community's problem — a community that is racially diverse but predominantly white — while relying on hope and market principles to solve for another community's problem — a community that is also racially diverse but disproportionately composed of people of color and those earning lower incomes," Joi Chaney, senior vice president for policy and advocacy at the National Urban League, recently told the House Appropriations Committee.

Wiring rural America is clearly expensive given the long distances involved, but it can be done. In a policy document a few years ago, Paul de Sa, a former chief strategist at the F.C.C., estimated that expanding access to broadband from 86 to 100 percent of rural America would cost about \$80 billion. If the goal was to wire only 98 percent, the price tag would fall to \$40 billion. If money is no object, Mr. de Sa said, the federal government could extend high-speed fiber lines past every farm in the country and also ensure that the 18 million households in rural and urban America who are not yet plugged in are taken care of.

But money is always scarce. Mr. Biden has tried to woo Republicans by cutting back his original infrastructure plan, shaving the proposal for broadband to \$65 billion from \$100 billion. Republicans' more austere counteroffer focuses mostly on rural areas and offers little to urban residents. The Democratic proposal put forth in Congress by Representative James Clyburn of South Carolina and Senator Amy Klobuchar of Minnesota also devotes only a small share of its resources to expanding broadband connections in cities and suburbs.

Indeed, the rural bias in broadband funding has a long history. From 2009 through 2017, the federal government plowed over \$47 billion into programs to expand high-speed access to remote farms and hamlets. These investments often did not perform as advertised. For instance, the Rural Utilities Service, a descendant of the federal agency that was created to electrify rural America during the Great Depression, ran a \$3.5 billion program of loans and grants that it said would help extend broadband to seven million hard-to-reach people in 2.8 million rural households. It would also connect 362,000 businesses in rural America and 30,000 crucial institutions, including schools and police departments. Five years later, the program had supported the deployment of 66,521 miles of fiber optic cable and added thousands of wireless access points. But all that equipment supported just 334,830 subscribers, and the program returned about one-tenth of the money to the Treasury because it couldn't find viable projects.

Connecting urban families does not require laying thousands of miles of fiber optic cable through meadows and glens. In cities, telecom companies have already installed a lot of fiber and cable. Extending broadband to unserved urban households, most of them in low-income neighborhoods and often home to families of color, typically requires making the connection cheaper and more relevant.

A survey by the Pew Research Center in 2019 found that <a href="https://half.or.nlm.nih.google-but-nlm.nih.g

The Biden team appears to be aware of this. Administration officials propose to encourage new companies to deliver broadband, to add competition and thus contain prices. But there is little evidence that phone and cable companies compete much on price. In many areas, there are one to three providers of high-speed access, and they can set prices as they wish without fear of losing customers. "Looking at the last decade, there's no evidence that there's going to be additional competition in the market that will reduce prices for most people anytime soon," Mr. de Sa said.

The administration also wants to encourage and subsidize cities and local governments to build high-speed infrastructure that could be used by internet providers to offer service to residents. The idea is that many companies would use those shared lines to offer competing plans, driving down prices. But Mr. Levin, the former F.C.C. official, said municipalities have no cost advantage over cable or telecom companies. So the economics don't support the idea that a municipality could provide service at a substantially lower price. And local lawmakers may not be that interested, given the other demands on local governments. "If I were sitting on the city council, I'm not sure I would give my money to that," Mr. Levin noted.

That places the effort to expand broadband penetration into one of the more challenging areas of American politics: the debate over what is often disparagingly referred to as "welfare." Experts like Mr. Levin argue that getting near universal broadband use will probably require offering a permanent subsidy to make the service affordable to low-income families. And the government would have to persuade such households to subscribe to broadband by providing online services that are valuable to low-income families — in, say, health, education and employment — and helping them figure out how to use the technology.

There is not much of this in the Biden infrastructure proposal. A White House fact sheet said permanent subsidies were "not the right long-term solution for consumers or taxpayers." Subsidies, moreover, don't poll well. Only 36 percent of rural adults say the government should provide subsidies to help low-income Americans buy high-speed home internet service. That compares with 50 percent of urban residents and 43 percent of suburbanites, according to a 2017 survey by Pew.

Early in May, the federal government began a \$3.2 billion temporary program to offer a subsidy of \$50 or \$75 a month for low-income families to pay for broadband service. It is set to expire when the money runs out or six months after the pandemic is declared over, whichever comes first. If made permanent, this could be a game changer for many American families. But such a subsidy could add up to \$8.4 billion to \$12 billion a year or more for 14 million households. The only source of permanent aid is called Lifeline, which provides a subsidy of \$9.25 a month to buy communications services. But very few eligible families actually use it to buy internet access; most use it for cellphone service.

There are other ideas out there, like demanding that big technology companies that benefit enormously from online services contribute to the cost of wiring the

nation. Government programs that would benefit from having all Americans online, like Medicaid and Medicare, could also contribute funding. "There are some paths forward, but first there has to be some kind of acknowledgment that as a country, we benefit from having everyone on and that private market forces are not going to produce that result," Mr. Levin said. "I think we are finally there. But we need leadership and a plan to get us over the finish line."
New York Times

It's budget season in Pennsylvania and lawmakers have just 30 days until the state's newest spending plan comes due. This year's challenge, however, comes not from a lack of funds, but rather how the General Assembly will spend the \$7.3 billion in federal economic stimulus it received this spring from the American Rescue Plan.

The House's highest ranking member says it's simple. "I think we should pay the bills we already incurred instead of spending it on new programs," said Speaker Bryan Cutler, R-Lancaster. "To be clear, we should never play with taxpayer's money. We need to be good stewards of it and we need to save it." It's a position unlikely to curry favor with Democrats or Gov. Tom Wolf. Leaders say strategic investment of the funds now will help the state move past the impacts of the pandemic.

Democratic lawmakers have even released a package, dubbed "Pennsylvania's New Deal," that maps out where the stimulus should be spent. It includes a \$250 million line item for hazard pay for front line workers, \$500 million for job creation grants and \$200 million for infrastructure upgrades like broadband connectivity and water and sewer improvements, among dozens of other proposals. "Regardless of what you call it, there are working people across Pennsylvania that need that \$7 billion to be invested, and there's no infrastructure legislatively for it that we have seen," said Minority Leader Joanna McClinton, D-Philadelphia. "These federal funds should not be put on the sidelines. We should use them wisely to help people all across the commonwealth."

Yearly revenue <u>projections</u> through April have exceeded expectations by \$1.3 billion, according to the administration, bolstered in part by sales tax collections that have come in \$530 million higher than anticipated. Lawmakers welcome the excess after months of preparing for a gaping deficit carved by the pandemic's <u>thwack</u> on the job market. Senate Minority Leader Jay Costa, D-Pittsburgh, said the rare situation calls for bold and dramatic action now. "Let's be clear, as we are closing out the fiscal year, we are better than \$2 billion in a surplus," he said. "To say that we have a structural deficit, I'm not quite sure that's reason we aren't moving forward."

But for Cutler, the good news is temporary. He pointed to future revenue shortfalls of \$8 billion to \$10 billion over the next five years after the federal aid's 2024 spending deadline lapses and said <u>stashing</u> money away in the state's <u>rainy day fund</u> will help prepare for that future. Lawmakers used some of the \$350 million rainy day fund and \$1.3 billion in federal aid during last year's <u>budget</u> negotiations to balance the state's \$3 billion deficit.

But the last time the federal government doled out economic stimulus during the Great Recession, the state infused that money into public schools. When it dried up in 2011, the Legislature opted against raising taxes or diverting other money to cover the more than \$800 million lost, resulting in disparate funding shortages in districts across the state. "It's not a surprise that the Democrats want to spend more money," Cutler said. "That's pretty expected, unfortunately." The administration's hasn't released its own priorities for the stimulus money, though the governor has not abandoned his calls to raise personal income taxes, cut charter school funding and boost spending to districts as part of his February budget proposal. – *The Center Square*

County officials reprised their call Tuesday for fixes to Pennsylvania's mail-in voting law to help them run a smoother election in November, as a fight brewed over whether counties must throw out mailed-in ballots without the voter's handwritten date on the envelope. The counties' call for action comes amid a partisan stalemate over how to fix shortcomings or gray areas in Pennsylvania's 2019 expansive mail-in voting law that, for the first time, allowed no-excuse mail in ballots.

Counties had fruitlessly sought changes last year in hopes of avoiding a drawn-out post-election vote count. One would let counties process mail-in ballots before Election Day, something that the vast majority of states allow. Republican lawmakers blocked that legislation last fall, despite support from Gov. Tom Wolf and Democrats, in a bid to win passage of other provisions they opposed, but that Donald Trump's campaign and the Republican Party had tried unsuccessfully to win in court.

Counties also want to move back the deadline to request a mail-in ballot application, from seven days before Election Day to 15 days. Mr. Wolf, a Democrat, opposes that, although Republicans support it. "We are disappointed and frustrated at this lack of help for our counties and our voters," said Kevin Boozel, a Butler County commissioner and president of the County Commissioners Association of Pennsylvania. The two provisions would solve the majority of problems that counties have in election administration, association officials said.

Much like last year, the provisions are being held up as leverage in a wider fight over election laws that Republicans insist must include stronger voter ID requirements. Ultimately, last year's loser, then-President Trump, tried to exploit the days it took after polls closed to tabulate millions of mail-in ballots to spread baseless conspiracy theories and cast doubt on the legitimacy of the election. On Tuesday, Wolf's administration sided with Republican lawmakers and told counties that voters must sign and date their mail-in ballot envelope for their ballot to be counted.

That message prompted Philadelphia to change course. One of two Democratic election commissioners in the city, Omar Sabir, changed his mind and voted with the sole Republican commissioner against counting undated ballots received in Pennsylvania's May 18 primary election. "While I still believe that the absence of dates is an inadvertent clerical error and should not be used to disenfranchise any eligible voter, I also agree that we must uphold the requirements set forth by the commonwealth of Pennsylvania," Mr. Sabir said in a statement.

Leaders of the state House Republican majority had warned Friday that they would seek the removal from office of Mr. Sabir and a fellow election commissioner, Democrat Lisa Deeley, if they allowed undated ballots to be counted. Still, Philadelphia's four suburban counties — Chester, Bucks, Delaware and Montgomery — also decided to count undated ballots in the primary election. A legal challenge is possible to stop the counties from counting the undated ballots if election officials there do not change their minds, said Adam Bonin, a lawyer who specializes in election law and often represents Democratic candidates.

The counties, in response, could counter that Pennsylvania's handwritten date requirement violates federal law that prohibits states from disqualifying ballots for an error that is immaterial to determining whether someone is eligible to vote, Mr. Bonin said. "Right now, those ballots are being counted, so if someone were to sue the counties to stop them from counting those ballots, I would expect this argument to be raised in response," Mr. Bonin said.

- Pittsburgh Post-Gazette





Broadband Cable Association of Pennsylvania

127 State Street Harrisburg, PA 17101 717-214-2000 (f) 717-214-2020 bcepa.com

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