



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF THE
CHAIRWOMAN

January 5, 2024

The Honorable John Thune
Ranking Member
Subcommittee on Communications, Media and Broadband
Committee on Commerce, Science and Transportation
United States Senate
511 Hart Senate Office Building
Washington, DC 20510

Dear Ranking Member Thune:

Thank you for your December 15, 2023 letter concerning the Affordable Connectivity Program (ACP) and the need for the Federal Communications Commission to potentially wind down this effort if Congress does not appropriate additional funding for the program. The ACP is the largest—and most successful—broadband affordability program in our nation’s history. More than 22 million households across rural, suburban and urban America rely on the ACP to pay for high-speed internet service they need for school, work, health care and more.

The Commission administers the ACP in a manner consistent with the Bipartisan Infrastructure Law. In the law, Congress identified a series of programs—including Medicaid, the Supplemental Nutrition Assistance Program, Pell Grants, and Veterans and Survivors Pension Benefits—that qualify households for participation in ACP. The Commission does not have general authority to add or subtract from this list in the Bipartisan Infrastructure Law. Nor does it have the ability to condition this list on other requirements or limit it to new broadband adopters. Moreover, in the law Congress included a provision on consumer protection and outreach that specifically requires providers to notify *existing* subscribers at the time they renew a broadband subscription of the availability of the ACP.¹

As a result, providing the ACP benefit for both new adopters and existing low-income subscribers is consistent with the law. It also assists with closing the digital divide. Indeed, data shows that a sizeable number of low-income households experience subscription vulnerability after they adopt broadband, meaning their service may be disconnected due to inability to pay.²

¹ 47 U.S.C. § 1752(b)(10)(A).

² See, e.g., John B. Horrigan, Benton Institute, et al., Understanding the Affordable Connectivity Program Enrollment: Drivers of Uptake, at 4-5 (Aug. 2, 2023), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4527856; John Horrigan, Tech Policy Press, *US Affordable Connectivity Program is Closing the Digital Divide*, (Nov. 29, 2023), <https://www.techpolicy.press/us-affordable-connectivity-program-is-closing-the-digital-divide/>.

If Congress does not continue to fund the ACP, based on current enrollment projections, April 2024 will be the final fully funded month of ACP benefits. The Commission will need to start taking steps in 2024 to begin winding down the ACP due to the lack of additional funding. As I recently testified, the Commission projects that the ACP will have approximately 25 million enrolled households when the last full benefit is expected in April 2024.³ Without ACP support, participating households' broadband bills will increase by up to \$30 every month. ACP households will struggle to make these larger payments and will lose their service if they can no longer afford it.

I strongly support funding the Affordable Connectivity Program into the future to help more families get and stay connected to the high-speed internet they need to participate in modern life.

Success and Impact of the ACP

Just over two years ago, the Commission rapidly stood up the ACP consistent with the requirements of the Bipartisan Infrastructure Law. Since that time, the agency has worked to ensure the success of the ACP, including through efforts to raise the awareness of and increase enrollment in the ACP among eligible households. As noted above, we are rapidly approaching the exhaustion of the funding that Congress initially appropriated for the ACP. Nevertheless, the Commission is continuing to work to fulfill its responsibility, as directed by Congress, to make the ACP benefit available unless and until the time comes when we need to end the program due to a lack of funding.

The ACP has broad bipartisan support from members of Congress and Governors across the country⁴ and has been an important part of our efforts to help close the digital divide nationwide.⁵ More than 22 million households are receiving affordable broadband service from approximately 1,700 participating providers. ACP households can be found in almost every county nationwide, and rural households are enrolling at a rate higher than their urban peers. Program data shows broad participation by families with school-aged children, seniors and others. Roughly 4.6 million ACP subscribers are age 65 or older.⁶ While the Commission does not collect data on whether ACP households have school aged-children, approximately 3.3 million participating households are eligible based on a household member's participation in the National School Lunch or National School Breakfast Program.⁷ To be clear, support is available

³ In connection with any wind-down of the ACP due to a lack of funding, the Commission would need to halt ACP enrollments, which would stop ACP growth.

⁴ See, e.g., Letter from 45 Bipartisan Members of Congress (Aug. 17, 2023), <https://d12t4t5x3vyizu.cloudfront.net/gottheimer.house.gov/uploads/2023/08/8.17.2023-Reps.-Gottheimer-Fitzpatrick-Letter-to-Leadership-on-ACP-Broadband.pdf>; Bipartisan Governors' Letter to Members of Congress (Nov. 13, 2023), <https://drive.google.com/file/d/15VdYyPO9QfBIaxn-3rkbqs18jVRCsIsP/view>.

⁵ John Horrigan, Tech Policy Press, *US Affordable Connectivity Program is Closing the Digital Divide*, (Nov. 29, 2023), <https://www.techpolicy.press/us-affordable-connectivity-program-is-closing-the-digital-divide/>.

⁶ See Universal Service Administrative Company, Additional ACP Data, Total ACP Enrolled Subscribers by Age, <https://www.usac.org/about/affordable-connectivity-program/acp-enrollment-and-claims-tracker/additional-acp-data/> (last visited Jan. 5, 2024).

⁷ See Universal Service Administrative Company, Additional ACP Data, Applicant-Selected Eligibility Categories on National Verifier Applications, <https://www.usac.org/about/affordable->

to households that meet the requirements laid out by Congress in the Bipartisan Infrastructure Law and the agency cannot condition that support on additional factors or other data collection.

The record reflects, however, that ACP has been particularly successful with helping low-income households obtain fixed broadband service, a service that has long suffered from lower adoption rates by low-income households. Almost half of the ACP households, almost 10 million households, are using that benefit for fixed broadband. This includes approximately 2.7 million households that are eligible through a school breakfast and lunch program and over half a million households that were eligible through a Veterans or Survivors Pension.

Raising Awareness of and Increasing Enrollment in the ACP

The Bipartisan Infrastructure Law recognizes that outreach through multiple avenues, including the Commission, providers, other federal agencies, and outreach partners, is critical to raise awareness of and increase enrollment in the ACP among eligible households. Consistent with the Bipartisan Infrastructure Law, the Commission has conducted its own outreach, required provider outreach, and also supported outreach by other agencies, state, local, and Tribal governments and other outreach partners. These outreach efforts have helped drive the ACP's success. Since the ACP launched on December 31, 2021, the program has grown by more than 13 million households.

The Commission has engaged in extensive efforts to promote the ACP, including creating outreach materials and partnering with other federal agencies and new and existing outreach partners to raise awareness of the ACP. During the summer of 2023, the Commission also undertook a nationwide media public awareness ACP campaign, as permitted by the Bipartisan Infrastructure Law, as well as initiating targeted community-level program education and enrollment efforts in high-poverty, low-enrollment urban and rural population centers—as defined by data from the U.S. Census Bureau and the ACP enrollment data published by the Universal Service Administrative Company.

Additionally, and consistent with the statutory requirements, ACP providers are required to participate in ACP outreach activities⁸ and the Commission adopted rules requiring providers to conduct ACP outreach.⁹ Our rules also require providers to publicize the availability of the ACP in a manner reasonably designed to reach those consumers likely to qualify for the program and in a manner that is accessible to individuals with disabilities.

Through a first-of-its-kind ACP outreach grant program permitted by the Bipartisan Infrastructure Law, the agency targeted underserved and high-poverty areas to increase awareness and enrollment in the ACP among households in areas where broadband usage is not widespread. The Affordable Connectivity Outreach Grant Program is comprised of four complementary sub-programs developed at the agency with bipartisan support: the National Competitive Outreach Program, the Tribal Competitive Outreach Program, the Your Home, Your Internet Pilot Program, and the ACP Navigator Pilot Program. The outreach grants the

[connectivity-program/acp-enrollment-and-claims-tracker/additional-acp-data/](#) (last visited Jan. 5, 2024).

⁸ Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, § 60502(b)(8), (10), 135 Stat. 429 (codified at 47 U.S.C. § 1752) (Infrastructure Act).

⁹ 47 CFR § 54.1804.

agency awarded through these programs supported 246 awardees performing ACP awareness and enrollment activities across the country.¹⁰

The Commission selected and funded outreach partners in every state and territory from which applications were received to maximize the ACP's outreach and enrollment support for unserved or underserved high-poverty areas and for areas where broadband usage is not widespread.¹¹ As explained above, the Bipartisan Infrastructure Law does not limit the ACP to new broadband adopters. Under the current law, the program is available to households that meet the criteria specified by Congress and the agency cannot condition it on other factors. Nevertheless, the Commission took steps to increase the likelihood that the program reached new adopters by giving priority consideration to grant applicants whose outreach efforts would target "underserved low-income households or individuals that are not currently on a low-income broadband plan or that do not have broadband service."¹² For the second round of grant funding, which was targeted to Tribal areas and a limited number of states and territories that did not meet the initial minimum grant allocations or for which no viable grant applications were received, the Commission required applicants to target households that are not currently on a low-income broadband plan or that do not have broadband service.¹³

ACP Goals and Data

As explained above, the Bipartisan Infrastructure Law does not limit enrollment in the ACP to first-time broadband users.¹⁴ As a result, the agency does not have the authority to limit

¹⁰ *Consumer and Governmental Affairs Bureau Announces ACP Outreach Grant Program Target Funding*, WC Docket No. 21-450, Public Notice, at 3-6 (Mar. 10, 2023) (Outreach Grant Public Notice), <https://docs.fcc.gov/public/attachments/DA-23-194A1.pdf>; *CGB Announces Second Round of ACP Outreach Grant Program Awards* (Mar. 10, 2023) <https://docs.fcc.gov/public/attachments/DA-23-194A1.pdf>; *Consumer and Governmental Affairs Bureau Announces Second Round of ACP Outreach Grant Program Awards*, WC Docket No. 21-450, Public Notice at 3 (Aug. 17, 2023), <https://docs.fcc.gov/public/attachments/DA-23-717A1.pdf>; *WCB Announces Final List of Entities Selected for ACP Pilot Programs*, DA-23-288, WC Docket No. 21-450 (Apr. 6, 2023) <https://docs.fcc.gov/public/attachments/DA-23-288A1.pdf> at 3 (Pilot Grantees Final List).

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¹² FCC, *Affordable Connectivity Outreach Grant Program*, Funding Opportunity No. FCC-ACOGP-23-001 at 6-7 (Nov. 10, 2022); *see also* FCC, *Affordable Connectivity Outreach Grant Program – Pilot Program Grants*, Funding Opportunity No. FCC-ACOGP-23-002 at 9 (Nov. 21, 2022) (prioritizing applicants that target households or individuals that are not currently on a low-income broadband plan or that do not have broadband service).

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¹⁴ *See* 47 U.S.C. § 1752(a)(6)(A).

enrollments in this manner or otherwise condition receipt of support on carriers certifying this information regarding the households they serve that participate in this program.

Nonetheless, mindful that it is important to set goals to expand awareness of the ACP and the assistance it can provide households that do not now subscribe to high-speed internet service and low-income households that more generally qualify under the law, the Commission established a series of goals for the program. In particular, the agency established three performance goals for the ACP: (1) reduce the digital divide for low-income consumers; (2) promote awareness of and participation in the ACP; and (3) ensure efficient and effective administration of the ACP.¹⁵ The Commission collects data in order to measure progress towards these goals.

For the first goal of reducing the digital divide for low-income consumers, in November 2022 the Commission deployed a pilot survey to collect objective, quantitative, and measurable data related to the ACP and to establish a baseline for measuring and assessing our performance in relation to the program goals. That pilot survey helped inform the development of a quarterly subscriber survey, which USAC, at the Commission's direction, sent to ACP subscribers in July and October 2023. For first-time broadband subscribers, the agency set a goal of a 5 percent increase in first-time broadband subscribers each quarter from the prior survey's results.¹⁶ The November 2022 pilot survey reported 16 percent of ACP subscribers were first-time internet users. The July 2023 survey reported that roughly 20 percent of ACP subscribers responding to the survey were first-time internet users, indicating an increase over time.

To demonstrate progress towards our second goal of promoting awareness of and participation in the ACP, the Commission proposed a goal of increasing program enrollment by 1.5 percent to 3.5 percent each month.¹⁷ In 2023, the ACP reached this goal, with an average month-over-month increase in total ACP households of 3.8 percent for the life of the ACP to-date and 3.3 percent for each month in 2023. The Commission also aimed to enroll between 36.1 percent and 43.1 percent of an estimated 48.6 million eligible households by November 1, 2023.¹⁸ The Commission exceeded this target by enrolling over 22 million households, or approximately 45 percent of eligible households by November 1, 2023.

For the third goal of ensuring the efficient and effective administration of the ACP, the Commission evaluated two different measures: (1) the ease of subscribers' application and enrollment process and (2) the overall burden of the program's processes on its subscribers. The Commission measured and tracked these goals using the subscriber quarterly surveys and enrollment data provided by the Universal Service Administrative Company. As noted above, information about applications and enrollments through the National Verifier and through providers' alternative verification processes is published on the program administrator's

¹⁵ *Affordable Connectivity Program*, WC Docket No. 21-450, Report and Order and Further Notice of Proposed Rulemaking, 37 FCC Rcd 484, 580, para. 210 (2022) (ACP Order).

¹⁶ Letter from Mark Stephens, Managing Director, FCC, to Andrew Von Ah, Director, U.S. Government Accountability Office at 3 (Dec. 23, 2022) (included in GAO 23-105399) (GAO Management Response).

¹⁷ GAO Management Response at 3.

¹⁸ GAO Management Response at 3.

website.¹⁹ The Commission has also continued to simplify and improve the application and enrollment process. These continued improvements to the process and increased database connections between the National Verifier and federal and state databases, which allow automated eligibility verification,²⁰ have allowed applicants to more easily navigate the application and enrollment process. Nonetheless, as I have expressed elsewhere, while Congress gave broadband providers participating in the program the ability to develop an alternative verification process separate and apart from the National Verifier when qualifying households, I think all carriers should use the National Verifier for program consistency and integrity.

Finally, the Commission makes program data publicly available through the website of the Universal Service Administrative Company, which serves as the agency's ACP administrator. This includes general enrollment data, such as the number of enrolled households by state, county and zip code.²¹ The Commission also publishes information on eligibility verification (e.g., National Verifier application or provider alternative verification process), subscriber age, broadband service type, and eligibility categories.²² In addition, the Commission publishes information about program expenses.²³ Based on this data, a description of expenses covered by the two percent of total ACP funding reserved for administrative costs, including application processing, program integrity measures, and maintenance of connections to eligibility databases to facilitate automatic eligibility verification, is attached.

I appreciate your interest in this matter. I look forward to continuing to work with Congress to support the Affordable Connectivity Program and the role it plays bridging the digital divide. Please let me know if I can be of further assistance.

Sincerely,



Jessica Rosenworcel

¹⁹ See USAC, Additional ACP Data (last visited Jan. 5, 2024), <https://www.usac.org/about/affordable-connectivity-program/acp-enrollment-and-claims-tracker/additional-acp-data/>.

²⁰ See USAC, Database Connections (last visited Jan. 5, 2024), <https://www.usac.org/about/affordable-connectivity-program/acp-processes/check-consumer-eligibility/database-connections/>.

²¹ See USAC, ACP Enrollment and Claims Tracker (last visited Jan. 5, 2024) <https://www.usac.org/about/affordable-connectivity-program/acp-enrollment-and-claims-tracker/>.

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January 5, 2024

The Honorable Bob Latta
Chairman
Subcommittee on Communications and Technology
Committee on Energy and Commerce
U.S. House of Representatives
2467 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Latta:

Thank you for your December 15, 2023 letter concerning the Affordable Connectivity Program (ACP) and the need for the Federal Communications Commission to potentially wind down this effort if Congress does not appropriate additional funding for the program. The ACP is the largest—and most successful—broadband affordability program in our nation’s history. More than 22 million households across rural, suburban and urban America rely on the ACP to pay for high-speed internet service they need for school, work, health care and more.

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As a result, providing the ACP benefit for both new adopters and existing low-income subscribers is consistent with the law. It also assists with closing the digital divide. Indeed, data shows that a sizeable number of low-income households experience subscription vulnerability after they adopt broadband, meaning their service may be disconnected due to inability to pay.²

If Congress does not continue to fund the ACP, based on current enrollment projections, April 2024 will be the final fully funded month of ACP benefits. The Commission will need to

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start taking steps in 2024 to begin winding down the ACP due to the lack of additional funding. As I recently testified, the Commission projects that the ACP will have approximately 25 million enrolled households when the last full benefit is expected in April 2024.³ Without ACP support, participating households' broadband bills will increase by up to \$30 every month. ACP households will struggle to make these larger payments and will lose their service if they can no longer afford it.

I strongly support funding the Affordable Connectivity Program into the future to help more families get and stay connected to the high-speed internet they need to participate in modern life.

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to households that meet the requirements laid out by Congress in the Bipartisan Infrastructure Law and the agency cannot condition that support on additional factors or other data collection.

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¹⁰ *Consumer and Governmental Affairs Bureau Announces ACP Outreach Grant Program Target Funding*, WC Docket No. 21-450, Public Notice, at 3-6 (Mar. 10, 2023) (Outreach Grant

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established a series of goals for the program. In particular, the agency established three performance goals for the ACP: (1) reduce the digital divide for low-income consumers; (2) promote awareness of and participation in the ACP; and (3) ensure efficient and effective administration of the ACP.¹⁵ The Commission collects data in order to measure progress towards these goals.

For the first goal of reducing the digital divide for low-income consumers, in November 2022 the Commission deployed a pilot survey to collect objective, quantitative, and measurable data related to the ACP and to establish a baseline for measuring and assessing our performance in relation to the program goals. That pilot survey helped inform the development of a quarterly subscriber survey, which USAC, at the Commission's direction, sent to ACP subscribers in July and October 2023. For first-time broadband subscribers, the agency set a goal of a 5 percent increase in first-time broadband subscribers each quarter from the prior survey's results.¹⁶ The November 2022 pilot survey reported 16 percent of ACP subscribers were first-time internet users. The July 2023 survey reported that roughly 20 percent of ACP subscribers responding to the survey were first-time internet users, indicating an increase over time.

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¹⁹ See USAC, Additional ACP Data (last visited Jan. 5, 2024), <https://www.usac.org/about/affordable-connectivity-program/acp-enrollment-and-claims-tracker/additional-acp-data/>.

automated eligibility verification,²⁰ have allowed applicants to more easily navigate the application and enrollment process. Nonetheless, as I have expressed elsewhere, while Congress gave broadband providers participating in the program the ability to develop an alternative verification process separate and apart from the National Verifier when qualifying households, I think all carriers should use the National Verifier for program consistency and integrity.

Finally, the Commission makes program data publicly available through the website of the Universal Service Administrative Company, which serves as the agency's ACP administrator. This includes general enrollment data, such as the number of enrolled households by state, county and zip code.²¹ The Commission also publishes information on eligibility verification (e.g., National Verifier application or provider alternative verification process), subscriber age, broadband service type, and eligibility categories.²² In addition, the Commission publishes information about program expenses.²³ Based on this data, a description of expenses covered by the two percent of total ACP funding reserved for administrative costs, including application processing, program integrity measures, and maintenance of connections to eligibility databases to facilitate automatic eligibility verification, is attached.

I appreciate your interest in this matter. I look forward to continuing to work with Congress to support the Affordable Connectivity Program and the role it plays bridging the digital divide. Please let me know if I can be of further assistance.

Sincerely,



Jessica Rosenworcel

²⁰ See USAC, Database Connections (last visited Jan. 5, 2024), <https://www.usac.org/about/affordable-connectivity-program/acp-processes/check-consumer-eligibility/database-connections/>.

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF THE
CHAIRWOMAN

January 5, 2024

The Honorable Ted Cruz
Ranking Member
Committee on Commerce, Science and Transportation
United States Senate
127A Russell Senate Office Building
Washington, DC 20510

Dear Ranking Member Cruz:

Thank you for your December 15, 2023 letter concerning the Affordable Connectivity Program (ACP) and the need for the Federal Communications Commission to potentially wind down this effort if Congress does not appropriate additional funding for the program. The ACP is the largest—and most successful—broadband affordability program in our nation's history. More than 22 million households across rural, suburban and urban America rely on the ACP to pay for high-speed internet service they need for school, work, health care and more.

The Commission administers the ACP in a manner consistent with the Bipartisan Infrastructure Law. In the law, Congress identified a series of programs—including Medicaid, the Supplemental Nutrition Assistance Program, Pell Grants, and Veterans and Survivors Pension Benefits—that qualify households for participation in ACP. The Commission does not have general authority to add or subtract from this list in the Bipartisan Infrastructure Law. Nor does it have the ability to condition this list on other requirements or limit it to new broadband adopters. Moreover, in the law Congress included a provision on consumer protection and outreach that specifically requires providers to notify *existing* subscribers at the time they renew a broadband subscription of the availability of the ACP.¹

As a result, providing the ACP benefit for both new adopters and existing low-income subscribers is consistent with the law. It also assists with closing the digital divide. Indeed, data shows that a sizeable number of low-income households experience subscription vulnerability after they adopt broadband, meaning their service may be disconnected due to inability to pay.²

If Congress does not continue to fund the ACP, based on current enrollment projections, April 2024 will be the final fully funded month of ACP benefits. The Commission will need to start taking steps in 2024 to begin winding down the ACP due to the lack of additional funding.

¹ 47 U.S.C. § 1752(b)(10)(A).

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As I recently testified, the Commission projects that the ACP will have approximately 25 million enrolled households when the last full benefit is expected in April 2024.³ Without ACP support, participating households' broadband bills will increase by up to \$30 every month. ACP households will struggle to make these larger payments and will lose their service if they can no longer afford it.

I strongly support funding the Affordable Connectivity Program into the future to help more families get and stay connected to the high-speed internet they need to participate in modern life.

Success and Impact of the ACP

Just over two years ago, the Commission rapidly stood up the ACP consistent with the requirements of the Bipartisan Infrastructure Law. Since that time, the agency has worked to ensure the success of the ACP, including through efforts to raise the awareness of and increase enrollment in the ACP among eligible households. As noted above, we are rapidly approaching the exhaustion of the funding that Congress initially appropriated for the ACP. Nevertheless, the Commission is continuing to work to fulfill its responsibility, as directed by Congress, to make the ACP benefit available unless and until the time comes when we need to end the program due to a lack of funding.

The ACP has broad bipartisan support from members of Congress and Governors across the country⁴ and has been an important part of our efforts to help close the digital divide nationwide.⁵ More than 22 million households are receiving affordable broadband service from approximately 1,700 participating providers. ACP households can be found in almost every county nationwide, and rural households are enrolling at a rate higher than their urban peers. Program data shows broad participation by families with school-aged children, seniors and others. Roughly 4.6 million ACP subscribers are age 65 or older.⁶ While the Commission does not collect data on whether ACP households have school aged-children, approximately 3.3 million participating households are eligible based on a household member's participation in the National School Lunch or National School Breakfast Program.⁷ To be clear, support is available to households that meet the requirements laid out by Congress in the Bipartisan Infrastructure Law and the agency cannot condition that support on additional factors or other data collection.

³ In connection with any wind-down of the ACP due to a lack of funding, the Commission would need to halt ACP enrollments, which would stop ACP growth.

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⁵ John Horrigan, Tech Policy Press, *US Affordable Connectivity Program is Closing the Digital Divide*, (Nov. 29, 2023), <https://www.techpolicy.press/us-affordable-connectivity-program-is-closing-the-digital-divide/>.

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⁷ See Universal Service Administrative Company, Additional ACP Data, Applicant-Selected Eligibility Categories on National Verifier Applications, <https://www.usac.org/about/affordable-connectivity-program/ACP-enrollment-and-claims-tracker/additional-ACP-data/> (last visited Jan. 5, 2024).

The record reflects, however, that ACP has been particularly successful with helping low-income households obtain fixed broadband service, a service that has long suffered from lower adoption rates by low-income households. Almost half of the ACP households, almost 10 million households, are using that benefit for fixed broadband. This includes approximately 2.7 million households that are eligible through a school breakfast and lunch program and over half a million households that were eligible through a Veterans or Survivors Pension.

Raising Awareness of and Increasing Enrollment in the ACP

The Bipartisan Infrastructure Law recognizes that outreach through multiple avenues, including the Commission, providers, other federal agencies, and outreach partners, is critical to raise awareness of and increase enrollment in the ACP among eligible households. Consistent with the Bipartisan Infrastructure Law, the Commission has conducted its own outreach, required provider outreach, and also supported outreach by other agencies, state, local, and Tribal governments and other outreach partners. These outreach efforts have helped drive the ACP's success. Since the ACP launched on December 31, 2021, the program has grown by more than 13 million households.

The Commission has engaged in extensive efforts to promote the ACP, including creating outreach materials and partnering with other federal agencies and new and existing outreach partners to raise awareness of the ACP. During the summer of 2023, the Commission also undertook a nationwide media public awareness ACP campaign, as permitted by the Bipartisan Infrastructure Law, as well as initiating targeted community-level program education and enrollment efforts in high-poverty, low-enrollment urban and rural population centers—as defined by data from the U.S. Census Bureau and the ACP enrollment data published by the Universal Service Administrative Company.

Additionally, and consistent with the statutory requirements, ACP providers are required to participate in ACP outreach activities⁸ and the Commission adopted rules requiring providers to conduct ACP outreach.⁹ Our rules also require providers to publicize the availability of the ACP in a manner reasonably designed to reach those consumers likely to qualify for the program and in a manner that is accessible to individuals with disabilities.

Through a first-of-its-kind ACP outreach grant program permitted by the Bipartisan Infrastructure Law, the agency targeted underserved and high-poverty areas to increase awareness and enrollment in the ACP among households in areas where broadband usage is not widespread. The Affordable Connectivity Outreach Grant Program is comprised of four complementary sub-programs developed at the agency with bipartisan support: the National Competitive Outreach Program, the Tribal Competitive Outreach Program, the Your Home, Your Internet Pilot Program, and the ACP Navigator Pilot Program. The outreach grants the agency awarded through these programs supported 246 awardees performing ACP awareness and enrollment activities across the country.¹⁰

⁸ Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, § 60502(b)(8), (10), 135 Stat. 429 (codified at 47 U.S.C. § 1752) (Infrastructure Act).

⁹ 47 CFR § 54.1804.

¹⁰ *Consumer and Governmental Affairs Bureau Announces ACP Outreach Grant Program Target Funding*, WC Docket No. 21-450, Public Notice, at 3-6 (Mar. 10, 2023) (Outreach Grant Public Notice), <https://docs.fcc.gov/public/attachments/DA-23-194A1.pdf>; *CGB Announces Second Round of ACP Outreach Grant Program Awards* (Mar. 10, 2023) <https://docs.fcc.gov/public/attachments/DA-23-194A1.pdf>; *Consumer and Governmental Affairs*

The Commission selected and funded outreach partners in every state and territory from which applications were received to maximize the ACP's outreach and enrollment support for unserved or underserved high-poverty areas and for areas where broadband usage is not widespread.¹¹ As explained above, the Bipartisan Infrastructure Law does not limit the ACP to new broadband adopters. Under the current law, the program is available to households that meet the criteria specified by Congress and the agency cannot condition it on other factors. Nevertheless, the Commission took steps to increase the likelihood that the program reached new adopters by giving priority consideration to grant applicants whose outreach efforts would target "underserved low-income households or individuals that are not currently on a low-income broadband plan or that do not have broadband service."¹² For the second round of grant funding, which was targeted to Tribal areas and a limited number of states and territories that did not meet the initial minimum grant allocations or for which no viable grant applications were received, the Commission required applicants to target households that are not currently on a low-income broadband plan or that do not have broadband service.¹³

ACP Goals and Data

As explained above, the Bipartisan Infrastructure Law does not limit enrollment in the ACP to first-time broadband users.¹⁴ As a result, the agency does not have the authority to limit enrollments in this manner or otherwise condition receipt of support on carriers certifying this information regarding the households they serve that participate in this program.

Nonetheless, mindful that it is important to set goals to expand awareness of the ACP and the assistance it can provide households that do not now subscribe to high-speed internet service and low-income households that more generally qualify under the law, the Commission established a series of goals for the program. In particular, the agency established three performance goals for the ACP: (1) reduce the digital divide for low-income consumers; (2) promote awareness of and participation in the ACP; and (3) ensure efficient and effective

Bureau Announces Second Round of ACP Outreach Grant Program Awards, WC Docket No. 21-450, Public Notice at 3 (Aug. 17, 2023), <https://docs.fcc.gov/public/attachments/DA-23-717A1.pdf>; *WCB Announces Final List of Entities Selected for ACP Pilot Programs*, DA-23-288, WC Docket No. 21-450 (Apr. 6, 2023) <https://docs.fcc.gov/public/attachments/DA-23-288A1.pdf> at 3 (Pilot Grantees Final List).

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¹⁴ *See* 47 U.S.C. § 1752(a)(6)(A).

administration of the ACP.¹⁵ The Commission collects data in order to measure progress towards these goals.

For the first goal of reducing the digital divide for low-income consumers, in November 2022 the Commission deployed a pilot survey to collect objective, quantitative, and measurable data related to the ACP and to establish a baseline for measuring and assessing our performance in relation to the program goals. That pilot survey helped inform the development of a quarterly subscriber survey, which USAC, at the Commission's direction, sent to ACP subscribers in July and October 2023. For first-time broadband subscribers, the agency set a goal of a 5 percent increase in first-time broadband subscribers each quarter from the prior survey's results.¹⁶ The November 2022 pilot survey reported 16 percent of ACP subscribers were first-time internet users. The July 2023 survey reported that roughly 20 percent of ACP subscribers responding to the survey were first-time internet users, indicating an increase over time.

To demonstrate progress towards our second goal of promoting awareness of and participation in the ACP, the Commission proposed a goal of increasing program enrollment by 1.5 percent to 3.5 percent each month.¹⁷ In 2023, the ACP reached this goal, with an average month-over-month increase in total ACP households of 3.8 percent for the life of the ACP to-date and 3.3 percent for each month in 2023. The Commission also aimed to enroll between 36.1 percent and 43.1 percent of an estimated 48.6 million eligible households by November 1, 2023.¹⁸ The Commission exceeded this target by enrolling over 22 million households, or approximately 45 percent of eligible households by November 1, 2023.

For the third goal of ensuring the efficient and effective administration of the ACP, the Commission evaluated two different measures: (1) the ease of subscribers' application and enrollment process and (2) the overall burden of the program's processes on its subscribers. The Commission measured and tracked these goals using the subscriber quarterly surveys and enrollment data provided by the Universal Service Administrative Company. As noted above, information about applications and enrollments through the National Verifier and through providers' alternative verification processes is published on the program administrator's website.¹⁹ The Commission has also continued to simplify and improve the application and enrollment process. These continued improvements to the process and increased database connections between the National Verifier and federal and state databases, which allow automated eligibility verification,²⁰ have allowed applicants to more easily navigate the

¹⁵ *Affordable Connectivity Program*, WC Docket No. 21-450, Report and Order and Further Notice of Proposed Rulemaking, 37 FCC Rcd 484, 580, para. 210 (2022) (ACP Order).

¹⁶ Letter from Mark Stephens, Managing Director, FCC, to Andrew Von Ah, Director, U.S. Government Accountability Office at 3 (Dec. 23, 2022) (included in GAO 23-105399) (GAO Management Response).

¹⁷ GAO Management Response at 3.

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I appreciate your interest in this matter. I look forward to continuing to work with Congress to support the Affordable Connectivity Program and the role it plays bridging the digital divide. Please let me know if I can be of further assistance.

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Jessica Rosenworcel

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF THE
CHAIRWOMAN

January 5, 2024

The Honorable Cathy McMorris Rodgers
Chair
Committee on Energy and Commerce
U.S. House of Representatives
2188 Rayburn House Office Building
Washington, DC 20515

Dear Madam Chair:

Thank you for your December 15, 2023 letter concerning the Affordable Connectivity Program (ACP) and the need for the Federal Communications Commission to potentially wind down this effort if Congress does not appropriate additional funding for the program. The ACP is the largest—and most successful—broadband affordability program in our nation's history. More than 22 million households across rural, suburban and urban America rely on the ACP to pay for high-speed internet service they need for school, work, health care and more.

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As a result, providing the ACP benefit for both new adopters and existing low-income subscribers is consistent with the law. It also assists with closing the digital divide. Indeed, data shows that a sizeable number of low-income households experience subscription vulnerability after they adopt broadband, meaning their service may be disconnected due to inability to pay.²

If Congress does not continue to fund the ACP, based on current enrollment projections, April 2024 will be the final fully funded month of ACP benefits. The Commission will need to start taking steps in 2024 to begin winding down the ACP due to the lack of additional funding.

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As I recently testified, the Commission projects that the ACP will have approximately 25 million enrolled households when the last full benefit is expected in April 2024.³ Without ACP support, participating households' broadband bills will increase by up to \$30 every month. ACP households will struggle to make these larger payments and will lose their service if they can no longer afford it.

I strongly support funding the Affordable Connectivity Program into the future to help more families get and stay connected to the high-speed internet they need to participate in modern life.

Success and Impact of the ACP

Just over two years ago, the Commission rapidly stood up the ACP consistent with the requirements of the Bipartisan Infrastructure Law. Since that time, the agency has worked to ensure the success of the ACP, including through efforts to raise the awareness of and increase enrollment in the ACP among eligible households. As noted above, we are rapidly approaching the exhaustion of the funding that Congress initially appropriated for the ACP. Nevertheless, the Commission is continuing to work to fulfill its responsibility, as directed by Congress, to make the ACP benefit available unless and until the time comes when we need to end the program due to a lack of funding.

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¹⁴ *See* 47 U.S.C. § 1752(a)(6)(A).

administration of the ACP.¹⁵ The Commission collects data in order to measure progress towards these goals.

For the first goal of reducing the digital divide for low-income consumers, in November 2022 the Commission deployed a pilot survey to collect objective, quantitative, and measurable data related to the ACP and to establish a baseline for measuring and assessing our performance in relation to the program goals. That pilot survey helped inform the development of a quarterly subscriber survey, which USAC, at the Commission's direction, sent to ACP subscribers in July and October 2023. For first-time broadband subscribers, the agency set a goal of a 5 percent increase in first-time broadband subscribers each quarter from the prior survey's results.¹⁶ The November 2022 pilot survey reported 16 percent of ACP subscribers were first-time internet users. The July 2023 survey reported that roughly 20 percent of ACP subscribers responding to the survey were first-time internet users, indicating an increase over time.

To demonstrate progress towards our second goal of promoting awareness of and participation in the ACP, the Commission proposed a goal of increasing program enrollment by 1.5 percent to 3.5 percent each month.¹⁷ In 2023, the ACP reached this goal, with an average month-over-month increase in total ACP households of 3.8 percent for the life of the ACP to-date and 3.3 percent for each month in 2023. The Commission also aimed to enroll between 36.1 percent and 43.1 percent of an estimated 48.6 million eligible households by November 1, 2023.¹⁸ The Commission exceeded this target by enrolling over 22 million households, or approximately 45 percent of eligible households by November 1, 2023.

For the third goal of ensuring the efficient and effective administration of the ACP, the Commission evaluated two different measures: (1) the ease of subscribers' application and enrollment process and (2) the overall burden of the program's processes on its subscribers. The Commission measured and tracked these goals using the subscriber quarterly surveys and enrollment data provided by the Universal Service Administrative Company. As noted above, information about applications and enrollments through the National Verifier and through providers' alternative verification processes is published on the program administrator's website.¹⁹ The Commission has also continued to simplify and improve the application and enrollment process. These continued improvements to the process and increased database connections between the National Verifier and federal and state databases, which allow automated eligibility verification,²⁰ have allowed applicants to more easily navigate the

¹⁵ *Affordable Connectivity Program*, WC Docket No. 21-450, Report and Order and Further Notice of Proposed Rulemaking, 37 FCC Rcd 484, 580, para. 210 (2022) (ACP Order).

¹⁶ Letter from Mark Stephens, Managing Director, FCC, to Andrew Von Ah, Director, U.S. Government Accountability Office at 3 (Dec. 23, 2022) (included in GAO 23-105399) (GAO Management Response).

¹⁷ GAO Management Response at 3.

¹⁸ GAO Management Response at 3.

¹⁹ See USAC, Additional ACP Data (last visited Jan. 5, 2024), <https://www.usac.org/about/affordable-connectivity-program/acp-enrollment-and-claims-tracker/additional-acp-data/>.

²⁰ See USAC, Database Connections (last visited Jan. 5, 2024), <https://www.usac.org/about/affordable-connectivity-program/acp-processes/check-consumer-eligibility/database-connections/>.

application and enrollment process. Nonetheless, as I have expressed elsewhere, while Congress gave broadband providers participating in the program the ability to develop an alternative verification process separate and apart from the National Verifier when qualifying households, I think all carriers should use the National Verifier for program consistency and integrity.

Finally, the Commission makes program data publicly available through the website of the Universal Service Administrative Company, which serves as the agency's ACP administrator. This includes general enrollment data, such as the number of enrolled households by state, county and zip code.²¹ The Commission also publishes information on eligibility verification (e.g., National Verifier application or provider alternative verification process), subscriber age, broadband service type, and eligibility categories.²² In addition, the Commission publishes information about program expenses.²³ Based on this data, a description of expenses covered by the two percent of total ACP funding reserved for administrative costs, including application processing, program integrity measures, and maintenance of connections to eligibility databases to facilitate automatic eligibility verification, is attached.

I appreciate your interest in this matter. I look forward to continuing to work with Congress to support the Affordable Connectivity Program and the role it plays bridging the digital divide. Please let me know if I can be of further assistance.

Sincerely,



Jessica Rosenworcel

²¹ See USAC, ACP Enrollment and Claims Tracker (last visited Jan. 5, 2024) <https://www.usac.org/about/affordable-connectivity-program/acp-enrollment-and-claims-tracker/>.

²² See USAC, Additional ACP Data (last visited Jan. 5, 2024), <https://www.usac.org/about/affordable-connectivity-program/acp-enrollment-and-claims-tracker/additional-acp-data/>.

²³ See USAC, ACP Enrollment and Claims Tracker (last visited Jan. 5, 2024) <https://www.usac.org/about/affordable-connectivity-program/acp-enrollment-and-claims-tracker/>.

FEDERAL COMMUNICATIONS COMMISSION

Affordable Connectivity Program - Congressional Output

Total Amount Appropriated:		\$14,200,000,000.00		
As of Reporting Date:		11/30/2023		
	No program funds were expended for any employee or consultant related costs. Contractor costs are listed below.			
	DHHS PROGRAM SUPPORT CENTER - Interagency agreement with HHS for ACP Outreach Grant Program Execution.	\$68,887.72	\$0.00	\$68,887.72
	PROGRAM SUPPORT CENTER - Interagency agreement with HHS for ACP Outreach Grant Program Execution.	\$2,527,320.66	\$2,341,226.96	\$186,093.70
	U S DEPT OF HEALTH AND HUMAN SERVICES - Interagency agreement with HHS for ACP Outreach Grant Program Execution.	\$259,170.62	\$259,170.62	\$0.00
	UNIVERSAL SERVICE ADMINISTRATIVE COMPANY - The Commission and USAC entered into a contract to facilitate the efficient management, oversight, and execution of ACP.	\$210,396,400.00	\$107,244,737.89	\$103,151,662.11
	CENSEO CONSULTING GROUP, INC.	\$640,131.90	\$473,322.58	\$166,809.32
	CENSEO CONSULTING GROUP, INC.273FCC23F0052	\$621,192.62	\$621,192.62	\$0.00
	CENSEO CONSULTING GROUP, INC.273FCC23F0100	\$455,631.28	\$379,692.75	\$75,938.53
	CENSEO CONSULTING GROUP, INC.273FCC23F0151	\$140,956.60	\$70,478.30	\$70,478.30
	CENSEO CONSULTING GROUP, INC. - Contract for program integrity, internal control, risk identification and audit related work.	\$1,588,926.87	\$1,588,926.86	\$0.01
	PORTER NOVELLI PUBLIC SERVICES INC - ACP Consumer Education Outreach to perform Strategic Education Plan that includes Media Strategies, Websites Design, Social Media, Direct Mailing, and Enhance Outreach	\$7,845,256.52	\$7,118,382.72	\$726,873.80
	ERNST & YOUNG LLP - Financial Work Support	\$168,750.00	\$0.00	\$168,750.00
	T.D. WANG ADVERTISING GROUP, LLC - Promotional and outreach for Asian American Native Hawaiian Pacific Islander (AANHPI) audience for ACP	\$100,000.00	\$75,000.00	\$25,000.00
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	\$63,723.00	\$0.00	\$63,723.00
	U.S. Department of Education	\$165,590.00	\$0.00	\$165,590.00