

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON TECHNOLOGY

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February 28, 2018

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HELD AT: 250 Broadway - Committee Rm.
14th Fl.

B E F O R E: PETER A. KOO
Chairperson

COUNCIL MEMBERS: Robert F. Holden
Brad S. Lander
Eric A. Ulrich
Kalman Yeger

A P P E A R A N C E S (CONTINUED)

Miguel Gamino, Jr.
Chief Technology Officer, City of New York

Joshua Breitbart
Deputy Chief Technology Officer Broadband

Matt Kershner, Graduate Policy Intern, AARP

Timothy Carr, Senior Director of Strategy
Free Press

Richard Berkley, Executive Director
Public Utility Law Project of New York, PULP

2 [sound check, pause] [gavel]

3 CHAIRPERSON KOO: Good morning. My name
4 is Peter Koo, and I am the Chair of the Committee of
5 Technology. We are here today to discuss the
6 Lifeline Program. This important service is used by
7 low-income-low-income residents in New York City,
8 many of whom are seniors. It may soon be drastically
9 overhauled by the federal government. Lifeline
10 provides subsidized telephone and broadband service
11 to qualified low-income families. Affordable access
12 to this community to this communication service can
13 provide critical support to low-income families. It
14 helps with everything from helping senior access,
15 emergency and medical service to assisting students
16 and families gather online information essential to
17 their education and livelihood. The idea that all
18 Americans should have access to telecommunications is
19 not a partisan issue. From the enactment of
20 Communication Act in 1934 to the creation of Lifeline
21 Programs under President Ronald Reagan, there has
22 been a longstanding principle guiding federal policy.
23 Telecommunications service are universal.
24 Consequently, Congress passed legislation under
25 President Reagan to create Lifeline, and in 1996, the

2 FCC informed—the FCC formed the Universal Service
3 Administration Company or U-S-A-C or USAC for short
4 to direct funding from rate payers to phone carriers
5 so that they may discount phone—payments for low-
6 income subscribers. Thirteen million people across
7 the country rely on Lifeline. This figure represents
8 only a third of the low-income households who are
9 actually eligible for the program. Yet, while demand
10 on the program still remains as two types of
11 Americans who qualify for Lifeline to receive such
12 assistance. The FCC has proposed rules that will
13 practically destroy the program. Long before I
14 joined this Technology Committee, my office has taken
15 great pride in helping low-income New Yorkers to
16 register for Lifeline. In fact, Lifeline is the most
17 important—the most popular constituent service my
18 office provides. We literally register people
19 everyday. Last alone we registered over 200 people.
20 The overwhelming majority of them are elderly, new
21 immigrants with limited English proficiency. This
22 committee is really concerned about the effect these
23 reforms could have on our city's most vulnerable
24 populations. Some of the FCC many reforms, which
25 they proposed last November are of utmost concern.

2 First, FCC proposes to eliminate mobile resellers
3 from participating in the program will impact 70% of
4 Lifeline participants. Instead of being serviced by
5 affordable carriers, these subscribers will only have
6 the option of using facility space providers.
7 Facility based providers tend to be larger companies
8 who own and operate their own mobile facilities and
9 whose phone plans tend to be much more costly.

10 Secondly, the proposal to enforce a maximum discount
11 can force some households out of the program entirely
12 leaving them with limited telecommunication options.
13 Eighty-five percent of Lifeline subscribers get their
14 mobile world service for free as many carriers have
15 plans that do not exceed the \$9.25 subsidy they
16 receive from the user. The ideal that low-income
17 families must pay into the program to appreciate its
18 benefits is misguided, and we strongly oppose such
19 measures. Lastly, we are concerned that ourselves on
20 enforcing a budget cap, which would cease funding
21 even if more spending is necessary to cover all
22 applicants in the program. It could leave many
23 households without a much needed telephone, and
24 mobile indirect service. We know—we look forward to
25 hearing from the Administration on the work that is

2 done and can continue to do so to push back against
3 these potentially damaging FCC reforms. We also
4 anticipate learning from—learning more about what
5 steps the city can taken on—on a local level to
6 provide affordable tele—telecommunication service to
7 low-income households in New York City. We also
8 welcome advocates who will testify today on the
9 importance of the Lifeline program. With that, I
10 call on the Administration to testify. We have
11 Miguel Gamino at the Mayor's Office of Technology,
12 Chief of Technology Officer. Yeah, and then we have
13 Joshua Breitbart from the Procedural Office.
14 Gentlemen yeah, please raise your right hand. Yeah.
15 Do you swear or affirm to tell the truth and to
16 answer truthfully to City Council Members' questions?

17 MIGUEL GAMINO: [off mic] I do.

18 CHAIRPERSON KOO: You may proceed, yeah.
19 Please identify yourself first, yeah.

20 MIGUEL GAMINO: Thank you. Good
21 afternoon, Chairman Koo and Members of the City
22 Council Committee on Technology. My name is Miguel
23 Gamino, Jr. I'm the Chief Technology Officer for the
24 City of New York. I appreciate the opportunity to
25 testify on the Federal Communication Commission's

2 recent proposal to reform Lifeline, a critical
3 program that greatly affects the ability of low-
4 income New Yorkers to afford access to the Internet.
5 [coughs] I'm also joined today by Joshua Breitbart,
6 Deputy Chief Technology Officer for Broadband. As
7 this is the first hearing of the Technology Committee
8 under the new Council leadership, I'd like to first
9 take this opportunity to state that we look forward
10 to working with all of the committee members in what
11 I am sure will be a productive partnership.

12 Additionally, I would like to provide a brief
13 overview of the responsibilities of the Mayor's
14 Office of the CTO. We are in charge of delivering on
15 Mayor de Blasio's goals for providing high speed
16 affordable Internet service everywhere for all New
17 Yorkers by 2025. Building a digital strategy that
18 guides how we use tech tools to make government more
19 accessible and work better for everyone enabling a
20 more responsive city with Smart technologies and the
21 Internet of things, and also work with the tech
22 industry and local communities to make New York City
23 the place for the boldest ideas in technology. As we
24 like to say it, we are making tech work for all New
25 Yorkers. All of these initiatives are to help make

2 New York the fairest big city in America, a concept
3 that unfortunately the FCC's recent actions undercut.
4 The FCC's proposal to reform the Lifeline program is
5 part and parcel of a larger effort by the federal
6 government to shed its responsibility to protect
7 Americans who are both underserved and at risk of
8 being exploited by incumbent services—Internet
9 service providers. Just this past year we have seen
10 the federal government reverse rules that would
11 maintain and free and open Internet, remove important
12 Internet privacy protections. Proposed rules that
13 would usurp the authority of local governments to
14 monitor the deployment of critical Internet
15 infrastructure, and now this effort to undermine an
16 important subsidy to connect the underserved to the
17 Internet. Despite these actions, we remain committed
18 to the Administration's goal of universal high speed
19 affordable Internet service, and we will work to
20 accomplish this goal both through our national
21 advocacy and our local implementation. For 30 years,
22 the—the Federal Communication Commission's Lifeline
23 program has provided critical subsidies for telephone
24 service for low-income Americans. Nationwide, nearly
25 13 million people used the Lifeline program in 2015

2 to subsidize their telephone connections. Yet, the
3 last 20 years have seen a C-Change in how Americans
4 communicate that has impacted nearly every aspect of
5 their lives. High speed internet has moved from a
6 luxury to an absolute necessity. Despite the
7 fundamental necessities of broadband access, millions
8 of Americans including millions of New Yorkers are
9 not connected to the Internet. The Pew Research
10 Center recently reported that nationwide 5 million
11 households with school age children do not have high
12 speed Internet service at home. It further find that
13 low-income households and especially black and
14 Hispanic ones make up a disproportionate share of
15 that 5 million. The U.S. is also the most expensive
16 market for broadband service in the developed world,
17 and studies suggest service in New York City is higher
18 than the national average. While there is still room
19 for research, on adoption, there is much evidence
20 that price is a primary reason Americans may not have
21 adopted broadband. For these reasons, making high
22 speed Internet service eligible for lifeline
23 subsidies had been a key priority for this
24 Administration due to the many New York City
25 households that could potentially benefit. As such,

2 Mayor de Blasio took a leadership role elevating
3 Lifeline modernization as a priority for the U.S.
4 Conference of Mayors sponsoring and passing a
5 resolution in support of Lifeline modernization. In
6 addition, New York City led a coalition of 13 city
7 mayors in offering support and recommendations to the
8 FCC for Lifeline reform and modernization. This
9 coalition eventually grew to include 37 mayors and
10 the National League of Cities, which jointly endorsed
11 the previous FCC Chairman Thomas Wheeler's proposal
12 to modernize the Lifeline program. All of these
13 efforts contributed to Chairman Wheeler's recasting
14 Lifeline for the broadband era in 2016. In addition
15 to the general ability to use the subsidy for home
16 broadband service some of the specific provisions we
17 fought for and won at the time include—included
18 baseline standards for the—for the quality of service
19 and residency in public housing as a sufficient, as
20 a—as sufficient for eligibility. We also
21 successfully advocated for a national verifier system
22 that would have limited companies' abuse of the
23 program while making it easier for more broadband
24 providers in our areas to make their services
25 eligible. Finally, we also supported the creation of

2 a Lifeline broadband provider designation. So, the
3 company that provides high quality broadband service,
4 but is not a provider of regulated telephone service
5 could sell a Lifeline eligible broadband product.
6 These reforms would not on their own have solved the
7 broadband affordability challenge for all New
8 Yorkers, but we thought they would create a new
9 market opportunity for Internet service providers to
10 focus on low-income communities. Despite these
11 positive changes to modernize the Lifeline program,
12 the recently appointed FCC Chairman Ajit Pai has set
13 back the clock. The Chair has rescinded the Lifeline
14 Broadband provider designations of several carriers,
15 and now seeks to strictly limit the types of
16 providers and customers that can qualify for the
17 subsidy. The Chair now proposes to cap the total
18 amount of funds available so even many Americans who
19 would be eligible could still be denied the benefit.
20 The chair also proposed to remove non-facilities
21 based provider eligibility for the Lifeline program.
22 This prevents low-lower cost providers that do not
23 operate their own networks from participating, and
24 limits the program to traditional telephone
25 operators, or the four major wireless carriers.

2 Public Knowledge, a non-profit public interest
3 organization estimates that 70% of current Lifeline
4 subscribers use lower cost resellers for their phone
5 service. These changes in sum could make it nearly
6 impossible for low-income broadband customers in
7 urban areas like New York City to access needed funds
8 for more affordable Internet service. Locally, we
9 are concerned about the impact of the FCC's efforts
10 to overhaul Lifeline. The city has a contract in
11 place with spot on networks, a standalone wireless
12 broadband provider for a demonstration project that
13 provides service to the residents of the Queensbridge
14 Houses, the largest public housing complex in the
15 country with more than 3,100 households and nearly
16 7,000 residents. Thus far, the program has been
17 nationally recognized as a model to provide Internet
18 Service for underserved residents in multi-tenant
19 public housing. The monthly cost of the service that
20 the city is paying Spot On-Spot On, works out to
21 about \$10 per Queensbridge household, roughly the
22 amount of the Lifeline subsidy, and Spot On has
23 earned one of the first Lifeline broadband provider
24 designations to become eligible. Unfortunately, the
25 FCC's reversal will make it harder to replicate this

2 model in New York or for other low and moderate-
3 income communities nationwide. Like you, we are also
4 concerned about the impact of vulnerable populations
5 such as low-income immigrant senior citizens. As
6 access to public benefits move online and connection
7 to the Internet becomes increasingly important, the
8 city offers a wide range of programs to support
9 seniors in accessing and using the Internet. We
10 provide public computer centers and an array of
11 training programs at 474 public computer center
12 locations including 146 center specifically for
13 seniors and a first of its kind dedicated technology
14 exploration center for seniors in a central location
15 in Manhattan. There is great demand for these senior
16 programs, as the Chair well knows since the Self-Help
17 Rosenthal Program in Flushing is a well utilized
18 broadband program for seniors. We would like to
19 thank you for your support of this program. The
20 Headwinds from federal government have not shaken
21 this Administration's commitment to universal
22 affordable high speed Internet service. If anything,
23 they are motivation for an even more comprehensive
24 effort. In November, our office released a Request
25 for Information on citywide broadband. The purpose

2 of the RFI is to gather input from industry experts
3 to inform the city's implementation plan for
4 universal broadband. The RFI laid out five
5 principles to guide the city's broadband investments
6 and partnerships. Affordability is one of those
7 principles along with performance, choice, equity and
8 privacy. The point of the affordability principle is
9 that we have to eliminate cost as a barrier to
10 access. Currently, New York City's lowest income
11 households are nearly twice as likely to lack home
12 broadband subscription as the citywide population,
13 and more than five times as likely as those with
14 highest income based on data from 2016, American
15 Community Survey. This exacerbates the income
16 inequality the Mayor is working to address. The
17 modernization Lifeline program—the modern—the
18 modernized Lifeline program had the FCC implemented
19 it faithfully, would have been a helpful relief for
20 many eligible households that currently cut corners
21 to cover their Internet service each month. For
22 some, it may have tipped the balance between no
23 connection and being online. However for some
24 households particularly for those living alone and
25 those living on extremely low income any month amount

2 would be a challenge. We received over three dozen
3 responses to our Citywide Broadband RFI from a full
4 array of stakeholders including fiber and wireless
5 providers, labor and advocacy coalitions and new
6 technology startups. New York City has a history of
7 being ambitious and forward thinking in
8 infrastructure, and the city is open to creative
9 solutions that will deliver on the needs—on the need
10 to provide reliable high quality service that the
11 community needs. Last week we submitted comments to
12 the FCC on behalf of the city of New York expressing
13 our strong opposition to the changes in Lifeline. We
14 also appreciate the comments from Chari Koo, and as
15 stated, are in full agreement regarding the negative
16 impacts to low-income immigrant senior citizens and
17 other vulnerable populations. Therefore, while there
18 may be challenges ahead, we look forward to working
19 with the committee to advocate for the protection of
20 the Lifeline Program as it was composed under
21 foreman—former Chairman Wheeler as well as continuing
22 to work towards our goal of connecting all New
23 Yorkers to the Internet. We would also encourage
24 individuals and organizations who share these
25 concerns to file reply comments to the FCC by March

2 23rd. Thank you for the opportunity to address this
3 important issue and I look forward to further
4 discussion.

5 CHAIRPERSON KOO: Thank you, Mr. Gamino.

6 Yeah. So, we are joined by Council Member Lander.

7 [background comments] And Council Member Eric, right.

8 So, we have a few questions to ask you. So, as I
9 noted before, now this program is really important to
10 my office. Every morning we have people coming in
11 and asking us the-how to use the phones and how to
12 apply for the program, and the question is that--the
13 question the percent--the percentage of low-income
14 households with phone service has increased from 80%
15 in 1985 when live time begins to nearly 92% in 2011.
16 So, how many--how many--how can the city get data on
17 the number of city residents who rely on the program?

18 MIGUEL GAMINO: Well, as you know, it's
19 not the--not a program that--that we implement, and
20 certainly increasing transparency of--and reporting on
21 the program is--is a key necessity, and that's
22 something that we've been taking a look at [bell] and
23 talking to advocates and researchers about what would
24 be the best way to gather information on that, and,
25 you know, incorporate that data along with other

2 public available data to make sure that—that we
3 understand the impact of these programs.

4 CHAIRPERSON KOO: Uh-hm. So, do you know,
5 how many people in New York State currently rely on
6 the Lifeline Program?

7 MIGUEL GAMINO: [pause] So, the total
8 number of subscribers from the 2015 figures that we
9 have are just over a million, about 1,009,956, and
10 based on what we've—we've gathered from the—the
11 administrative program.

12 CHAIRPERSON KOO: Thank you. We are also
13 joined by Council Member Yeger. Yeah. So, how will
14 the new FCC proposals affect the Lifeline Program?

15 JOSHUA BREITBART: [background comments]
16 So, as we stated in our comments and in our testimony
17 they have potential to undermine the program. Some
18 of the, yeah, some of the things we highlighted in
19 our comments, you know that you also have that in
20 terms of limiting—limiting eligibility to facilities
21 base providers, would, um, would all but, you know,
22 undermine some of the most popular services that
23 people used the Lifeline benefit for—for the
24 resellers. As we noted in our comments, if you, you
25 know couple that with the proposed phase down of the—

2 of the voice component of the program, it would
3 simply suggest, you know, an overall elimination of
4 the program since, you know, only the providers of
5 voice service are the ones with the facilities to
6 then to be eligible for the broadband component. So,
7 you know, the—I know, you know, we suggested those
8 should be properly harmonized to support the program.
9 You know, one could certainly look at those as an—as
10 an overall attempt to undermine the program. You
11 know, in addition, we think that the Lifeline
12 broadband provider designation and other things to
13 increase the number of providers participating are
14 really key to using this to not just reduce the cost
15 since, you know, that alone may not have that much
16 effect, but to introduce some competition and
17 providers that are really as—as the CTO said in his
18 testimony, focused on serving lower-income
19 communities with specific broadband products.

20 CHAIRPERSON KOO: Okay. So, what—what
21 alternative programs, if any, will Lifeline users be
22 able to access instead?

23 MIGUEL GAMINO: Well, we're—we're still
24 focused right now on trying to make this the best
25 program that it can be advocating for the faithful

2 implementation of the—of the reforms. So, we don't
3 want to get too far ahead of—ahead of that. So, you
4 know, we'll—we'll—right now, we'll wait and see what
5 program—what the program looks like when the FCC
6 moves forward with—with implementation and trying to
7 make that the best program for—for New Yorkers.

8 CHAIRPERSON KOO: So, how will the new
9 proposals affect seniors? Will seniors have an
10 alternative telecommunication program they can apply?
11 Is the city maybe thinking about that?

12 MIGUEL GAMINO: Well, well again, you
13 know, right now well, you know, the R-5 did—did ask
14 for proposals on affordability, and to speak to that
15 principle and—and the R-5 remains open to anybody
16 that has proposals along those lines, but, you know,
17 again we're focused right now on the Lifeline program
18 and trying to maximize the effectiveness of—of that,
19 but the R-5 is open and if people have proposals,
20 that's something that we would consider, and
21 certainly look forward to discussion all ideas and
22 options with the Chair and other members of the
23 Council.

24 CHAIRPERSON KOO: So, one thing is that
25 they always talk about the Lifeline and subscribers

2 that abuse the program. So, what are the penalties
3 for are the penalties for abusing the program, and
4 what do they mean by abusing the program?

5 MIGUEL GAMINO: Well, those aren't words
6 that--that we would necessarily use but, you know, so
7 I think you might have to ask the people who have
8 leveled those accusations, but the National Verifier
9 Program, and taking verification out of the hands of
10 the providers eliminated--that--that measure
11 eliminated some of the incentive for the companies
12 to--to, you know, potentially enroll ineligible people
13 or do other things that might have undermined the,
14 you know, people's use of the program. So, that's a--
15 that was a--that was a good proposal. We'd like to
16 see that implemented to--to proceed with--to proceed
17 with that to maximize the participation in the
18 program.

19 MIGUEL GAMINO: Thank you. I want to ask
20 our members to ask questions, and each member can ask
21 like on five-minute time limit for questions. Yeah.
22 Council Member Lander is the first one.

23 COUNCIL MEMBER LANDER: Thank you, Chair
24 Koo. Congrats on the first hearing and chairing this
25 committee. I look really forward to working with

2 you. Obviously, this is such a critical area as this
3 hearing shows and so many areas show, and, you know
4 in a time when the FCC and the President are
5 assaulting an open and affordable Internet, which is
6 just a fundamental piece of access to everything, you
7 know, that New Yorkers need in so many ways. We've
8 got an important role here. I look forward to
9 working with you. I want to say to our great team
10 here, it's—I look forward to working with you, and
11 serving on this committee. And Miguel, I was
12 actually listening to a Podcast that you were on
13 talking about NYX Public Knowledge or something
14 yesterday. So, thank you for that work. I guess I
15 want to just drill down a little deeper. I know
16 today's hearing is on Lifeline, and I'm guessing
17 you'll come back and we'll spend a lot more time on
18 the RFI and where we're headed, but I guess if you
19 could just give us a little more understanding of
20 sort of the timeline of evaluation of those
21 responses. You know, obviously an RFI is the first
22 step, but there's— You know, this this is a sector.
23 There is so much innovation. You know, look, it
24 seems clear to me that what the FCC is doing
25 cynically is aimed at restricting access to an

2 affordable and open Internet. So, yes, we should
3 express our outrage. More people should put comments
4 up. The Council should consider doing a resolution,
5 and we should, you know, give a loud urgent outcry,
6 but I—I think unfortunately my optimism for us being
7 able to reverse this administration's direction and
8 this is—is—I'm not optimistic about it. So, we got
9 to fight, but I guess I'm even more interested in
10 what the city can do for our people to sort of light
11 the way forward, and I think that was the idea behind
12 the RFI. So, I just wonder if you could tell us a
13 little more, you've got the set of responses. What
14 are the next steps? What are, you know, what are
15 you looking at? Is there going to be an RFP? You're
16 going to come back to us? We have this really
17 remarkable and urge opportunity to take municipal
18 action for low-income people and seniors, but also
19 for everybody who needs access, who cares about
20 neutrality, who cares about all the principles that
21 you've set out. So, if you could just say a little
22 more about what the next steps are, and how we're
23 going to move forward here?

24 MIGUEL GAMINO: Yeah, I'd like to take
25 the opportunity to kind of establish the context of

2 that again, and then Josh can kind of respond to the
3 some of the specific next steps. I think it's—it's
4 important to acknowledge that it is—it is national
5 advocacy and local implementation because it's a—it's
6 a parallel effort. The local implementation site to
7 your points have really become kind of codified with
8 the RFI as—as one step to establish the principles
9 to—to-by which we will deliver or measure successful
10 delivery of broadband. And so, those five principles
11 are kind of core to things like, you know, high
12 performance and equity meaning it's available
13 everywhere and the affordability conversation around,
14 you know, that is —affordability is a scale. It's—
15 it's something that on one end of the spectrum any
16 cost might be a challenge for some households.

17 COUNCIL MEMBER LANDER: Of course.

18 MIGUEL GAMINO: And on the other end of
19 the scale, some might be able to afford market rate,
20 although that market rate should be fair. Then
21 everything in between, but that affordability
22 concept, and also this notion of choice that—that we
23 should have choice at every household in—in New York
24 to in some ways to protect those others, and then
25 this concept of prince—of privacy and open access.

2 And so, we've done that to establish almost the
3 ground rules for how we are defining broadband as it
4 should exist for New Yorkers in every corner of the
5 city. And so I think that was in addition to—the
6 reason I—I wanted to—to say that was in addition to
7 the insights and responses we're collecting and the
8 next steps that—that are moving after that that Josh
9 can—can elaborate on, I think it was also a very
10 important moment to be very clear with the stake in
11 the ground about what we mean by it. Right, and—and—
12 and—so the responses we're getting have been informed
13 by our objectives, and it's not just a blanket, you
14 know, question.

15 COUNCIL MEMBER LANDER: And I'll just
16 interject before then Josh even gives some more of
17 the details. I really appreciate that, and I think
18 we need to think broadly here. It's—we don't know yet
19 enough how to approach this. I mean you could
20 persuade me probably. I'd be open to an argument
21 that the Internet is like water, and it should be
22 provided by the public sector, and everybody out to
23 get it, and you shouldn't get better water if you
24 have more money, and worse water. If you don't have
25 money that the city should provide it. You—you might

2 say we should provide it like a utility and regulate
3 its private provision. I'm not closed to the current
4 model, which is, you know, but especially if we're
5 going to lose the ability for low-income people to
6 get it. So, I think you're—the point of starting
7 from a set of principles and trying to drive forward
8 and what would make sense given what we can do as a
9 city [bell] is really smart. I don't have a bias of
10 what it ought to be to begin with, and I would have
11 expected federal government to drive this
12 conversation. It would be better to have it driven
13 as a national conversation, but it's not going to be.
14 So, I'm glad we are. I think those principles are
15 the right ones, but I would love to just hear a
16 little more what the next steps are, and what we can
17 sort of expect as a timeline in thinking this through
18 together and what the responses will be.

19 JOSHUA BREITBART: Yes, and—and I think
20 you know, clearly the job as you've indicated has
21 only gotten more complex. Some of that is already,
22 you know, quite complex. It's become harder. My—my
23 five-year-old likes to have a challenge where we
24 throw paper airplanes and try to get them to collide
25 in the air, and—and I feel like this is sometimes

2 like trying to do that without a paper airplane
3 that's even been folded yet. So, you know, that has—
4 that, but that said, you know, I think from the
5 beginning the mayor has well understood that a level
6 of municipal action is certainly required here, and
7 has taken aggressive action to—to address this
8 problem, and, you know, with the RFI there's
9 significant engagement as—as the CTO described in the
10 testimony. It's not necessarily a significant
11 agreement, and like you said, people do look at it
12 differently, but by having those principles it allows
13 us to—to—to measure every—every possible option
14 against those outcomes. And so the next step is to
15 assess those ideas that were delivered to us. Our
16 door remains is open if anybody else has any—any
17 other thoughts on—on how to meet those five
18 principles, refine them both, you know, to the extent
19 that we can with the available data in a sort of
20 numerical way, and even a geographic way so we
21 understand what the disparities are for different New
22 Yorkers or different parts of the city. And then you
23 look at the available leverage that we have, and some
24 of those are circumscribed by the federal, you know,
25 federal regulation and what we do at the local level.

2 Some of them may just be quite complex and
3 challenging, but again, this Mayor's not showing
4 complains that are complex and challenging. So, you
5 know, that's the--that's the next step. I know--

6 COUNCIL MEMBER LANDER: [interposing] Any
7 sense of time line for what--what can we look to hear
8 from next and when? Obviously it's a big process
9 but--

10 JOSHUA BREITBART: [interposing] Well,
11 we, you know, we would be happy to--to--to meet with
12 you on that topic and--and discuss specifically what
13 we can, and we certainly, you know, again are--are
14 just reviewing those proposals and--and meeting with
15 the respondents, and we had some questions for. We
16 don't want to necessarily predetermine what the
17 outcome of those conversations will be, but--but the
18 problem only, you know, grows more urgent, and so
19 the, you know, we're--we're moving as expeditiously as
20 we--as we can.

21 COUNCIL MEMBER LANDER: Thank you.

22 CHAIRPERSON KOO: Council Member Yeger.

23 COUNCIL MEMBER YEGER: Mr. Chairman, and
24 congratulation as well for me for the inaugural
25 Committee Hearing of this committee, and I wish to

2 associate myself with the comments that my colleague
3 Council Member Lander with respect to the—the concept
4 of Internet being a utility. Today, it really is. I
5 mean, we know that children can't do their homework
6 in many respects without the accessibility in my
7 community because of the nature of our families. We
8 have filters on our Internet to make sure that we're
9 protecting our children from inappropriate things,
10 but obviously the—the availability of the information
11 that's out there folks, you know, needed to get jobs.
12 Folks needed to do their banking. Folks needed to
13 fix their grills. (sic) I'm not preaching to you
14 because you know this. So, my question is whether or
15 not there's something that the state can do
16 legislatively to in effect circumvent some of what we
17 may be seeing out of FCC with respect to kind of
18 getting arms around it, and sort of regulating it as—
19 as—a utility in New York and whether or not we
20 could be a force here in the Council to—to ask the
21 state to do that for us?

22 JOSHUA BREITBART: I mean we are—all
23 options are really on the table to consider and, of
24 course, you know there's a bit—a bit of a shifting
25 landscape because of the way the—the regulations that

2 had been agreed to through a, you know, a—a long
3 process are now sort of being undone, and so, we're
4 looking at what the state might be able to do, what
5 the city can do from a legislative standpoint to
6 address, you know, any of these issues from again
7 that the CTO discussed that the FCC is rolling bac
8 on, and, you know, as we develop possible proposals,
9 we would certainly look to partner on that. I think
10 this is one of those great things where, you know,
11 generally we are all in agreement on what we would
12 like to achieve, and so the question is just trying—
13 trying to figure out what it is it could have done to
14 achieve that. If there's no daylight in terms of
15 what we'd like t he outcome to be. It's just going
16 to be figuring out what can be done legislatively,
17 what can be done administratively.

18 COUNCIL MEMBER YEGER: Okay, and that
19 I'll—this was answered earlier. I apologize for my
20 tardiness. If—if the city wished to step in and to
21 kind of pick up that cost differential that we know
22 that because of this FCC regulation shift our low-
23 income New Yorkers would lose, what would that cost
24 be to us as a city? Do you have an idea? Do we have
25 any idea of how many Lifeline users there are in New

2 York City and what that—what the benefit to them is
3 and if we were to step in and make up that
4 difference, how much that would cost?

5 MIGUEL GAMINO: [coughs] So, we're—we
6 would—we've definitely been talking to people about
7 how we could just better understand the data as we—as
8 we were saying about how this program is working.
9 You know, it's a federal program. It's not clear
10 that, you know, the—the way it is—it's been run as it
11 applies to telephone service or all the reforms are
12 meant to apply to broadband service, you know, what
13 that would—what that looks like at the New York City
14 level. So, we'd like to understand that, but the
15 focus is right now on just making sure that this
16 federal subsidy doesn't disappear and is made as
17 useful as possible—as it can be, and so that we used—
18 keep that in our toolkit of multiple ways that we can
19 try and make broadband affordable and available to
20 everybody. You know, again, the principal of
21 affordable for all remains, and the Lifeline subsidy
22 even as perfectly implemented was, you know had the
23 potential and it still has some potential to
24 contribute to that, but on its own when they've
25 gotten us all the way there. So, you know, the—the

2 full replace we can, you know, that may be a data
3 question, but how do we really achieve affordability
4 for all is a broader questions that we'd—we'd want to
5 continue to work with you to--

6 COUNCIL MEMBER YEGER: [interposing] Do
7 we—just have them—I'm sorry. Do we at least have an
8 understanding of how many New York City residents are
9 beneficiaries of this program at the present moment?

10 MIGUEL GAMINO: So, the—the EZAC (sic)
11 reporting and—and I want to defer to potentially some
12 experts who might be testifying later who might have
13 a better understanding about how to parse that data
14 but it's not presented in the most transparent form,
15 and—and again it's not a city program. So, we're--

16 COUNCIL MEMBER YEGER: [interposing] Are
17 you relying all the FCC to give you this information?
18 Is that where you are?

19 MIGUEL GAMINO: Or to the—to the
20 Administrator of the entity that administers the
21 program. So we do have some knowledge of how it is
22 at the state level, but breaking that out at the—at
23 the city level can be a bit more challenging.

24 COUNCIL MEMBER YEGER: But you're working
25 on trying to understand that so that you can tell us,

2 and to see if there's an effort that we need to do
3 here in terms of the budget as we look into that
4 later this year. This is something that we have to
5 do and work with the Administration to supplement or
6 supplant because as you indicated, you know, you
7 don't want the waterfront to disappear, but I think
8 also as you indicated, you know, we kind of have to
9 look at the realities and it may very well.

10 MIGUEL GAMINO: Right, and—and so the—the
11 state figure is over—over a million since the 2015
12 utilization of the program in terms of all aspects
13 that include the telephone service. You know, again
14 the—the program was monitored as we applied the
15 broadband and it was sort of stymied. So, we don't
16 really have a full understanding of the potential of
17 the program as it could apply to this service that's
18 so critical now that hasn't been totally utilized
19 for. [bell] In terms of—of—of a better data
20 analysis, we certain would—would be happy to work
21 with you to—to understand the data that is available,
22 and to—to discuss with experts how to get the best
23 sense of what that looks for significant New York
24 City in terms of this program, this, you know, this
25 federal programming.

2 COUNCIL MEMBER YEGER: Thank you again
3 for what you're doing to-to help the low-income New
4 Yorkers keep this program and bring it back, and
5 thank you again, Mr. Chairman for bringing this in
6 front of our committee, and for the Council.

7 MIGUEL GAMINO: Thank you.

8 CHAIRPERSON KOO: So, I only have a few
9 more questions. So, under the current proposals,
10 show this will be restricted to only low-income
11 households in rural areas. So what qualifies as a
12 low-income household?

13 MIGUEL GAMINO: So, that is definitely
14 one of the-one of the aspects of the proposed reforms
15 that we addressed in comments to FCC and we can think
16 that that's absolutely a wrong way to approach this
17 to pit lower-income residents of urban areas with
18 people in rural areas. That would certainly
19 undermine the-the benefits to-to New Yorkers without
20 question as would imposing an overall cap on the
21 program.

22 CHAIRPERSON KOO: So, say if the federal
23 government say we want to stop this program, can the
24 state or the city pick up the-because it's paid by
25 the rate payers anyway? Can the state or city charge

2 all of the telephone users a fee to—a surcharge to do
3 this program by the state or the city?

4 MIGUEL GAMINO: I'm--

5 CHAIRPERSON KOO: [interposing] Can we do
6 it?

7 MIGUEL GAMINO: That—I think that—that
8 may be a legal or regulatory question that—that we'd
9 have to look into just in terms of that—that
10 authority. We'd be happy to consult with the Law
11 Department and get you an answer to that question.

12 CHAIRPERSON KOO: Okay, yeah. So, with
13 other people-[background comments, pause] So, we have
14 no more further questions for you. Thank you for
15 coming to testify.

16 MIGUEL GAMINO: Thank you.

17 JOSHUA BREITBART: Thank you.

18 CHAIRPERSON KOO: You're very welcome,
19 yeah, yeah. So, now we have Matt [background
20 comments] Kershner. Is Matt Kershner here and
21 Timothy Carr and Richard Berkley. Yeah, and Kang
22 John Chang. Okay. [background comments, pause]
23 Please identify yourself and then you can start.
24 Maybe start from the one on—with—on the left here.

2 MATT KERSHNER: My name is Matt Kershner.
3 I am a Graduate Policy Intern at AARP, currently
4 working towards a Masters Public Administration
5 Degree at Columbia University. Thank you for the
6 opportunity to testify this afternoon. AARP is
7 opposed to the proposal from the Federal
8 Communications Commission to drastically curtail the
9 Lifeline Program. Lifeline has made getting a
10 telephone and paying for monthly service more
11 affordable for millions of low-income people
12 throughout the United States. The programs have
13 positive impact on the lives of many older Americans
14 enabling them to access healthcare providers,
15 employers, and friends and family. Running contrary
16 to the goals of the Lifeline Program, the recent
17 decision by the FCC will reduce the ability of low-
18 income households to access critical
19 telecommunication services that are essential the to
20 everyday lives of all Americans. Rather than
21 pursuing policies that have the potential to level
22 the playing field, and enable the social mobility
23 that allows consumers the opportunity to move out of
24 poverty. The FCC's decision reduces support for low-
25 income Americans and furthers the growth of the

2 digital divide between high and low-income
3 households. With 45% of older adults reporting
4 incomes below 200% of the federal poverty line, older
5 adults are likely to be disproportionately affected
6 by the FCC's decision. 2017 data from the Pew
7 Research Center on income and technology usage for
8 older households shows that while 97% of 65+
9 households with incomes over \$75,000 utilize mobile-
10 mobile services. Just 73% of 65 plus households with
11 income below \$30,000 utilize mobile services. The
12 digital divide is even more pronounced when it comes
13 to Internet access. 94% of 65 plus households with
14 incomes over \$75,000 are online while only 46% of 65
15 plus households with incomes under \$30,000 are
16 online. Closing the digital divide will require
17 programs that subsidize the purchase of voice and
18 broadband services for low-income households. Cuts
19 to the Lifeline program will exacerbate the existing
20 digital divide, and limit low-income older adults
21 access to the transformative opportunities that are
22 provided by both voice and broadband services. AARP
23 strongly urges the federal communications commissions
24 to heed our comments, reconsider their decision and
25 reject dramatic cuts to the Lifeline program.

2 CHAIRPERSON KOO: Thank you. Yeah, I
3 makes sense. So, each allow a lot more than five
4 minutes of speaking.

5 TIMOTHY CARR: Thank you. My name is
6 Timothy Carr. I am the Senior Director of Strategy
7 for Free Press. At Free Press we fight for
8 everyone's rights to connect and communicate, which
9 includes advocating for policies that promote
10 universal access to an affordable and open Internet.
11 As such, we often cross swords with the Federal
12 Communications Commission, and we've been
13 particularly busy during the Trump Administration.
14 President Trump appointed in-as FCC Chairman a person
15 who's devoted his career to handing telecommunication
16 giants special favors at the expense of the people
17 he's supposed to be serving. Many of you may be
18 familiar with Chairman Agit Pai for his efforts to
19 take away our rights to an open network. His
20 agency's recent repeal of neutrality protections will
21 go down as one of the most wrong-headed dishonest and
22 unpopular rulings in the history of the FCC. But Pai
23 has done other bad things, things that are
24 particularly harmful to people in New York City. On
25 his first day on the job, Pai pledges to close the

2 broadband divide and in his words: Bridge the
3 benefits of the digital age to all Americans. This
4 would be his administration's tough priority, Pai
5 said. He then did the opposite, launching a plan to
6 dismantle the Lifeline program or subsidizes phone
7 and Internet access to families struggling to make
8 ends meet. First Chairman Pai revoked the Lifeline
9 and Broadband provider status of nine Internet
10 service providers including Spot On Networks, which
11 had hoped to offer super fast fixed wireless service
12 in two low-income housing projects in Queens. Pai
13 then launched a proceeding, which he proposed—
14 proposed a budget cap that would arbitrarily limit
15 Lifeline program participation or slash funding to
16 full eligible recipients, but that's not all.
17 Chairman Pai has also proposed kicking non-facilities
18 based providers out of the program. Free Press
19 research has found that these communications
20 providers provide services to more than 70% of
21 Lifeline subscribers nationwide. In total, Pai's
22 proposal would eviscerate the Lifeline program. The
23 harms to struggling families in New York City would
24 be particularly glaring. As I mentioned earlier,
25 Spot On Network's petition for provider status to

2 serve public housing units in New York Housing
3 Authority buildings in Queens. Before Chairman Pai
4 ripped its status, Spot on was poised to offer
5 Lifeline—a Lifeline service that delivered a
6 symmetrical 20 megabits per second unlimited data
7 connection using fixed wireless technology. Such a
8 service—service would have enabled all members of a
9 single household to go online at the same time. Fair
10 Press examined the U.S. zip code database. It
11 determined that wireless Lifeline is now available in
12 333 zip codes in the New York Metropolitan area. The
13 data show that there are three wireless providers now
14 offering these services inside the city: Access
15 Wireless, Assurance Wireless, and Safelink Wireless.
16 If Chairman Pai's Lifeline proposal is approved,
17 however, there will only be one service provider left
18 serving the entire metropolitan area: Assurance.
19 Since the other two, Access and Safelink and
20 resellers, they would be denied provider status
21 according to Pai's changes. Chairman Pai's actions
22 against Spot of—Spot On have already robbed low-
23 income New Yorkers of highly—high quality affordable
24 options, and he's not done. With the current
25 proposals, Pai's gearing up to deny struggling New

2 Yorkers the ability to choose a broadband provider
3 that best fits their limited budgets. The program's
4 noteworthy purpose is to ensure that poor people have
5 the benefits that communication services enable
6 including the ability to pursue employment
7 opportunities, stay in touch with loved ones and
8 access education and emergency services. The Trump
9 FCC's Lifeline plan, if adopted, would leave millions
10 of people without such—such essential options. For
11 these reasons, Free Press and hundreds of other
12 organizations including AARP, NAACP, and the U.S.
13 Conference of Catholic Bishops have asked Chairman
14 Pai to abandon his cruel plans. I hope New Yorkers
15 will also stand with us and against the FCC's war on
16 the poor. Thank you.

17 CHAIRPERSON KOO: Thank you. Yeah, I
18 want to know—I want to know and put on the record
19 that we invited Chairman Pai, but the didn't respond.

20 RICHARD BERKLEY: Thank you, Mr.
21 Chairman. Thank you, Council members. My name is
22 Richard Berkley. I'm the Executive Director of the
23 Public Utility Law Project of New York otherwise
24 known as PULP. As I'm sure you may know, we are an
25 independent not-for-profit public interest law firm

2 whose mission is to advocate, educate, and litigate
3 on behalf of New York's low and fixed income utility
4 consumers. So, we represent the disable low-income
5 households, seniors and returning veterans with
6 financial challenges. I'm here today, as we all are,
7 to talk about the recent injurious federal changes
8 and proposed changes to the Lifeline program, and I
9 will go on at some length about that with your
10 indulgence. PULP has worked in national coalitions
11 to protect Lifeline. We've helped to draft or to
12 shape and/or signed onto letters and formal comments
13 in federal rulemaking to the FCC, and letters from
14 the Leadership Council on Civil and Human Rights, the
15 National Consumer Law Center and our colleagues in
16 the National Association of State Utility Consumer
17 Advocates, 50 states plus 6 territories that advocate
18 in the same manner that we do in New York State.
19 While some of the harmful changes that we're
20 discussing today were proposed in late 2016, the most
21 recent set of changes were proposed in 2017 in
22 December and while the opportunity to respond to
23 those changes, initial comments just passed on
24 February 21, the Commission will continue to read ex
25 parte comments from legislative entities such as the

2 Council and there's also an opportunity for reply
3 comments in the end of March. Let me provide a quick
4 moment or two to provide context. Unfortunately, Mr.
5 Chair, you've done most of it already. So, I can cut
6 a minute or two out of what I was going to say
7 originally. Since 1996 Wireline Lifeline, which is
8 normally accessed through a traditional telephone
9 company like the Verizon or in New York State with
10 Spectrum Cable has declined more than 75%. So,
11 there's been a significant switch from Wireline
12 Lifeline to Wireless Lifeline. This drop in
13 subscribership on the wireline side is incredibly
14 dangerous since low-income households and fixed-
15 income seniors have relied upon Lifeline since its
16 creation slightly over 30 years ago for affordable
17 discounted telephone service access to 911 with
18 automatic identification and address and also 311 in
19 the City of New York and also to a variety of their
20 own mental and healthcare services and, of course, to
21 family and friends. Wireless Lifeline, which came
22 about in late 2007 as a response to the need to keep
23 Americans connected in the aftermath of Hurricane
24 Katrina, and I—and I underline this creation of
25 wireless Lifeline because we are a state that has

2 suffered from climate change. Super Storm Sandy
3 could have been vastly different if we didn't have
4 wireless Lifeline in the city of New York, which is
5 one of the potential outcomes of the FCC's changes.
6 Within six years after the invention of wireless
7 Lifeline by the Bush Administration, more than one
8 million New Yorkers were receiving wireless Lifeline,
9 and they were receiving a limited number of free
10 minutes on wireless phones and free telephones. As
11 of the latest federal study, New York has roughly 2.6
12 million households that are income eligible for the
13 Lifeline under pre-2017 Lifeline eligibility
14 criteria, but only a little more than 40% received
15 that service most of whom received that through
16 wireless Lifeline. Slightly less than one-third of
17 those households with-with wireless Lifeline have
18 children younger than 17 living with them, and I'm
19 sure that all New York City parents the four recent
20 Council members with children: Council Members
21 Cumbo, Kallos, Levin and Reynoso know how vital a
22 telephone can be for new parents, and when you're
23 concerned about your children's health safety and
24 welfare. To share with you quick statistics about
25 who are the dominant Lifeline eligible New York City

2 residents in Manhattan 40% of women head of
3 households with children present are living in poverty
4 and 18% of senior households are living in poverty.
5 In Brooklyn, 39% of women head of households with
6 children present are living in poverty and 20% of
7 senior households live in poverty. In the Bronx, 49%
8 of women head of households with children present are
9 living in poverty, and 24% of senior households. In
10 Queens 31% of women head of households with children
11 present are living in poverty, and 13.6% of seniors.
12 In Staten Island 36.7% of women head of households
13 with children present are living in poverty, and
14 slightly more than 10% of seniors. Now, a quick look
15 at statistics from the U.S. Census. 1.6 million
16 African-American and 1.9 million Latino families
17 qualify for Lifeline in New York State out of a total
18 of roughly 6 million households in the state that
19 qualify for the service. Since wireless Lifeline
20 also includes some limited access to the Internet, it
21 is even more vital for the more than 700,000
22 households in New York State that have no access to
23 the internet all. I give you these statistics to
24 remind you how important Lifeline is in New York and
25 in our city, and to outline what in our opinion are

2 the most harmful actions the FCC has taken or is
3 proposing to take. First, as you noted, Mr.
4 Chairman, the FCC is planning to eliminate [bell]
5 non-facilities based carriers.

6 CHAIRPERSON KOO: Even our team.
7 (sic) Yeah.

8 RICHARD BERKLEY: Thank you, sir. Those
9 non-facilities based carriers serve almost 70% of
10 Lifeline recipients nationally, as was noted by the
11 speakers before me. In New York City the largest
12 wireless Lifeline carrier is a non-facilities based
13 carrier. So, the FCC's planned changes would
14 eliminate that carrier from the provision of
15 Lifeline. Second, the FCC has proposed a cap on the
16 program's budget irrespective of need, and a ca on
17 lifetime benefits for recipients of the program. I
18 won't go into the self-serving and erroneous and
19 harmful rationales that the Administration gave for
20 that, but just to say that the idea that people
21 should somehow have to figure out if this disaster is
22 the most important disaster that they're going to
23 encounter, and that they should sing up for Lifeline
24 now, or perhaps avoid Lifeline so they can save it
25 for the next problem. It's appalling, and New

2 Yorkers know better than that. The third thing that
3 the FCC has proposed is a mandatory co-pay because
4 they believe that if low-income households don't pay
5 for this benefit that they won't appreciate it as
6 much. Now, that misbegotten notion that Lifeline
7 recipient families, low-income families don't value
8 it if it's not free is exactly wrong, and it-and
9 wrong in a manner that's more egregious than the
10 other things that they're doing at the federal level.
11 The dominance of the free wireless Lifeline plan
12 nationally and New York State and New York City
13 reflects how valuable the service is to our
14 vulnerable households, our families, friends and
15 neighbors. The free programs are also extremely
16 valuable to households that are not or underbanked,
17 have impaired credit or have extremely tight budgets
18 because this is the kind of service that you can get
19 if you can't pass through both screens to get pre-
20 paid or to get the more expensive traditional
21 wireless service. There are a number of other
22 aspects that I could address today, but I—I want to
23 stop here after making one more observation, which is
24 survivors of domestic violence who typically cannot
25 escape life threatening situations without a crash I

2 their income, without credit damage and other changes
3 that make establishing traditional wireless extremely
4 difficult or impossible, deeply benefit from the free
5 services the FCC is proposing to eliminate. We will
6 continue to advocate as an organization with our
7 sister entities across New York State and the city,
8 of course, and across the rest of the country to try
9 and roll back these harmful proposed changes, which
10 would harm too many New Yorkers. I would also be
11 remiss if I didn't mention that the Public Service
12 Commission of the State of New York has jurisdiction
13 over Lifeline in the state. We have something called
14 the Targeted Accessibility Fund, which runs the
15 state's Lifeline program for Universal Service
16 Lifeline and also Caption Telephone. That is the
17 entity that controls the disbursement of State
18 Lifeline funds. So, we do have sub—we do subsidize
19 Lifeline at the State level, too, and I—I urge you to
20 join us before the New York Public Service Commission
21 to ask them to try and protect New Yorkers from the
22 federal government's action. Thank you.

23 CHAIRPERSON KOO: Thank you very much.
24 Do you have a question, Council Member? [background
25 comments] So, thank you. Yeah, you may step down.

1 COMMITTEE ON TECHNOLOGY

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2 [background comments, pause] Any members from the
3 public want to testify? No. [background comments]
4 Okay, so, since no more questions, this meeting is
5 adjourned. [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date March 15, 201