

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: February 14, 2024

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee

FROM: Sharon M. Tso 
Chief Legislative Analyst

Council File No: 23-0002-S95
Assignment No: 24-02-0075

SUBJECT: Affordable Connectivity Program

CLA RECOMMENDATION: Adopt Resolution (Blumenfield – Hernandez) to include in the City’s 2023-2024 Federal Legislative Program SUPPORT for legislation that would extend and make permanent the Affordable Connectivity Program.

SUMMARY: On October 24, 2023, Resolution (Blumenfield – Hernandez) was introduced in support of legislation that would extend and make permanent the Affordable Connectivity Program. The Resolution states that the Infrastructure and Jobs Act appropriated \$14.2 billion for the Affordable Connectivity Program (ACP). The ACP was created to provide qualifying low-income households a discount of up to \$30 per month toward internet service along with a one-time discount of up to \$100 to purchase a laptop, desktop, computer or tablet. Currently, many private telecommunications companies provide a \$30 per month service tier which makes broadband service effectively free for customers who are participating in the ACP. There are more than 20 million households that have enrolled in the ACP, however that is still less than half of the nearly 50 million households that remain eligible for the program. The ACP is to be expected to run out of funding in Spring 2024 due to no action by the federal government to extend the program. Since 1985 the federal government has provided a “Lifeline” subsidy for basic telephone service and since 2016, the Lifeline service has included a broadband subsidy, however the \$9.25/month subsidy is no longer sufficient to ensure basic broadband service.

Therefore, the Resolution seeks an official position of the City of Los Angeles to support legislation that would extend and make permanent the Affordable Connectivity Program.

BACKGROUND: The Affordable Connectivity Program was part of the Bipartisan Infrastructure Law’s (BIL) investment for broadband infrastructure and digital equity. This program, administered by the Federal Communications Commission (FCC), was launched on December 31, 2021 with the purpose of closing the digital divide by assisting qualifying low-income households with affording broadband services. The ACP replaces a similar program, the Emergency Broadband Benefit that ended on March 1, 2021. In order to qualify for the program a household must meet specific requirements such as earning an income that is at or below the federal poverty line or participation in certain assistance programs like the

Supplemental Nutrition Assistance Program (SNAP) and Medicaid. Currently, the ACP is one of the largest investments ever made in addressing the broadband affordability gap.

As of January 2024, Congress has not allocated any additional funding for the ACP, to keep the program running beyond April 2024. As a result, the FCC has started taking action to progressively wind-down the program. This wind-down will result in the ending of the ACP which means that enrolled households will no longer receive the program discounts. The last day for eligible households to apply and enroll in the ACP is February 7, 2024. Households that are enrolled with an internet company by this date and remain enrolled in the program will continue to receive their ACP benefits during the wind-down period until funds officially run out.

Support for legislation that would extend and make permanent the Affordable Connectivity Program would be consistent with past and current City support for legislation that promotes digital equity and inclusion.

BILL STATUS

- 06/04/21 Introduced
- 07/01/21 Passed the House and Order to the Senate
- 08/10/21 Passed the Senate with Amendment
- 11/05/21 House Agreed to Senate Amendment
- 11/15/21 Signed into Law by President Biden



Alyssa Suarez
Analyst

SMT:ars

Attachments: 1. Resolution (Blumenfield– Hernandez)

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, high-quality internet service is increasingly essential as a basic utility; and is often necessary for people's livelihood and education, including applying for jobs, working remotely, attending virtual classes and completing schoolwork; accessing government benefits and services; banking and financial services; and meeting many other needs such as communication (as traditional wired landlines are phased out), entertainment, and shopping; and

WHEREAS, the Infrastructure Investment and Jobs Act of 2021 appropriated \$14.2 billion for the Affordable Connectivity Program (ACP), which provides qualifying low-income households a discount of up to \$30 per month toward internet service, as well as a one-time discount of up to \$100 to purchase a laptop, desktop computer or tablet; and

WHEREAS, because many private telecommunications companies now provide a \$30 per month service tier that makes broadband service effectively free for customers who qualify for the ACP; the ACP has helped advance the goal of ensuring universal access to broadband services; and

WHEREAS, more than 20 million households have enrolled in the ACP, although this is still less than half of the nearly 50 million eligible households; and

WHEREAS, because the ACP is likely to run out of funding in Spring 2024 absent action by the federal government to extend the program; and

WHEREAS, since 1985, the federal government has provided a "Lifeline" subsidy for basic telephone service; and since 2016, the Lifeline service has included a broadband subsidy, but the \$9.25/month subsidy is wholly inadequate to ensure basic broadband service;

NOW, THEREFORE, BE IT RESOLVED that by the adoption of this Resolution the City of Los Angeles hereby includes in its 2023-2024 Federal Legislative Program SUPPORT for legislation that would extend and make permanent the Affordable Connectivity Program.

PRESENTED BY:


BOB BLUMENFIELD
Councilmember, 3rd District

SECONDED BY:


ORIGINAL

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