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POLICY BRIEF:

Addressing Financial Barriers to Broadband Access After the Expiration of the ACP

Executive Summary:

Despite the expanded broadband infrastructure in the South Bronx, the expiration of the Affordable Connectivity Program (ACP) has created a significant financial barrier to internet access (Pegoraro 2024). To bridge this digital divide, we recommend a Federal, State, and City sponsored broadband voucher program for low-income households. This solution will provide stable, affordable home internet access, enabling families to benefit fully from the digital infrastructure already in place.

Background:

To address the disparities in broadband access seen during the pandemic, initiatives like the BEAD program expanded infrastructure in the South Bronx, turning it from a 'digital desert' into a connected community.

Despite this infrastructure build-out, many families now find themselves disenfranchised once again. The expiration of the ACP in April 2024 left millions without the financial support needed to maintain internet access. The Lifeline Program, which offers only $9.25 per month in subsidies, is insufficient for families living in poverty (Pegoraro, 2024; Federal Communications Commission, n.d.).

In communities like the South Bronx, where 36.3% of residents lived in poverty in 2021, basic needs like food, rent, and healthcare can be expected to take precedence over internet access (Census Reporter, 2024; DiNapoli & Jain, 2024). Although broadband is essential, it is considered a luxury for many families struggling to meet basic living expenses. They remain disconnected from essential online services like education, healthcare, and employment.

Federal programs like the Broadband Equity, Access, and Deployment (BEAD) Program have focused primarily on expanding infrastructure but have neglected the critical issue of affordability. Without subsidies or alternative pricing models, low-income households remain disconnected despite the presence of broadband infrastructure (Flume Internet, 2024).

Digital Equity as a Social Determinant of Health (SDOH): Low telehealth usage and high preventable hospitalizations in the South Bronx highlight how lack of affordable broadband **blocks access to essential healthcare, education, and employment** (Dorvil et al., 2024).

The South Bronx faces the highest unemployment rate in New York, making broadband access essential for job searches, remote work, and participation in training programs (Census Reporter, 2024).

Census Reporter. (2024). Congressional District 15 NY. U.S. Census Bureau.

DiNapoli, T. P., & Jain, R. (2024). The South Bronx: An economic snapshot (Report No. 13-2024). Office of the New York State Comptroller.

Federal Communications Commission. (n.d.). Lifeline program update. Retrieved from https://www.fcc.gov/lifeline-program-update

Pegoraro, R. (2024, February 20). A lifeline for low-income households is available after the ACP. AARP.

Policy Recommendation: Two Possibilities, One Best Choice

1. **Broadband Vouchers for Low-Income Households:**

How It Works: This program would provide monthly subsidies to low-income families, allowing them to subscribe to broadband services from existing Internet Service Providers (ISPs) at little or no cost. Eligible households earning below the federal poverty line would receive a voucher covering $30 to $50 per month, enough to cover a basic broadband plan.

Feasibility and Scalability: By partnering with ISPs, this system could be rolled out efficiently in low-income areas like the South Bronx. **Funding could be shared across federal, state, and city sources**, leveraging the infrastructure investments already made through programs like the BEAD Program.

Impact: Broadband vouchers would provide affordable internet access for thousands of families, facilitating essential activities such as remote work, education, and telehealth.

2. **Unlimited Data Plans with Hotspot Capabilities:**

How It Works: Low-income households would receive a smartphone with an unlimited data plan capable of acting as a Wi-Fi hotspot. This would allow them to use their phones as an internet source for multiple devices.

Flexibility: This solution offers mobility and is ideal for individuals who may not need fixed home broadband services or are in unstable housing situations. It also provides access on the go for residents who currently rely on public Wi-Fi networks for connectivity.

Impact: Providing mobile hotspots would give families broadband access without the need for home installations, offering a cost-effective solution that leverages existing mobile infrastructure.

Recommendation:

While both proposed solutions address the affordability gap, **we recommend the broadband voucher program as the better choice.**

Sustainability and Stability: Broadband vouchers provide stable home internet connections essential for remote work, telehealth, and education. While mobile data plans with hotspot capabilities offer flexibility, they may not be as reliable for bandwidth-intensive activities such as video conferencing and large file transfers.

Quality of Service: Fixed home broadband generally offers faster speeds and more reliable connections than mobile hotspots. For families engaging in activities that require high-speed internet, such as online learning and work, a stable broadband connection is crucial for success.

Utilizing Existing Infrastructure: Home broadband infrastructure is already in place throughout much of the Bronx, and a voucher program would ensure this investment is fully utilized by helping families afford the service.

Mobile data plans are good for individuals in transitional housing or limited broadband needs, but they are not ideal for long-term use, teleconferencing, or live streaming.

Conclusion:

The digital divide in the South Bronx is now driven more by affordability than infrastructure. Of the two solutions, the broadband voucher program provides a stable, long-term option for reliable internet access, essential for work, education, and healthcare. By implementing this targeted policy to replace the recently expired ACP, we can effectively bridge the digital gap and bring essential connectivity to thousands of households.