

## Affordable Connectivity Program: Paving the Information Highway in Hawaii

By Daniel C. Smith

The information superhighway – a popular 1990’s term, according to Wikipedia -- may finally reach Hawaii in this decade. The 2021 Infrastructure Investment and Jobs Act (IIJA) will give Hawaii on the order of \$300+ million for broadband internet extension to under- and unserved communities. The IIJA has an explicit program of both affordability and digital equity in the form of \$14 billion included for the FCC’s national Affordable Connectivity Program (ACP). It is no longer acceptable just to run a fiber or cable to a neighborhood. Broadband internet must be affordable and newly-connected households must know how to use the internet effectively. In Hawaii, the ACP’s provision of \$30/month (\$75/month on Hawaiian Homelands – “tribal”) toward home internet bill has attracted 37,023 households as of January 9, 2023 (USAC, Universal Service Administrative Co, 2022). That’s about 8.1% of Hawaii households compared to about 11.9% nationally. Participants in the prior program, the Emergency Broadband Benefit (EBB), were transferred to the ACP in January 2022 resulting in the ACP starting with 19,644 households. The recent gains of about 1,500 new households per month is in line with the trend over the past year. In round numbers, about 50,000 additional families could sign up and thousands more families on Hawaiian homelands.

While 37,023 households are substantial, it is well below the total number likely eligible because of participation in one or more of a large number of qualifying benefits programs whose common element is financial need. Those include Pell grants for college students, Medicaid, public housing, household income below 200% of Federal poverty guidelines, disability, and more. A good measure of the potential is in the number of households receiving the Supplemental Nutrition Assistance Program (SNAP) benefit. At the end of November, 2022 there were 88,010 households participating (Hawaii Department of Human Services, 2022). SNAP participation is a better measure than the fewer students getting free or reduced cost lunch (45,749) because there can also be multiple students within one household receiving free lunches. SNAP cards should also facilitate quick approval. Using SNAP numbers as an enrollment target is also a conservative, realistic one because there are other non-overlapping programs that are also qualifiers for the ACP. Thus, the pool of eligible households is larger than just the SNAP households.

Individual communities vary widely in the percentage of ACP signups by ZIP code population – half a percent to 8.8% with the median being 1.8%. Curiously, perhaps a reflection of inequality in America, there are ACP customers in military base ZIP codes. The top ten – totaling about a third of the signups -- are listed in the table below. It shows a mixture of rural and urban areas with the island of

Molokai standing out. It is also encouraging that the two urban Honolulu ZIP codes are modest income areas.

Rank	City	Population	County	Island	Zip Code	Total Subs	% of pop.
1	Hoolehua	1,303	Maui	Molokai	96729	115	8.8%
2	Pahoa	14,409	Hawaii	Hawaii	96778	1,172	8.1%
3	Kaunakakai	4,503	Maui	Molokai	96748	300	6.7%
4	Waianae	48,519	Honolulu	Oahu	96792	3,165	6.5%
5	Hilo	46,165	Hawaii	Hawaii	96720	2,480	5.4%
6	Pepeekeo	2,060	Hawaii	Hawaii	96783	103	5.0%
7	Maunaloa	691	Maui	Molokai	96770	34	4.9%
8	Honolulu	54,628	Honolulu	Oahu	96817	2,656	4.9%
9	Honolulu	30,842	Honolulu	Oahu	96826	1,499	4.9%
10	Waimanalo	10,034	Honolulu	Oahu	96795	447	4.5%

Table: Top 10 ZIP codes for ACP enrollments by percentage of population. Population sources: zipdatamaps.com and sometka.net; ACP enrollment: USAC.

Looking more broadly at statistics, the summary of the ACP households – the qualifying units -- by county is shown the table below. It shows why the estimate of 50,000 more ACP households in Hawaii is within reach based on current SNAP households.

	Households	SNAP Households	SNAP % HH, Nov. '22	ACP Households	ACP as % SNAP
<b>Hawaii County</b>	<b>69,453</b>	22,328	32%	6,431	29%
<b>Honolulu County</b>	<b>312,795</b>	51,615	17%	23,570	46%
<b>Kalawao County</b>	<b>39</b>		0%		
<b>Kauai County</b>	<b>22,658</b>	4,582	20%	1,202	26%
<b>Maui County</b>	<b>54,479</b>	9,485	17%	3,836	40%
<b>State Totals</b>	<b>459,424</b>	<b>88,010</b>		<b>35,039</b>	<b>40%</b>
<b>Estimate of Potential Additional ACP Customers &gt;</b>				<b>52,971</b>	

Sources: NTIA Broadband USA Community Report, May 2022; USAC Nov. '22; HI State Human Services, Nov. '22

Table: ACP enrollments by county and potential indicated by household SNAP participation, Nov. '22

The differences between counties may reflect both outreach efforts and internet availability. More on outreach below.

We may ask whether \$30/mo. off the internet bill is a good deal for the providers? It is money they don't have to collect from the customers as they get paid directly by the FCC's agent, the Universal Service Access Company (USAC). The two dominant wired broadband carriers have stated publicly in the Hawaii Broadband Hui and in advertising that they will provide 100/20 Mbps. or 100 symmetric service where available for \$30/mo. including an in-home Wi-Fi access point for ACP customers. No net bill! Extension of the ACP benefit enables sales of entertainment products. Wired service tends to be

Eligible Plans		
INCLUDES UNLIMITED TALK & TEXT		
For eligible households residing on Tribal Land, all eligible plans are free.		
5GB	15GB	UNLIMITED
<b>FREE</b>	<b>\$10<sup>MO.</sup></b>	<b>\$20<sup>MO.</sup></b>
reg. \$30/mo.	Reg. \$40/mo.	with \$15/mo. AutoPay discount Reg. \$65/mo.
5GB high-speed data Mexico & Canada Mobile Hotspot (U.S. Only)	15GB high-speed data Mexico & Canada Mobile Hotspot (U.S. Only)	Unlimited high-speed data Mexico & Canada

without data caps and the Wi-Fi access point facilitates reduction in monthly mobile data purchases. Not to be outdone, mobile operators are offer deals, for example see one offer received recently.

The ISP’s must ensure on a monthly basis that their ACP customers are actually using the service and if not, take action to cure the problem within 15 days.

With nearly full signup for the ACP, the internet service providers will receive about \$28 million annually for general households (\$30/mo./household) and \$9 million annually from Hawaiian homelands households (\$75/mo./household). The difference in reimbursement reflects the higher costs associated with service to more isolated Homelands/Tribal lands. This steady stream of revenue is in the context of major network expansion funded by big infrastructure grants on the horizon.

It is worth noting the ACP is justified as providing inclusion and participation of all residents in benefits from education, health, employment, and civic participation benefits. A majority of Internet traffic is entertainment content from the major streamers such as Netflix which is the “everyday” benefit for subscribers (Layton & Potgieter, 2021).

While the ACP started in January 2022 as a rollover from the pandemic’s EBB, it took until August 2022 for the FCC to issue a Report and Order establishing an ACP outreach grant program envisioned at the creation of the ACP. In November 2022 two notices of funding opportunities (NOFO) for four outreach programs were issued.

First announced Nov. 10 were the National Competitive Outreach Program (NCOP at \$60 million) and the Tribal Competitive Outreach Program (TCOP at a minimum of \$10 million). Later, on Nov. 21, two pilot outreach grants were announced, Your Home, Your Internet Pilot Program (YHYI) Outreach Grants and ACP Navigator Pilot Program at \$5 million each. All outreach applications were due on January 9, 2023 with release of funds scheduled for March 2023. Outreach programs were anticipated and required in the IJJA. The pilot program grants must be completed within one year and the competitive grants within two years. Yes, pilot program insights are needed.

There are two basic processes for signing up for the ACP. In the first way, the customer can simply contact their existing ISP and say, “I want the ACP.” If the ISP is already providing the older Lifeline service, the ISP can make the switch (or add internet to a voice service) at the time (8,146 in Hawaii) because it has access to the National Verifier. Alternatively, if the ISP has an FCC/USAC approved “alternative” verification process, it can enroll the subscriber in ACP (11,545 such in Hawaii). Customers are free to change ISP.

In the second approach, the customer can go directly to the national verifier at [affordableconnectivity.gov](https://www.affordableconnectivity.gov), upload their document (if necessary), and get a code to take to any participating ISP (15,331 in Hawaii). Social service organization navigators and even ISP’s can help those able to get online. The National Verifier at USAC has online links to several benefit programs so often the approval is very quick. The National Verifier has links to Hawaii Medicaid, FPHA (housing), and Veterans Pensions. Manual upload for verification is needed for SNAP, SSI, Hawaiian Homelands residence, and income. Surprisingly, the total net verifications by no- or reduced-cost school lunch programs in Hawaii through November 2022 comes to all of 17 according to USAC! Efforts are being made to get schools to issue letters to parents – in paper and a PDF file.

It possible to use Lifeline for a voice service and ACP for internet service but coordination is required with the provider(s). See <https://www.affordableconnectivity.gov/do-i-qualify/> .

The FCC identified three objectives in its outreach grant fact sheet:

- \*Expand and support diverse and impactful outreach efforts nationwide;
- \*Strengthen outreach partners nationwide by empowering them to mobilize people and organizations to help raise awareness about the ACP; and
- \*Increase ACP enrollment as a result of ACP Outreach Grant Program funded activities.

The ACP sign-up activities can be seen as building capacity for the outreach required for the digital equity consultation required for broadband construction and installation in the massive BEAD program. Outreach is important because there are race and ethnicity factors in internet adoption that go beyond economic and education demographics (Ford, 2022).

The main outreach grant program will provide a minimum of \$500,000 to each state with individual grant minimums of \$50,000 and maximums of \$1 million. States can win multiple grants. Hawaii organizations could apply individually or through the Hawaii Broadband and Digital Equity Office (HBDEO) in the Department of Business, Economic Development & Tourism as a sub-awardee.

From a public statement in the Hawaii Broadband Hui January 11 meeting, six organizations joined HBDEO in requesting a total of about \$995,000 for ACP outreach. One housing and literacy-focused organization reportedly applied for the Your Home, Your Internet Pilot Program.

We may ask how much it might cost to sign up 50,000 new ACP subscribers? Based on two in-person pop-up outreach events the author helped in, we estimate that after training and practice and overhead such as follow-up, it will take about 30 minutes per enrollee. The recent experience at community events was about 24 minutes per sign-up but follow up was required. The outreach grant funding is explicitly limited to in-person ACP sign-ups; paying for remote assistance is prohibited. This poses a challenge for follow up. Also prohibited is paying on a piece-work basis for application submissions or enrollments (FCC, 2022).

In many cases the sign-ups will require less than 20 minutes, but many others will require follow-up and going out into the communities. If we assume that most of the work will be done by paid navigators, a cost estimate is shown in the table below for a cost of \$14.50 per enrollment including \$100,000 for management, transportation, publicity, etc.

Of course, some organizations will continue to facilitate ACP enrollments as part of their normal operations and missions. Community health care providers, libraries and public housing complexes are good examples. Also, volunteer work will likely continue along with FCC/USAC training for ACP navigators. Therefore, the cost estimate could be realistic in reaching 50,000 additional ACP enrollments within a year in Hawaii.

Households to enroll	50,000	50,000
Minutes per full sign-up, w/follow-up	30	30
sign-ups/hr.	2	2
Hours	25,000	25,000
hours per employee per month	160	32
Navigator Employees	10	80
Monthly hours	1,600	2,560
Months to get all signed up	16	10
Pay w/benefits/ hour	\$25	\$25
Payroll	\$625,000	\$625,000
Management & publicity	\$100,000	\$100,000
Total Costs	\$725,000	\$725,000
Cost per sign-up	\$14.50	\$14.50
Table: Cost estimate to increase Hawaii ACP enrollment		

The estimates in the table to the left compare full-time employment to employing many part-time navigators who can work in the evenings and weekends at community events or even going door-to-door. The actual sign-up process is easy requiring an ID or the last four Social Security number digits, and selection of the qualification basis. Uploading copies of documents is one obstacle. Second jobs are all too necessary – or just good opportunities -- in Hawaii. High school and college students would be a good pool of navigators with their roots in the communities along with

social service non-profits. Preliminary discussions have started about using a high school academy as a focus for ACP outreach to sign up households with students receiving free school lunches. Surprisingly, the Hawaii Department of Education has been slow in producing simple free school lunches certifications, but school principals can take the initiative.

### Conclusion

The ACP will effectively eliminate any economic barrier to internet access for nearly all Hawaii residents. It is a complement to digital equity training and equipment provisioning. ACP outreach has the added benefit of focusing community attention on areas where broadband infrastructure and digital skills training require filling the potholes of the Information Superhighway.

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