



MEMORANDUM IN OPPOSITION

S.2508 (Budget Bill)/ A.3008 (Budget Bill)

AN ACT to amend the general business law, in relation to broadband service for low-income consumers (Part QQ)

The Capital Region Chamber, representing 2,900 businesses and organizations from throughout the Capital Region that employ more than 160,000 area residents, opposes this Budget Bill, S.2508 /A.3008, which would amend the general business law, in relation to broadband service for low-income consumers (Part QQ).

Specifically, this proposal would require internet service providers to offer an affordable \$15 per month high speed internet plan to low-income households (those who earn less than 185% of the poverty rate). While the Chamber supports efforts to address the digital divide, we cannot support this budget for several reasons.

To the extent that the bill would apply to wireless Internet service providers, the Federal Communications Act expressly prohibits states from regulating the rates or entry of mobile communications providers. Specifically, Section 332(c)(3) of the Communications Act provides that “no State or local government shall have any authority to regulate ... the rates charged by any commercial mobile service or any private mobile service.” State regulation of such rates, including the proposed \$15 per month high speed internet plan for low-income households, is clearly prohibited under federal law.

Importantly, Congress, through the Consolidated Appropriations Act of 2021, created the Emergency Broadband Connectivity Fund and provided \$3.2 billion for the Emergency Broadband Benefit Program (EBB). This Act requires the FCC to create an emergency broadband benefit to connect low-income households. The EBB will reimburse providers up to \$50 per month per low-income households. The EBB is separate from, and in addition to the existing \$9.25 per month Lifeline program benefits. As a result, a household participating in both programs could get monthly benefits totaling nearly \$60. Taking these benefits into consideration, as well as the several programs that broadband providers in New York State have already instituted to aid low-income households during the pandemic, the Chamber believes that this budget proposal is unnecessary.

Although this budget proposal is well intended, for the above stated reasons, the Capital Region Chamber opposes this legislation.

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