

**STATEMENT OF
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**BEFORE THE
COMMITTEE ON TECHNOLOGY
& SUBCOMMITTEE ON ZONING AND FRANCHISE
NEW YORK CITY COUNCIL**

**FOR A HEARING CONCERNING
OVERSIGHT – BROADBAND AND THE DIGITAL DIVIDE**

**PRESENTED
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Good afternoon, my name is Will Luckman, I'm a Brooklyn resident in the 36th district, and a volunteer organizer with the New York City Democratic Socialists of America Tech Action Working Group. Tech Action fights for democratic control of technology in an effort to develop universal, equitable tech that serves a common good. Thank you, Chairperson Holden, for calling this hearing today. I'm grateful for the opportunity to discuss the City's efforts to bridge the digital divide and the need for a publicly owned and operated municipal broadband network in New York City to effectively do so.

As we've heard today, New Yorkers—and all Americans—increasingly rely on the internet to obtain education, housing, and healthcare, and for basic economic participation. Internet access is not some luxury commodity, rather it is a fundamental requirement for participation in contemporary daily life. As such, internet access must not be contingent upon someone's ability to pay, or on whether it is profitable for a private company to connect them. The onus is on the government itself to ensure everyone is connected.

Revealingly, at present, internet access in New York City is unevenly distributed along economic lines. According to the City's own research, "over 40% of the households [in NYC] without broadband live below the poverty line."¹ Market-based solutions and past public policy have failed the neediest New Yorkers, further disadvantaging them, and reinforcing existing inequality.

The current health crisis has only served to ratchet up the stakes of this divide. Without the ability to attend remote classes or complete assignments, many students are falling behind. New Yorkers with no alternative to in-person services are being forced to venture out and expose themselves and others to risk of infection. The growing numbers of unhoused and unemployed are finding it that much harder to get back on their feet. To effectively respond to COVID-19, we need the City to act immediately to expand access. Then, we need to rethink our future approach to connectivity.

We commend the current administration for correctly identifying the need for universal broadband to address this issue, as outlined in "The New York City Internet Master Plan" released by the Mayor's Chief Technology Officer this past February. We are enthusiastic about the suggested estimated \$2.1 billion outlay to achieve this goal.² But our endorsement of the Mayor's "master plan" ends there, and we strongly encourage the City not to throw good money after bad.

The fatal flaw of the prescription offered by the Mayor's Office is that it replicates the same failed core strategy employed by the City in all previous attempts to provide high speed internet to underserved New Yorkers: subsidize private providers. In the past this has taken the form of backroom franchise agreements with cushy tax breaks and rights-of-way baked in.³ In the

¹ The New York City Internet Master Plan, Mayor's Office of the Chief Technology Officer, January 2020, https://tech.cityofnewyork.us/wp-content/uploads/2020/01/NYC_IMP_1.7.20_FINAL-2.pdf

² Emily Nonko, "New York's New Broadband Plan Hopes to (Finally) Address the Digital Divide," Next City, January 29, 2020, <https://nextcity.org/daily/entry/new-yorks-new-broadband-plan-hopes-to-finally-address-the-digital-divide>

³ Juan Gonzalez, "Verizon Deal could finally offer real competition in cable TV service," The Daily News, January 23 2008, <https://www.nydailynews.com/news/money/verizon-deal-finally-offer-real-competition-cable-tv-service-article-1.344788>

present—as with the 5G franchise rules being discussed this afternoon and with the EDC-administered NYCHA broadband RFEI issued in June⁴—public assets and infrastructure are again being handed over to private companies without any price controls, labor considerations, meaningful oversight, or guaranteed return. Going forward, the Mayor’s plan calls for a variation on the same tactic: the construction of massive new municipal infrastructure to ultimately facilitate privately operated, for-profit provision of service.

Private Internet Service Providers (ISPs) have proven time and again they are terrible partners. The main reason low-income New Yorkers lack internet access is because it is not profitable to provide it to them. Yet even when the City has dipped into the public coffers to ensure maximum profitability for these corporate ISPs, they have gone out of their way to stiff the City and its residents.

In 2017 the City was forced to sue Verizon for failure to honor its agreement to provide high-speed fiberoptic connections throughout all five boroughs.⁵ Charter-Spectrum was caught lying about the speeds of the service it was providing to New Yorkers⁶ and lying to regulators about the expansion of its service to underserved communities across the state.⁷ CityBridge, the private consortium operating the LinkNYC system meant to provide New Yorkers with “free” (advertising-supported) WiFi currently owes the City tens of millions of dollars and has built only a fraction of the kiosks we were promised.⁸

Instead of getting back into bed with corporations who have shown a willingness to repeatedly defraud New Yorkers, flaunt regulations, and crucially, who have failed utterly to provide the coverage that we need, the City should take a new approach. We encourage the Council to fight back against all new subsidies for private ISPs in whatever form they take. We further encourage the Council to take steps towards developing a publicly owned and operated alternative—e.g. assessing current network assets and federal rules on direct provision—as outlined by your fellow councilmember CM Brannan in his recent op-ed on the subject.⁹

A municipal model for broadband has three major advantages over the current system. First and foremost, the City can directly provide access, free-of-charge, where it is most needed—starting with publicly owned properties like NYCHA housing, city shelters, and our public schools.

⁴ Universal Solicitation for Broadband: NYCHA, <https://www1.nyc.gov/assets/cto/#/project/usb-nycha>

⁵ Jon Brodtkin, “NYC blasts broadband competition shortage as it pursues suit against Verizon,” *Ars Technica*, April 20, 2018, <https://arstechnica.com/information-technology/2018/04/nyc-blasts-broadband-competition-shortage-as-it-pursues-suit-against-verizon/>

⁶ Jon Brodtkin, “NY sues Charter/Time Warner Cable, alleges false promise of fast Internet,” *Ars Technica*, February 1, 2017, <https://arstechnica.com/tech-policy/2017/02/ny-sues-chartertime-warner-cable-alleges-false-promise-of-fast-internet/>

⁷ Jon Brodtkin, “New York threatens to revoke Charter’s purchase of Time Warner Cable,” *Ars Technica*, June 14, 2018, <https://arstechnica.com/tech-policy/2018/06/new-york-threatens-to-revoke-charters-purchase-of-time-warner-cable/>

⁸ Kim Lyons, “The consortium behind New York City’s LinkNYC kiosks is ‘delinquent’ and owes the City millions,” *The Verge*, March 5, 2020, <https://www.theverge.com/2020/3/5/21166057/linknyc-wifi-free-kiosk-google-new-york-sidewalk-labs-payments-revenue>

⁹ Justin Brannan, “Give NYC universal broadband now,” *New York Daily News*, September 21, 2020, <https://www.nydailynews.com/opinion/ny-oped-give-nyc-universal-broadband-now-20200921-xyt5mtpzreblfpxgtmltbot5i-story.html>

Second, the City will retain control and oversight of such a system and can guarantee low costs, high speeds, net neutrality, data privacy, and environmental resiliency. Third, as we face the prospect of a severe economic downturn and continued social distancing combining to slow construction in NYC for the foreseeable future, investing in this system would also guarantee a number of good public jobs building out this much-needed infrastructure.

The cost of constructing such a system will not be cheap, which is why we were heartened to hear that the Mayor's office is willing to deploy upwards of \$2.1 billion to address this problem. Where there is a will, there is a way! But instead of blindly handing it over to corporations with a proven track record of failure as suggested, let's take that \$2.1 billion seed and invest it City-owned and operated infrastructure. City agencies like the NYPD have already proven that they can effectively build and deploy massive publicly owned networks.¹⁰ And other cities where municipal broadband systems have been deployed, like Chattanooga, Tennessee, are already netting financial returns while providing excellent service and coverage to their residents.¹¹

As has been demonstrated today, we need universal broadband coverage in NYC as soon as possible—but it is clear we won't get there by repeating the same mistakes we've made in the past. We need to simultaneously expand our imagination and reign in our credulity. In the short term, let's ensure that any immediate solutions being deployed are accompanied by strong, enforceable price guarantees and labor protections, and that retain public ownership of any City assets involved. In the long-term we encourage the Council to embrace a new strategy that prioritizes the needs of New Yorkers over the profits of a cartel of ISPs who have already shown a willingness to defraud the City.

The digital divide is exacerbating the economic inequalities already crushing millions of New Yorkers. We can't rely on profit-seeking corporations to solve this problem. It's past time the City of New York treated broadband like a basic utility and right, and stepped up and provided internet service directly.

¹⁰ About NYPD, Technology and Equipment, Infrastructure and Communications, <https://www1.nyc.gov/site/nypd/about/about-nypd/equipment-tech/technology.page>

¹¹ Evan Malmgren, "The New Sewer Socialists Are Building an Equitable Internet," *The Nation*, November 28, 2017, <https://www.thenation.com/article/archive/the-new-sewer-socialists-are-building-an-equitable-internet/>