ALBIO SIRES

8TH DISTRICT, NEW JERSEY

COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEES:

CHAIRMAN, WESTERN HEMISPHERE, CIVILIAN SECURITY, AND TRADE

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COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE SUBCOMMITTEES:

HIGHWAYS AND TRANSIT RAILROADS, PIPELINES, AND HAZARDOUS MATERIALS

> COMMITTEE ON THE BUDGET



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November 20, 2020

The Honorable Ajit Pai Chairman Federal Communications Commission 45 L Street NE Washington, DC 20554

Dear Chairman Pai:

I write to express concern about the internet affordability crisis in the United States and predatory pricing by internet service providers. While the internet has become an essential service as consumers work, learn, and connect with loved ones remotely to protect public health and safety during the COVID-19 pandemic, costs continue to prevent many from getting online when they need to the most.

The affordability crisis has had a severe impact on students in my state as hundreds of thousands of New Jersey residents have lost their jobs and are struggling financially. While the nationwide average price of a monthly internet plan is \$68.38, scholars have noted that most low-income households can afford to pay a maximum of \$10. At least 14 percent of households in New Jersey lack high-speed internet, leaving 284,879 students without internet access as schools across the state remain closed to protect public health and safety. Yet despite the ongoing pandemic, some companies have continued to raise prices and may immediately shut off a consumer's service after only one missed payment and then arbitrarily raise the monthly price of service during the contract renegotiation. For example, Optimum, one company serving New Jersey, raised prices earlier this year by as much as \$25-\$30 per month, and several communities have called for the state to investigate its poor service.

¹ Chao, Becky and Park, Claire. (2020 July). *The Cost of Connectivity 2020*. New America. Retrieved from https://www.newamerica.org/oti/reports/cost-connectivity-2020/methodology

² (2020, July 21) *16.9 million children remain logged out because they don't have internet at home.* Future Ready Schools. Retrieved from https://futureready.org/homework-gap/#facts

³ Mueller, Karen Price. (2020, January 7). Optimum is hiking prices for cable television. Here's how I saved \$30 a month. Retrieved from https://www.nj.com/advice/2020/01/optimum-is-hiking-prices-for-cable-television-heres-how-i-saved-30-a-month html.

⁴ Daye, Charles. (2020, October 21). *Howell will ask utilities board to order reduction in company's fees.* Retrieved from https://centraljersey.com/2020/10/21/howell-urges-bpu-to-order-service-charges-after-altice-failures/; Community News. (2020, September 1). Hamilton, Robbinsville request investigation into Optimum/Altice. Retrieved from https://communitynews.org/2020/09/01/hamilton-robbinsville-request-investigation-into-optimum-altice/

The Federal Communications Commission (FCC) has played a key role in ensuring that Americans have access to affordable internet services during the pandemic, including by issuing the Keep Americans Connected Pledge and increasing minimum service standards and waiving requirements for the FCC's Lifeline program for low-income consumers. However, given the ongoing nature of the pandemic and the fact that the pledge expired before the beginning of this school year, more must be done to ensure that all Americans have internet access in the months ahead, prevent predatory pricing by companies, and address the internet affordability crisis in the long-term.

Accordingly, I urge the FCC to adopt the following solutions to increase internet access and adoption nationwide:

- 1. Improve the collection of data on the cost and availability of internet service;
- 2. Promote competition in the internet marketplace;
- 3. Require companies to clearly disclose all prices on monthly internet plans to consumers;
- 4. Expand enrollment in the FCC's Lifeline program; and
- 5. Investigate predatory practices and pricing by companies, particularly regarding the renegotiation of contracts with consumers whose services have been shut off.

Thank you for your consideration of this request.

Sincerely,

Albio Sires

Member of Congress

ALBIO SIRES

8TH DISTRICT, NEW JERSEY

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January 8, 2021

The Honorable Ajit Pai Chairman Federal Communications Commission 45 L Street NE Washington, DC 20554

Dear Chairman Pai:

I write to reiterate my concern about the internet affordability crisis in the United States and predatory pricing by internet service providers, and to urge the Federal Communications Commission (FCC) to adopt solutions to protect consumers from unscrupulous practices.

In my previous letter, sent on November 20, 2020, I outlined the impact of both the COVID-19 pandemic and the internet affordability crisis on New Jersey residents. While the FCC has taken action to ensure that Americans have access to affordable internet services during the pandemic, some companies have continued to raise prices on monthly internet plans, and some may immediately shut off a consumer's service after only one missed payment and then arbitrarily raise the monthly price of service during the contract renegotiation. One company serving New Jersey raised prices on internet plans by as much as \$25-\$30 per month in 2020, despite calls for the state to investigate its poor service.

Given that Americans must rely on the internet to work, learn, and connect with loved ones, it is essential that the FCC take bold action to address the rising costs and predatory pricing that keep

¹ Mueller, Karen Price. (2020, January 7). *Optimum is hiking prices for cable television. Here's how I saved \$30 a month.* Retrieved from https://www.nj.com/advice/2020/01/optimum-is-hiking-prices-for-cable-television-heres-how-i-saved-30-a-month.html

² Daye, Charles. (2020, October 21). *Howell will ask utilities board to order reduction in company's fees*. Retrieved from https://centraljersey.com/2020/10/21/howell-urges-bpu-to-order-service-charges-after-altice-failures/; Community News. (2020, September 1). Hamilton, Robbinsville request investigation into Optimum/Altice. Retrieved from https://communitynews.org/2020/09/01/hamilton-robbinsville-request-investigation-into-optimum-altice/

many from getting online. Accordingly, I respectfully request responses to the following questions:

- 1. Since the Keep Americans Connected Pledge expired on June 30, 2020, what actions will the FCC take to help ensure that Americans struggling financially due to the ongoing pandemic can access the internet in the months ahead?
- 2. Does the FCC plan to improve its collection of data on the cost and availability of internet service nationwide? If not, please explain why. If yes, will the FCC also require companies to clearly disclose all prices on monthly internet plans to consumers?
- 3. What steps is the FCC taking to investigate predatory practices and pricing by companies, particularly regarding the renegotiation of contracts with consumers whose services have been shut off?

Thank you for your prompt attention to this request.

Sincerely,

Albio Sires

Member of Congress

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