AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

THE LIFELINE FUND: MONEY WELL SPENT?

HEARING

BEFORE THE

SUBCOMMITTEE ON COMMUNICATIONS AND TECHNOLOGY

OF THE

COMMITTEE ON ENERGY AND COMMERCE
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

APRIL 25, 2013

Serial No. 113–36

Printed for the use of the Committee on Energy and Commerce
energycommerce.house.gov

U.S. GOVERNMENT PRINTING OFFICE
82–189 WASHINGTON : 2014

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2104 Mail: Stop IDCC, Washington, DC 20402–0001

COMMITTEE ON ENERGY AND COMMERCE

FRED UPTON, Michigan
Chairman

RALPH M. HALL, Texas
JOE BARTON, Texas
Chairman Emeritus
ED WHITFIELD, Kentucky
JOHN SHIMKUS, Illinois
JOSEPH R. PITTS, Pennsylvania
GREG WALDEN, Oregon
LEE TERRY, Nebraska
MIKE ROGERS, Michigan
TIM MURPHY, Pennsylvania
MICHAEL C. BURGESS, Texas
MARSHA BLACKBURN, Tennessee
Vice Chairman
PHIL GINGREY, Georgia
STEVE SCALISE, Louisiana
ROBERT E. LATTA, Ohio
CATHY MCMORRIS RODGERS, Washington
GREGG HARPER, Mississippi
LEONARD LANCE, New Jersey
BILL CASSIDY, Louisiana
BRETT GUTHRIE, Kentucky
PETE OLSON, Texas
DAVID B. MCKINLEY, West Virginia
CORY GARDNER, Colorado
MIKE POMPEO, Kansas
ADAM KINZINGER, Illinois
H. MORGAN GRIFFITH, Virginia
GUS M. BILIRAKIS, Florida
BILL JOHNSON, Missouri
BILLY LONG, Missouri
RENEE L. ELLMERS, North Carolina

HENRY A. WAXMAN, California
Ranking Member
JOHN D. DINGELL, Michigan
Chairman Emeritus
EDWARD J. MARKEY, Massachusetts
FRANK PALLONE, JR., New Jersey
BOBBY L. RUSH, Illinois
ANNA G. ESHOO, California
ELIOT L. ENGEL, New York
GENE GREEN, Texas
DIANA DEGETTE, Colorado
LOIS CAPPS, California
MICHAEL F. DOYLE, Pennsylvania
JANICE D. SCHAKOWSKY, Illinois
JIM MATHESON, Utah
G.K. BUTTERFIELD, North Carolina
JOHN BARROW, Georgia
DORIS O. MATSUI, California
DONNA M. CHRISTENSEN, Virgin Islands
KATHY CASTOR, Florida
JOHN P. SARBANES, Maryland
JERRY MCNERNEY, California
BRUCE L. BRALEY, Iowa
PETER WELCH, Vermont
BEN RAY LUJAN, New Mexico
PAUL TONKO, New York

SUBCOMMITTEE ON COMMUNICATIONS AND TECHNOLOGY

GREG WALDEN, Oregon
Chairman

ROBERT E. LATTA, Ohio
Vice Chairman
JOHN SHIMKUS, Illinois
LEE TERRY, Nebraska
MIKE ROGERS, Michigan
MARSHA BLACKBURN, Tennessee
STEVE SCALISE, Louisiana
LEONARD LANCE, New Jersey
BRETT GUTHRIE, Kentucky
CORY GARDNER, Colorado
MIKE POMPEO, Kansas
ADAM KINZINGER, Illinois
BILLY LONG, Missouri
RENEE L. ELLMERS, North Carolina
JOE BARTON, Texas
FRED UPTON, Michigan, *ex officio*

ANNA G. ESHOO, California
Ranking Member
EDWARD J. MARKEY, Massachusetts
MICHAEL F. DOYLE, Pennsylvania
DORIS O. MATSUI, California
BRUCE L. BRALEY, Iowa
PETER WELCH, Vermont
BEN RAY LUJAN, New Mexico
JOHN D. DINGELL, Michigan
FRANK PALLONE, JR., NEW JERSEY
BOBBY L. RUSH, Illinois
DIANA DEGETTE, Colorado
JIM MATHESON, Utah
G.K. BUTTERFIELD, North Carolina
HENRY A. WAXMAN, California, *ex officio*

CONTENTS

	Page
Hon. Greg Walden, a Representative in Congress from the State of Oregon, opening statement	1
Prepared statement	3
Hon. Marsha Blackburn, a Representative in Congress from the State of Tennessee, opening statement	6
Hon. Henry A. Waxman, a Representative in Congress from the State of California, opening statement	7
Hon. Leonard Lance, a Representative in Congress from the State of New Jersey, prepared statement	132

WITNESSES

Julie Veach, Chief, Wireline Competition Bureau, Federal Communications Commission	9
Prepared statement	11
Answers to submitted questions	277
Phillip B. Jones, Chairman of the Board and President, National Association of Regulatory Utility Commissioners	19
Prepared statement	21
Answers to submitted questions	285
Jessica Gonzalez, Vice President of Policy and Legal Affairs, National Hispanic Media Coalition	40
Prepared statement	42
Answers to submitted questions	291
Geoff Feiss, General Manager, Montana Telecommunications Association	58
Prepared statement	60
Answers to submitted questions	294
Christopher Guttman-McCabe, Vice President, Regulatory Affairs, CTIA—The Wireless Association	73
Prepared statement	75
Answers to submitted questions	298
Billy Jack Gregg, Billy Jack Gregg Universal Consulting	85
Prepared statement	87
Answers to submitted questions	300

SUBMITTED MATERIAL

Letters of support, submitted by Ms. Eshoo	133
Letters of support, submitted by Mr. Rush	267
Chart entitled "2012 Top Ten High Cost Disbursements by State," submitted by Ms. Eshoo	276

THE LIFELINE FUND: MONEY WELL SPENT?

THURSDAY, APRIL 25, 2013

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON COMMUNICATIONS AND TECHNOLOGY,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC.

The subcommittee met, pursuant to call, at 10:33 a.m., in room 2123 of the Rayburn House Office Building, Hon. Greg Walden (chairman of the subcommittee) presiding.

Members present: Representatives Walden, Latta, Shimkus, Terry, Blackburn, Scalise, Lance, Guthrie, Gardner, Kinzinger, Long, Ellmers, Eshoo, Matsui, Braley, Welch, Lujan, Rush, and Waxman (ex officio).

Staff present: Gary Andres, Staff Director; Ray Baum, Senior Policy Advisor/Director of Coalitions; Sean Bonyun, Communications Director; Matt Bravo, Professional Staff Member; Andy Duberstein, Deputy Press Secretary; Neil Fried, Chief Counsel, Communications and Technology; Debbee Hancock, Press Secretary; David Redl, Counsel, Telecom; Charlotte Savercool, Executive Assistant, Legislative Clerk; Dan Tyrrell, Counsel, Oversight; Lyn Walker, Coordinator, Admin/Human Resources; Phil Barnett, Democratic Staff Director; Shawn Chang, Democratic Senior Counsel; Patrick Donovan, Democratic FCC Detailee; Margaret McCarthy, Democratic Professional Staff Member; Roger Sherman, Democratic Chief Counsel; and Kara van Stralen, Democratic Special Assistant.

OPENING STATEMENT OF HON. GREG WALDEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OREGON

Mr. WALDEN. I call to order the Subcommittee on Communications and Technology, and welcome our witnesses here today. We appreciate the work that you have put into your testimony and the thoughtfulness behind it, and we look forward to hearing from you.

When the government spends other people's money, it has an ongoing obligation to ask a fundamental question: has it spent that money wisely? After all, the people whose money it is spending might have preferred to do something different with it, especially in these tight economic times. And if the answer to the fundamental question of whether the money is being well spent is "no," then the government must ask a second question: how should it fix the situation?

Last year, the FCC spent $2.2 billion of other people's money on the Lifeline program. Specifically, it spent $2.2 billion of your money, my money, virtually every American's money, since the

Lifeline program and the entire Universal Service Fund is paid for through a charge on phone bills. Carriers provide discounted service and collect the difference from the program. Some give away phones to gain the subscribers and the recurring revenue. But at the end of the day, it is still the same taxpaying people who bear the cost, since 96 percent of the country has phone service and see a fee on their bill.

The fund has increased 266 percent since 2008, and grown almost six-fold since 1998, all while the cost of phone service has actually gone down. Despite the limit of one subsidized subscriber per household, published reports suggest some subscribers have eight or more phones with subsidized service, with one woman saying that to get one "she just goes across the street and gets it." One man has claimed to have a bag full of 20 phones on the program that he sells "for about 10, 15, 20 bucks" each. Our hearing today is to determine what can be done to curb these kinds of potential abuses.

And it is not clear the money is even really helping low-income families. According to some reports, as many as 41 percent of those receiving Lifeline support either could not demonstrate eligibility for the subsidy or refused to respond to requests for certification. Moreover, 92 percent of low-income households have phone service but only about 58 percent of those households participate in the program, so many low-income homes apparently obtain phone service without the subsidy. And despite spending $7 billion on the program over the last 5 years, the phone penetration rate among low-income households has only grown 2 percent, with only some of that growth likely attributable to the Lifeline program since at least ⅓ of low-income phone households don't use the subsidy.

There may be a number of ways to interpret these data and other data, but it certainly does not paint a picture of success. So as far as that first fundamental question goes, there is near unanimity among the FCC, both parties of Congress, and almost anyone familiar with the program that the Lifeline fund has been fraught with waste, fraud, and abuse and that the money has not been spent as wisely as it should have been.

Now there is more than enough blame to go around. The path we have found ourselves on was paved by many people, presumably with the best intentions. But it does not change the fact that we are spending large sums of money and probably squandering much of it. Which brings us to the second question, which is how to fix the situation.

Now, Senators McCaskill and Coburn say eliminate the program. Indeed, as recently as last month, Senator McCaskill concluded, and I quote, that "there is just no reason this program should continue, given its history of extensive waste and abuse." Senator Pryor and Congressman Griffin say exclude wireless providers from the program. Congresswoman Matsui, Ranking Members Waxman and Eshoo, and a number of their colleagues say expand it to broadband. Whatever we do, staying on the present course seems out of the question.

To the FCC's credit, the agency has embarked on a number of reforms since 2011. For example, to ensure only eligible households participate and to combat duplicative subsidies to a single house-

hold or even a single user, the FCC is moving forward with beefed up certification processes and creation of eligibility and duplication databases. It has also imposed independent audit requirements on carriers receiving more than $5 million a year in Lifeline funding. The FCC says its efforts will save $2 billion over the next 3 years, but are the steps the Commission is taking enough? With only a 58 percent penetration rate, the fund may still continue to grow, especially if it is expanded to cover broadband.

Should the program be eliminated? If not, should a freeze be put in place until reforms are complete? Should the program be placed under a cap or budget? I note that the 2012 FCC reform order suggested the agency would establish a budget by early 2013, but disappointingly, I see no mention of such a budget in today's FCC testimony. Should subscriber co-payments be required? Should the program be moved to a voucher system so the subsidy goes directly to the user rather than through a carrier? Should the FCC consider the waivers allowing participation by non-facilities based carriers? These are among a host of questions that many in industry, in the press, in Congress and in the public are asking and they are among the many issues that we hope to examine with today's hearing.

So I thank the witnesses for being here. Your testimony and expertise are welcome and we look forward to your ideas about this program gone awry.

[The prepared statement of Mr. Walden follows:]

PREPARED STATEMENT OF HON. GREG WALDEN

When the government spends other people's money, it has an ongoing obligation to ask a fundamental question: has it spent that money wisely? After all, the people whose money it is spending might have preferred to do something different with it, especially in these tight economic times. And if the answer to the fundamental question of whether the money is being well spent is "no," the government must ask a second question: how should it fix the situation?

Last year, the FCC spent $2.2 billion of other people's money on the Lifeline program. Specifically, it spent $2.2 billion of your money, my money-virtually every American's money-since the Lifeline program and the entire Universal Service Fund is paid for through a charge on phone bills. Carriers provide discounted service and collect the difference from the program. Some give away phones to gain the subscribers and the recurring revenue. But at the end of the day, it is still the same taxpaying people who bear the cost, since 96 percent of the country has phone service and see a fee on their bill.

The fund has increased 266 percent since 2008 and grown almost six-fold since 1998, all while the cost of phone service has gone down. Despite the limit of one subsidized subscriber per household, published reports suggest some subscribers have eight or more phones with subsidized service, with one woman saying that to get one "she just goes across the street and gets it." One man has claimed to have a bag full of 20 phones on the program that he sells "for about 10, 15, 20 bucks" each. Our hearing today is to determine what can be done to curb these kinds of potential abuses.

And it's not clear the money is even really helping low-income families. According to some reports, as many as 41 percent of those receiving Lifeline support either could not demonstrate eligibility for the subsidy or refused to respond to requests for certification. Moreover, 92 percent of low-income households have phone service but only about 58 percent of those households participate in the program, so many low-income homes apparently obtain phone service without the subsidy. And despite spending $7 billion on the program over the last five years, the phone penetration rate among low-income households has only grown two percent, with only some of that growth likely attributable to the Lifeline program since at least one-third of low-income phone households don't use the subsidy.

There may be a number of ways to interpret these and other data, but it certainly does not paint a picture of success. So as far as that first fundamental question

goes, there is near unanimity among the FCC, both parties of Congress, and almost anyone familiar with the program that the Lifeline fund has been fraught with waste, fraud, and abuse and that the money has not been spent as wisely as it should have been.

There is more than enough blame to go around. The path we have found ourselves on was paved by many people, presumably with the best of intentions. But it does not change the fact that we are spending large sums of money and probably squandering much of it. Which brings us to the second question: how to fix the situation.

Senators McCaskill and Coburn say eliminate the program. Indeed, as recently as last month Senator McCaskill concluded that "there's just no reason this program should continue, given its history of extensive waste and abuse." Senator Pryor and Congressman Griffin say exclude wireless providers from the program. Congresswoman Matsui, Ranking Members Waxman and Eshoo, and a number of their colleagues say expand it to broadband. Whatever we do, staying on the present course seems out of the question.

To the FCC's credit, the agency has embarked on a number of reforms since 2011. For example, to ensure only eligible households participate and to combat duplicative subsidies to a single household or even a single user, the FCC is moving forward with beefed up certification processes and creation of eligibility and duplication databases. It has also imposed independent audit requirements on carriers receiving more than $5 million a year in Lifeline funding. The FCC says its efforts will save $2 billion over the next three years, but are the steps the Commission is taking enough? With only a 58 percent penetration rate, the fund may still continue to grow, especially if it is expanded to cover broadband. Should the program be eliminated? If not, should a freeze be put in place until reforms are complete? Should the program be placed under a cap or budget? (I note that the 2012 FCC reform order suggested the agency would establish a budget by early 2013, but disappointingly I see no mention of such a budget in today's FCC testimony.) Should subscriber co-payments be required? Should the program be moved to a voucher system so the subsidy goes directly to the user rather than through a carrier? Should the FCC reconsider the waivers allowing participation by non-facilities based carriers? These are among the questions many in industry, in the press, in Congress and in the public are asking and they are among the issues we will examine today.

I thank the witnesses for being here. Your testimony and expertise are welcome and we look forward to your ideas about this program gone awry.

# # #

Mr. WALDEN. With that, I yield back the balance of my time and recognize the gentlelady from California, Ms. Eshoo.

Ms. ESHOO. Thank you, Mr. Chairman, for agreeing with our request, the Democrat's request, to hold this morning's hearing on the Universal Service Fund's low income program known as Lifeline.

Started nearly 30 years ago under the Reagan Administration, the Lifeline program advances an important public policy goal of ensuring affordable monthly telephone service for tens of millions of low income Americans. The program, as you know, was expanded to include wireless service during the Bush Administration, and on our side, we have consistently not only pursued the efficacy of the program, but worked to weed out any problems with it, so we appreciate the fact that you would have this hearing this morning to examine it.

Now while most of us take basic phone service for granted, for many Americans, including seniors, veterans, and the disabled who are unable to work or are temporarily unemployed, Lifeline support can be the only means for regularly staying in touch with a doctor, applying for a job, or contacting 911 during an emergency. Oversight hearings will ensure the Lifeline program is achieving its intended goals and doing so without waste, fraud or abuse.

Thanks to the reform measures implemented under FCC Chairman Genachowski, the Commission expects to save more than $2 billion through 2014. These savings have come through commonsense reform such as scrubbing subscriber roles of duplicates, requiring proof of eligibility, and de-enrolling subscribers who are not actually using service. As we look toward the future, the FCC and states must continue to take corrective action as soon as problems are identified. The timely implementation of a national database to ensure program eligibility and prevent duplication must be a top priority. I commend Congresswoman Matsui for her steadfast commitment to a 21st century Lifeline program.

In order to compete in today's economy, every American needs high speed access to the Internet, whether to apply for jobs or receive healthcare or education. We know this. This is a given fact. The Broadband Affordability Act introduced earlier this week creates a permanent program for Lifeline support for broadband, while directing the FCC to ensure accountability for carriers participating in the program.

So I want to thank each of our witnesses for the important testimony that you will offer today, the important answers to the important questions that are going to be asked of you, and for your steadfast commitment to strengthen the Lifeline program.

I now yield the balance of my time to Congresswoman Matsui of California.

Ms. MATSUI. Thank you, Ranking Member Eshoo, for yielding me time, and I would also like to welcome our witnesses here today.

It is my hope that this hearing focuses on the facts about the Lifeline program, and not the fiction. Up until recently, Lifeline has enjoyed bipartisan support. Lifeline was created by President Reagan and expanded for wireless service by President Bush. Lifeline provides a benefit to many of America's disabled veterans, seniors, tribal areas, and families in Head Start and a school lunch program.

In my district of Sacramento, nearly 30,000 of my constituents participate in Lifeline, 17,000 of whom are seniors on fixed income. The Lifeline program must be reformed and modernized in a responsible manner, and it must account for the Internet and innovation economy. Nearly 100 million Americans still have not adopted broadband, which is only more concerning given more than 80 percent of available jobs in this country now require online applications. To help address the digital divide, along with Ranking Members Waxman and Eshoo, I introduced a Broadband Adoption Act to allow eligible Americans in rural and urban areas to use Lifeline for broadband services. The bill also requires the FCC to implement a national eligibility database to ensure one Lifeline per eligible household. This will prevent the growth of a Lifeline fund in a responsible manner, while ensuring Lifeline is eligible for the millions of Americans who need it. We need to reform and modernize Lifeline, not eliminate it.

I yield back the balance of my time.

Mr. WALDEN. Gentlelady yields back the balance of her time.

We now recognize the vice chair of the full committee, the gentlelady from Tennessee, Mrs. Blackburn.

OPENING STATEMENT OF HON. MARSHA BLACKBURN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TENNESSEE

Mrs. BLACKBURN. Thank you, Mr. Chairman, and I want to welcome all of our witnesses. We are pleased that you are here, because this is a program that we are hearing quite a bit about, the Lifeline program.

You know, it was started with good intentions, and bear in mind, now it is a $2.2 billion expense. It started in 1984, and it wasn't even a $380 million program until 1998. So this is the kind of explosive growth that this program has seen, and it is why so many of our constituents are questioning the program and are questioning the use of Obama phones, as they are commonly called. And I think that what it has come to be is more or less a symbol of the mismanagement, not only within this program, but with the entire USF and the FCC's budget.

So there are plenty of questions that are springing up around this. What you are going go hear us focus us on is accountability. You know, this is an Administration that said we want to be transparent. We want to be accountable. We want to be the best at that. And we are repeatedly shown mismanagement and lack of transparency, and a shuttling, if you will, of accountabilities, and so we do look forward to reviewing this. Should it be reauthorized? Should it be wound down? Should it be eliminated? How do we hold it accountable? What reforms should go into place if it is allowed to stay? I think if it were up for sunset today, that many in this Congress would view and vote to take it down because of the mismanagement that is there.

I think that also the qualifications for individuals that are enrolled in the program, making certain that there is vetting and verification done for the individuals that are enrolled in that program.

Also questions that you get are the ones that are receiving the phones, are they obligated to use those phones on the networks, the carriers from whom they have received the phone, or can they unlock their subsidized phone and go onto their own private networks? I even had one constituent, after it came out that the bombing—the terrorist that committed the bombings in Boston were receiving welfare benefits, were they in this program? I think those are the kinds of questions that our constituents are asking, and we turn to you to be able to get those answers and to look for the way to reform and to hold this program accountable.

I thank you so much for your time, and Mr. Chairman, I yield back.

Mr. WALDEN. The gentlelady yields back.

I now recognize the vice chair of the subcommittee, Mr. Latta, for the remaining time.

Mr. LATTA. I thank the chairman for yielding the time, and I also appreciate you holding this hearing today, and I thank our distinguished panel of witnesses for testifying today.

Unfortunately, waste, fraud, and abuse are words too often associated with government programs. While the Universal Service Fund Lifeline program serves an important purpose in connecting low income Americans, the tripling of the program from 2009 to

2012, and the all the too frequent stories of abuse of the program are cause for concern. I do commend the FCC for the reforms adopted in 2012; however, I have concerns that the program is still on an unsustainable path.

I look forward to hearing more about the implementation of the Commission's reforms, and if additional actions need to be taken. Since all Americans invest in the program through a surcharge on their phone bill or through participation in Lifeline, our discussion here today is significant, not just for this subcommittee, but for all Americans across the country.

I thank the chairman, and I yield back.

Mr. WALDEN. Gentleman yields back.

Anyone else on the Republican side want the remaining 56 seconds? If not, all time is yielded back on our side.

We will turn now to the ranking member of the full committee, Mr. Waxman, for 5 minutes.

OPENING STATEMENT OF HON. HENRY A. WAXMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. WAXMAN. Thank you, Mr. Chairman.

Last month, I joined with my colleagues Representatives Eshoo and DeGette to call for a hearing on Lifeline. We asked for a hearing because we believe bipartisan oversight can strengthen this important program, and I thank Chairman Walden for agreeing to hold this hearing.

We have a national commitment to ensure every American has access to the communications services they need to fully participate in our economy and democracy. The $8 billion spent annually by the FCC's Universal Service Fund is supposed to advance that goal, but because USF is ultimately paid for by consumers, we must demand accountability to ensure the funds are spent responsibly.

Since its beginning during the Reagan Administration, Lifeline has helped millions of Americans living in poverty get home phone service. Without this assistance, these families would not be able to call for help in emergencies or participate in our economy. In advance of today's hearing, we heard from victims of domestic violence, homeless veterans, and families caring for children with disabilities that this relatively small subsidy has a big impact in keeping them connected.

Regrettably, some have made up myths about the program to score political points. Here are the facts. President Obama did not create Lifeline. The government does not give away free cell phones or iPads. Nowhere in America, except in Tennessee, do they call it an "Obama Phone." Eliminating the Lifeline program or disqualifying wireless services would not reduce our Nation's budget deficit by a single penny.

Under Chairman Genachowski, the FCC has improved efficiency and curbed incentives for waste, fraud, and abuse across all four USF programs. For Lifeline, the FCC has instituted tough measures that require consumers to demonstrate that they are eligible for benefits before they can sign up. As a result of these reforms, the size of the Lifeline program is declining. That progress must

continue, and the Commission should remain open to additional proposals that could enhance accountability.

We should also continue to modernize the program to meet the 21st century communications needs of low income Americans. That is why I am proud to be an original cosponsor of the Broadband Adoption Act introduced by Representative Matsui. The bill would allow eligible low income households to apply the Lifeline support towards broadband services. It also directs the FCC to prevent waste, fraud, and abuse and does not add a single new household to the program.

But our oversight shouldn't just stop with Lifeline. Since 1998, the High Cost Fund has distributed over $51 billion to rural telecom carriers—nearly four times as much as the low income program. I believe strongly that Americans in rural areas of our Nation need access to communication services just as much as my constituents in LA, but there are certainly equal, if not greater, incentives for waste, fraud, and abuse in the High Cost Fund.

Under Lifeline, the phone companies get $9.25 per month of Lifeline support per household, but until recently, the High Cost Fund paid some carriers thousands of dollars per month per household. Although the FCC has taken positive steps to reduce these enormous High Cost Fund subsidies, many phone companies still receive hundreds of dollars per month per household, and unlike the Lifeline program, one high cost household can have multiple subsidized lines. A low income family of five in Los Angeles is allowed one Lifeline phone to share as an economic unit. In contrast, a high cost household in Arkansas is eligible to have multiple subsidized lines going to one address. The low income family is eligible for a discount of $9 per month, while the household in Arkansas is eligible for subsidies up to $250 per line, with no limit on the number of subsidized lines. And the Arkansas subsidy is available regardless of household wealth.

Now I am not opposed to oversight of the Lifeline program. In fact, I was one of the members who requested this hearing. But I am opposed to those who want to turn this into a partisan issue or to pick on subsidies to low income families while ignoring the even larger subsidies their constituents receive.

Thank you, Mr. Chairman. I look forward to hearing from our witnesses.

Mr. WALDEN. Gentleman's time is expired.

We will now go to—hear from our witnesses, and first up is Julie Veach, who is the Chief of the Wireline Competition Bureau, Federal Communications Commission. Ms. Veach, we are delighted to have you here. Please pull that microphone pretty close to you, uncomfortably close, turn the button on, and you are set to go.

STATEMENTS OF JULIE VEACH, CHIEF, WIRELINE COMPETITION BUREAU, FEDERAL COMMUNICATIONS COMMISSION; PHILLIP B. JONES, CHAIRMAN OF THE BOARD AND PRESIDENT, NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS; JESSICA GONZALEZ, VICE PRESIDENT OF POLICY AND LEGAL AFFAIRS, NATIONAL HISPANIC MEDIA COALITION; GEOFF FEISS, GENERAL MANAGER, MONTANA TELECOMMUNICATIONS ASSOCIATION; CHRISTOPHER GUTTMAN–MCCABE, VICE PRESIDENT, REGULATORY AFFAIRS, CTIA—THE WIRELESS ASSOCIATION; AND BILLY JACK GREGG, BILLY JACK GREGG UNIVERSAL CONSULTING

STATEMENT OF JULIE VEACH

Ms. VEACH. Good morning, Chairman Walden, Ranking Member Eshoo, and members of the subcommittee, and thank you for the opportunity to address the FCC's reforms to the Lifeline program.

For more than 25 years, the Lifeline program has helped ensure that the neediest among us have access to basic telephone service, a gateway to finding a job, accessing healthcare, connecting with family, and calling for help in an emergency. The program was originally designed for old-fashioned wireline phone service. In the 2000s, as consumers increasingly adopted wireless services, the program adapted to support wireless service for low income families, but adequate protections were not put in place and the Lifeline program became a target for waste and abuse.

Seeing the facts, in 2009 the Commission started overhauling the program to root out waste, fraud, and abuse, and to modernize it to meet the communications needs of low income Americans. Building on recommendations from the Joint Board on Universal Service, in 2011 the FCC initiated comprehensive Lifeline reforms. The reforms are expected to produce $2 billion in savings through the end of 2014. In addition, for the first time, the Commission adopted clear goals for the program: ensuring the availability of voice and broadband services for low income Americans, and minimizing the burden on consumers and businesses who pay for it.

Let me walk you through the major reforms. First, the Commission took steps to ensure that only one eligible consumer per household participates in the program. Our rules now require that low income consumers prove eligibility at the time of enrollment. We are working closely with states and other federal agencies to automate this process. The FCC also put in place an annual recertification requirement to ensure that only eligible subscribers remain in the program. This reform alone is projected to save $400 million in 2013. We have also been working since 2010 to eliminate duplicative Lifeline support. Through targeted data reviews, we have eliminated 1.5 million duplicate subscriptions, saving $180 million a year. In addition, the National Lifeline Accountability Database, which will be operational by the end of the year, will permanently detect and prevent duplicative support.

The FCC took several other steps. We eliminated Link Up support to providers offering service on non-Tribal lands, support originally intended to defray the cost of dispatching a technician. This reform resulted in savings of over $93 million last year. The FCC also adopted new oversight and auditing requirements, and we are

actively enforcing our rules. Recently, the FCC's Endorsement Bureau pursued cases against two providers that resulted in an enforcement action over $1 million, and issued nearly 200 warnings to individuals notifying them that they violated the program rules.

Finally, using savings from the reforms, we launched a broadband pilot that will provide critical data as the Commission considers how best to ensure that low income Americans have access to broadband, which is becoming essential to access jobs, education, and economic opportunity.

Before closing, I would like to emphasize the critical role of our state partners. Under the Communications Act, states designate the providers to participate in the Lifeline program, including in most cases wireless providers. In addition, states can operate as laboratories for reform by adopting rules and safeguards that go beyond the FCC's baseline, and by using their own systems to detect and eliminate duplicative support.

In closing, I wish to emphasize that access to phone service increases access to jobs, medical care, and social services, things that can lift consumers out of poverty. We look forward to continuing to work with you, our state partners, other federal agencies, industry, consumer groups, and the low income community to ensure that our program is disciplined and effective. Thank you.

[The prepared statement of Ms. Veach follows:]

Statement of Julie A. Veach
Chief
Wireline Competition Bureau
Federal Communications Commission
Before the
Subcommittee on Communications and Technology
Committee on Energy and Commerce
U.S. House of Representatives

April 25, 2013

INTRODUCTION

Good morning Chairman Walden, Ranking Member Eshoo, and Members of the Subcommittee, and thank you for the opportunity to appear today to address the Federal Communications Commission's reforms to the Lifeline Program.

For more than 25 years, the Lifeline program has helped ensure that the neediest among us have basic access to our nation's communications networks. The program started in 1985; then, in the Telecommunications Act of 1996, Congress codified the principle that "consumers in all regions, including low-income consumers . . . should have access to telecommunications and information services." The Commission's Lifeline program implements that directive. Since its beginnings, Lifeline has helped millions of low-income Americans afford basic telephone service, which in turn has allowed them to find jobs, access health care, connect with family, and call for help in an emergency. Real world examples of individuals using Lifeline include the man in Atlantic City, New Jersey, who used his Lifeline service during Hurricane Sandy to maintain contact with family members fleeing the storm; the 82-year-old Lifeline subscriber who successfully called for help when her car broke down; and the woman in Baltimore, Maryland, who was able to contact doctors for her sick child while they live in a homeless shelter.

In recent years, the adoption and use of mobile communications indelibly changed the communications landscape; the Lifeline program grew both in importance to low-income consumers and in dollars spent. Seeing the facts, in 2009 the Commission started overhauling the program to make it more accountable; to root out waste, fraud, and abuse; and to modernize it to meet the communications needs of low-income Americans, while minimizing the burden on the consumers and businesses that fund the program. These steps have fundamentally altered the course of the program. Disbursements have declined steadily from $185.1 million in December 2012 to $143.7 million in March of this year. Overall, the changes implemented by the Commission are expected to lead to $2 billion in savings through the end of 2014. These steps are consistent with the Commission's overarching goal of bringing greater fiscal responsibility to all four of the universal service programs while ensuring that the programs keep pace with the changing communications landscape. My testimony will provide a description of the history of the Lifeline program and the steps the Commission has taken to reform it.

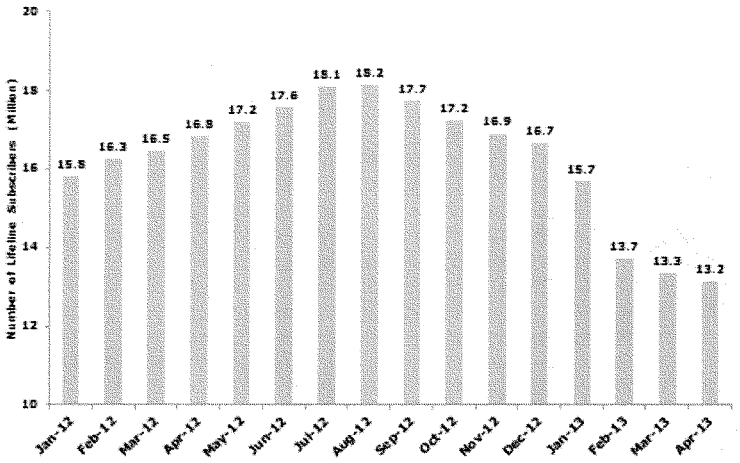
FCC REFORM OF LIFELINE

The FCC established the Lifeline program in 1985 in the wake of the divestiture of AT&T to ensure that low-income consumers had access to affordable telephone service. That original program was for a phone service delivered through one wire into the home. In the 1996 Telecom Act, Congress codified into law the principle of ensuring that low-income consumers have access to communications services. As American consumers increasingly began to adopt wireless services, the universal service program adapted to support wireless service in rural areas through the high-cost fund and for low-income families under Lifeline. In 2005, the FCC determined that under certain conditions non-facilities based wireless providers could participate in the program as Lifeline-only Eligible Telecommunications Carriers (ETCs). The Commission's goal was to foster more competition among providers to improve consumer choice. In 2008, the first such providers were authorized to receive Lifeline funding. Because adequate protections were not put in place when these decisions were made, the Lifeline program became a target for waste and abuse.

As it became clear that sufficient protections were not in place to ensure that carriers only received support for serving eligible consumers, the Commission took action to correct these problems. In 2009, Chairman Genachowski urged FCC staff to assess the broadband needs of our nation, including universal service. Staff produced the National Broadband Plan in March 2010 in which, among other recommendations, it encouraged the FCC to work with states to clarify Lifeline program obligations and determine eligibility best practices. Shortly thereafter, in the spring of 2010, the FCC asked the Federal-State Joint Board on Universal Service (Joint Board) for input on reforming the Lifeline program.

Building on recommendations from the Joint Board, as well as recommendations in a 2010 report from the Government Accountability Office (GAO), in 2011 the FCC initiated reforms of the Lifeline program not only by commencing a comprehensive rulemaking but also by implementing intermediate steps directed at reducing duplicative support, including targeted audits. The rulemaking ultimately culminated in a complete overhaul of the program in early 2012 when the Commission approved the Lifeline Reform Order. The reforms unanimously adopted by the Commission last year, and referred to as "a model of entitlement reform" by Commissioner Robert McDowell, have already resulted in hundreds of millions of dollars in savings to the Universal Service Fund and a steady decline in Lifeline subscribers every month since August 2012 (see chart below).

Lifeline Subscribers (January 2012 – April 2013)



The Lifeline program is currently on track to save approximately $2 billion by the end of 2014. These savings will be achieved through reform and modernization of all aspects of the program. The reforms include: (1) requiring consumers to provide proof of eligibility at enrollment; (2) requiring consumers to certify that they understand key program rules and to recertify annually their continued eligibility for support; (3) limiting the Lifeline benefit to one per household; (4) eliminating Link Up support for all providers except those that receive high-cost universal service support on Tribal lands; (5) establishing a uniform, nationwide floor for consumers' eligibility to participate in the program, which states may supplement; (6) enhanced requirements concerning marketing and advertising practices of supported carriers; and (7) putting in place a robust audit requirement for providers entering the Lifeline program and an ongoing independent audit requirement for providers drawing more than $5 million from the Fund.

For the first time, the Commission adopted clear goals for the program: ensuring the availability of voice and broadband services for low-income Americans and minimizing the burden on the consumers and businesses who contribute to the program. The Commission will measure progress towards these goals by examining, among other things, the relationship between spending on the Lifeline program and penetration rates among low-income consumers.

In addition, the Commission, in partnership with the Universal Service Administrative Company (USAC), the administrator of the Fund, has also identified and cut substantial amounts of duplicative Lifeline support, resulting in the de-enrollment of hundreds of thousands of

subscribers with more than one Lifeline supported service. And at our direction, USAC is building the National Lifeline Accountability Database that will, by the end of this year, detect and prevent duplicative support before it occurs. These reforms are in place, are working as intended, and are cutting waste, fraud and abuse from the program while ensuring that low-income consumers have access to basic communications.

Let me walk you through each of the Commission's reforms and quantify the savings to the Fund as a result of the Commission's reforms:

Proof of Eligibility, Certification and Recertification

In reforming the Lifeline program, the Commission took several steps to ensure that only eligible consumers that affirmatively request Lifeline service are able to receive it.

First, Commission rules require documented proof of eligibility for all consumers enrolling in Lifeline. Prior to the Lifeline Reform Order, consumers in most states did not have to prove that they were eligible for Lifeline. Rather, most subscribers only had to self-certify their eligibility. Based on verification data collected by the states and the Commission, it was apparent that ineligible consumers were receiving Lifeline supported service. To end this, the Commission's reforms require that subscribers now prove eligibility at the time of enrollment. Such proof can be established through state eligibility databases where available or by a review of documentation provided by the consumer. This Commission will not tolerate participation in the program by ineligible consumers and is working closely with other federal agencies to automate the eligibility check.

Second, consumers must certify their eligibility at the time of enrollment. This means that they must attest that, under penalty of perjury, they understand and will comply with program rules. Providers are also required to make disclosures to consumers regarding the nature of the Lifeline benefit and the consumers' duty to comply with the rules. These certification and disclosure requirements work in tandem with the proof requirement described above to ensure that only eligible consumers sign up for support.

Third, the Commission put in place a robust recertification requirement to ensure that only eligible subscribers remain in the program. Prior to adoption of the Lifeline Reform Order, subscribers were not required to confirm their ongoing eligibility. Subscribers must now recertify their continued eligibility annually. A subscriber that fails to recertify in time but still remains eligible for Lifeline has the opportunity to reenter the program but must go through all the required steps of a new subscriber, including the requirement to provide proof of eligibility. This reform alone is projected to save $400 million in 2013.

Eliminating Duplicative Support

Since 2011, before the release of the Lifeline Reform Order, the Commission has worked on several fronts to eliminate duplicative Lifeline support. For example, through targeted audits known as In-Depth Data Validations (IDVs) initiated in June 2011, we have eliminated 1.5 million duplicate Lifeline subscriptions in nearly 30 states, saving the Fund $180 million a year.

In addition, construction of the National Lifeline Accountability Database has begun which will permanently detect and prevent duplicative support in violation of our one-per-household rule.

While the database is in production, USAC will continue with its IDV process to scrub the rolls and eliminate duplicate subscriptions. Thus far, USAC has reviewed over 18.8 million Lifeline subscriber records to check for duplicate subscriptions, and plans to review an additional 8 million subscriber records before the end of the year.

Eliminating Unnecessary Connection Fees

The FCC eliminated Link Up support to providers offering service on non-Tribal lands. Link Up was originally intended to offset the charges providers imposed for activating telephone service. The FCC concluded that the subsidy was no longer necessary in most instances because consumers increasingly have service options from providers that neither draw upon Link Up support nor charge the subscriber an activation fee. In short, some carriers were receiving significant amounts of Link Up support for the purpose of signing up new customers, not for activating new service. However, given the significant telecommunications deployment and access challenges on Tribal lands, the FCC maintained enhanced Link Up support for those ETCs that also receive high-cost support on Tribal lands. By targeting Link Up support to only those areas where support is necessary, Link Up expenditures dropped from roughly $14 million per month in May to less than $200,000 in December 2012, resulting in a savings of over $93 million in 2012.

Usage Requirements

To ensure that Lifeline subscribers are actually using the subsidized service, the FCC has imposed "non-usage" procedures on providers that do not require their subscribers to pay monthly charges. These providers must de-enroll a subscriber if the subscriber does not use the service for 60 days. In 2012, over 275,000 Lifeline subscriptions were eliminated due to inactivity, saving the Fund over $30 million on an annual basis.

Consumer Disclosures

The FCC has also taken a number of steps to protect and empower low-income consumers, including new measures to ensure that consumers are informed of program requirements. Lifeline providers are required to include in plain, easy-to-understand language in all Lifeline marketing materials specific disclosures, including a disclosure telling the consumer that Lifeline is a government benefit program, that a consumer must be eligible to receive Lifeline service, and that the consumer may receive no more than one benefit per household. Lifeline providers must also disclose that consumers who willfully make false statements in order to obtain program benefits can be punished with a fine or imprisonment or barred from the program.

Enhanced Oversight of Lifeline Providers

The FCC takes seriously its responsibility to ensure its rules are followed and to identify and deter any future program abuse. Indeed, the FCC has adopted new requirements to increase oversight of Lifeline providers and enhance the auditing program. USAC will audit all newly designated Lifeline providers that have not previously provided Lifeline services anywhere in the country to ensure they have established effective controls and procedures to comply with the FCC's rules. To ensure accountability and maintain oversight for the largest recipients in the program, the FCC is also implementing independent audits that will apply to those Lifeline providers that draw $5 million or more from the Fund in a given year. Every two years, a Lifeline provider drawing more than $5 million from the fund must hire an independent auditor to conduct an audit by assessing the provider's overall compliance with the Lifeline program's rules.

We recognize that the integrity of the Lifeline program requires compliance with and enforcement of the program's rules. In addition to the audit requirements, we are actively enforcing our rules to punish and deter violations. Recently, the FCC's Enforcement Bureau pursued actions against two providers that resulted in an enforcement action worth over $1 million; other investigations are ongoing. In addition, the Enforcement Bureau has issued nearly 200 citations to individuals in eight states notifying them that they violated the Lifeline program rules by receiving multiple Lifeline benefits. These citations order the consumers to cease and desist from applying for—or receiving—more than one Lifeline-supported phone service, and warn them that the FCC may impose a monetary fine if the violations continue.

While the Commission's reforms have taken hold and reduced program disbursements, we recognize that our work is not complete. The Commission is continuing to monitor the impact of its reforms to see whether additional measures are necessary to ensure the integrity of the Lifeline program.

Role of States in Implementing Lifeline Reforms

The states have an important role in overseeing the program as well—they have been our partners in reform and remain our partners in oversight and enforcement. Indeed, states have often served as laboratories of policy innovation in this area and as vital guarantors of universal service.

Under section 214(e)(2) of the Communications Act, states designate providers as ETCs to participate in the Lifeline program, including in most cases wireless ETCs. Currently, all but ten states and the District of Columbia handle the designation of Lifeline-only wireless ETCs to participate in the program. States have broad authority to conduct thorough reviews of ETC applications. The FCC's new rules require that providers demonstrate that they are "financially and technically capable of providing Lifeline service in compliance with program rules." In deciding whether to designate a provider to participate in Lifeline, a state must, among other things, review how long the company has been in business, whether the provider intends to rely exclusively on universal service disbursements to operate its business, whether the provider

receives or will receive revenue from other sources, and whether it has been subject to enforcement action or ETC revocation proceedings in any state.

As part of its ongoing commitment to fight waste, fraud, and abuse in the program, the FCC now requires that all non-facilities-based providers seeking to become Lifeline-only ETCs first have a compliance plan approved by the Wireline Competition Bureau before being designated as an Eligible Telecommunications Carrier by a state or the Commission. Commission staff thoroughly reviews these plans to ensure that providers have procedures in place to adhere to the new stringent program requirements.

In addition, the Lifeline Reform Order established two key ways that states can continue to operate as laboratories for reform. First, the Lifeline program rules are a foundation upon which states can build. For example, states may adopt rules and safeguards for the program that go beyond the FCC's recent reforms. Indeed, California and Georgia are among several states that have adopted rules that go beyond the FCC's core requirements for the program. States may also include other programs that qualify consumers for Lifeline as long as those programs are related to income. Second, the Commission established a process by which states with their own system to detect and eliminate duplicative support can opt-out of the National Lifeline Accountability Database. This allows states to keep in place effective systems to eliminate waste, fraud and abuse while limiting the administrative burden on the national database. Four states and Puerto Rico have opted-out of the national database.

Affordable Broadband

These reforms are putting the program on a firm footing for the future, so it can more effectively serve low-income consumers, including helping low-income consumers afford broadband. Consistent with the language and purposes of the Communications Act, the Lifeline Reform Order establishes as a core program goal ensuring universal availability of broadband for low-income Americans. Using a portion of the savings from the Lifeline program reforms, the Commission currently has underway a broadband pilot program that will provide critical data and rigorous analysis regarding how Lifeline can potentially help efficiently and effectively increase broadband adoption and retention among low-income consumers.

Robust, affordable broadband has become essential to access jobs, education, and economic opportunity. Over 80 percent of Fortune 500 companies today – including Wal-Mart and Target – require online job applications. And students with broadband at home have a 7 percent higher graduation rate. But low-income households adopt broadband at much lower rates than the average household: Fewer than 36 percent of families with incomes less than $25,000 subscribe to broadband at home, compared to nearly 92 percent of families with incomes over $75,000, according to the U.S. Census Bureau.

Pursuant to the Commission's directive, the Wireline Competition Bureau has initiated an 18-month Broadband Pilot Program consisting of 14 high-quality projects. Data from these projects – together with data from other low-income broadband adoption programs around the country, including those funded by the American Recovery and Reinvestment Act, Comcast's Internet Essentials, Centurylink's Internet Basics, and the Connect-to-Compete program – will

be rigorously analyzed to ensure a full understanding of how Lifeline might support broadband.

CONCLUSION

In closing, I wish to emphasize that the goal of these reforms to the Lifeline program is to ensure that the truly needy in our nation are not deprived of something as basic to everyday life as phone service. Indeed, access to phone service increases access to employment, medical care, and social services—things that can ultimately lift consumers out of poverty.

We recently heard from a Lifeline subscriber whose story epitomizes the benefits of this program. The subscriber is a single father of two children, one of them with special needs. After being laid off from an engineering firm, he worked a series of part-time jobs (painting houses, retail, etc.) to try to support himself and his family. His landline and mobile phone service were eventually turned off because he could not afford them, leaving him with no way to communicate with his children's doctors and caregivers, and no way for prospective employers to reach him. After obtaining Lifeline service, he was able to connect with employers and secure a job. This is just one example of how Lifeline service has served as a gateway for low-income Americans to connect and participate in today's society.

Mr. WALDEN. Thank you, Ms. Veach. We appreciate your testimony and the work at the FCC.

We will now go to Mr. Phillip Jones, Chairman of the Board and President of the National Association of Regulatory Utility Commissioners. We appreciate not only your testimony, but the response to our letter as well where we had sought your input and that of your members across the country, so Mr. Jones, I thank you and please go ahead.

STATEMENT OF PHILLIP B. JONES

Mr. JONES. Thank you, Chairman Walden. Good morning, members of the committee, Ranking Member Eshoo. I am pleased to testify today on the federal Lifeline program.

I am a Commissioner of the Washington State Utilities and Transportation Commission, and also as the chairman noted, President of NARUC. We are a group that represents public utility commissions around the country, 50, plus the District of Columbia, plus certain territories. Over 200 commissioners and 8,000 staff are regulating, hopefully with humility, in the public interest, and we take this responsibility, as Ms. Veach said, seriously. This is a valuable program. It has been operated under a federalist construct for 3 decades. It is bipartisan, but we recognize the need for more accountability today. And as we said in our letter to you last Friday, Chairman Walden, we tried to answer your questions on accountability, and we did a survey. We got 30 responses.

Just let me say a few things about background on this. When this program was created in 1985 after the breakup of AT&T, the program applied only to landline service and the opportunity for abuse was limited under the old AT&T system. There was little competition in the marketplace. Wireless was not available. Cable VoIP was not available. But in 2005, the FCC broadened the program by making discounts available, as Ms. Veach noted, to non-facilities based carriers. These are resellers of equipment and networks offered by the wireline folks. These new entrants, led by a company called TracFone, developed business plans, for profit business plans, providing not only low income consumers with free cell phones and free minutes, but generating healthy profits. Nothing wrong with that. It was just new. Such plans were not possible or even heard of in 1985 or 1996. What happened? Explosive growth. Explosive growth in the low income fund.

In November of 2009, NARUC called for improved verification practices to overhaul a system grounded in self-certification. This program is grounded in self-certification. Yes, under the penalty of perjury, but it is basically self-certification. Many NARUC members had issues with that, Mr. Chairman, right from the start, me included, but the FCC chose not to deal with it then and we have kind of the problem that we have today.

As the FCC, however, continues to work on databases to eliminate duplicate support and verify eligibility, some states moved ahead. Ranking Member Eshoo and Congresswoman Matsui, your State of California has been a leader in this regard. 2006 they started a new program on verification. You may disagree because 500,000 people were de-enrolled, but they really stepped up to the plate even before the FCC acted.

So there are five states now that have opted out of the FCC's program. Vermont is included, Representative Welch, and California has opted out of this new order last year. And at least 11 states social service databases are being used to confirm consumer eligibility at the front end, including my State of Washington. More states are considering establishing such databases, but the cost can be prohibitive and the expectation of federal databases may cause some states to avoid the cost of creating their own.

I was pleased when the FCC took action on Lifeline in 2010, and let me commend the FCC for referring this to the Joint Board. The Joint Board process with the states was set up to deal with difficult technical issues like this. I note at the time Ray Baum served as the Commissioner. He was very active on the Joint Board, and I think Ray would agree with me that the Joint Board process for Lifeline worked well. Referred to the Joint Board, came back with a recommended decision within 6 months, record time, and then the FCC—as Julie said, the FCC acted on it. This is a textbook example of how the congressionally mandated Joint Board process should work.

We have some results in the State of Washington. I won't dwell on those now. I can respond in questions, but about 35, 37 percent with one carrier, 25 percent with another. They either didn't respond or they were de-enrolled last year. So this certification and recertification process does work.

I have some questions about why people don't respond. I think there are some legitimate concerns about why these people don't respond. Maybe a homeless person without an address. It may not be addressed to the proper person. The carrier may not have the resources to follow up. And I think legitimate people who qualify at 135 percent of the federal poverty guidelines should get this service.

So in closing, I think it is a valuable program. I commend Julie and the FCC staff. They worked hard on this. As I said, this is a shared responsibility—states, FCC, carriers, low income groups. So I look forward to the questions and answers. Thank you.

[The prepared statement of Mr. Jones follows:]

Testimony on behalf of the

National Association of Regulatory Utility Commissioners (NARUC)

by

Commissioner Philip B. Jones
NARUC PRESIDENT

before the

United States House of Representatives
Energy and Commerce Committee
Subcommittee on Communications and Technology

hearing on

The Lifeline Fund: Money Well Spent?

April 25, 2013

National Association of Regulatory Utility Commissioners
1101 Vermont Ave, N.W., Suite 200
Washington, D.C. 20005
Telephone (202) 898-2207, Facsimile (202) 898-2213
Internet Home Page http://www.naruc.org

Summary: The Universal Service Fund (USF) low-income Lifeline program is a shared responsibility of federal and State policymakers. It is a responsibility my State colleagues and I take seriously. Lifeline is an important social program which allows low-income customers to be connected to voice networks. NARUC has a long history of supporting it. Still, given the rapid expansion in the Lifeline program in the past several years, we have raised many of the same concerns you have. Indeed, four years ago, in 2009, NARUC passed a resolution that pointed out that "some States are developing real-time access to information necessary to verify household eligibility and ensure that a household receives only one Lifeline Subsidy" and called upon both States and the FCC to "review existing procedures to verify eligibility . . . including consideration of real-time verification."[1]

Our federalist system allows States to act as laboratories for programs providing useful and tested templates to guide federal (and other State) policy makers' decisions. The FCC is to be commended for recent reforms addressing waste, fraud and abuse and their collaboration with NARUC and States. Some States have enacted prophylactic measures as well including databases on duplicates and eligibility, periodic compliance audits of carriers and even, in some cases, revoking carrier ETC designations. Unfortunately, the ability of our members to audit and investigate waste, fraud, and abuse by wireless Eligible Telecommunications Carriers (ETCs) is hampered in some States because of limited statutory authority over non-wireline carriers. The FCC's decision broadening the Lifeline program in 2005 to include non-facilities based wireless service plans had a dramatic impact. As a result, certain non-facilities based, prepaid wireless providers created business plans not only providing low-income consumers with free cell phones and minutes each month, but also generating a profit. Such business plans were not possible in

---

[1] See, *Resolution on Lifeline Service Verification (November 2009)*, available online at: http://www.naruc.org/Resolutions/Resolution%20on%20Lifeline%20Service%20Verification.pdf.

1985 or even in 1996. The explosive growth in the fund is testament to their popularity. However, it fundamentally changed the incentives of both customers and companies – encouraging both to abuse the program. Though the potential for abuse was obvious, until relatively recently, no effective safeguards were imposed to address the new vulnerabilities. The recent reforms are a significant step forward. But a thorough analysis of the recent recertification process is needed to identify needed modifications before the next recertification.

Testimony:

Chairman Walden, Ranking Member Eshoo, and Members of the Subcommittee, thank you for the opportunity to testify today on the Federal Lifeline Program. NARUC submitted information to the committee last week on State actions to combat waste, fraud and abuse. I will not repeat all that information but welcome any questions on that data at the appropriate time.

I am a Commissioner with the Washington Utilities and Transportation Commission and currently serve as President of the National Association of Regulatory Utility Commissioners (NARUC). It is – like Congress – a bipartisan organization. NARUC's members include public utility commissions (PUCs) in all your States, the District of Columbia and U.S. territories with jurisdiction over telecommunications, electricity, natural gas, water and other utilities. NARUC member commissioners are the in-State experts on the impact of FCC programs in your State and on your constituents. The Universal Service Fund (USF) and the low-income Lifeline program we are discussing today are shared responsibilities of federal and State regulators. I personally take this responsibility seriously, as do my colleagues across the country.

Lifeline provides low-income consumers with discounts on monthly telephone service enabling them to connect to the vital telecommunications network. Approximately 2,000

telecommunications companies are eligible to provide these discounts. Established in 1985, the federal program provides discounts for voice communications on monthly wireless or wired phone bills ($9.25 a month) to low-income households. Eligible residents of Indian reservations or Tribal lands can receive up to an additional $25 in discounts. About 40 States provide matching Lifeline funds ranging from $.75 to $8.50 a month. My State of Washington provides $2 in monthly matching funds, but most States offer $3.50. The support is given directly to service providers on behalf of the low-income consumer households.

NARUC has a long history of supporting this vital social program. We have also supported transitioning the program to include broadband service adopting multiple resolutions in recent years.[2] But given the incredible growth in the program, my State colleagues and I have come to share many of the concerns you are focusing on today. As Chairman Walden noted recently, the Lifeline fund grew from about $800 million in 2008 to about $2.2 billion in 2012. At the same time, the USF contribution factor has grown, in part, to accommodate this increase in program costs and currently stands at 15.5% of interstate revenues.

NARUC recognizes that managing the total size of the USF is important so we can protect the consumers who pay for its expansions through a surcharge on their bills. These costs burden consumers and may negatively affect economic activity, progress and recovery if the appropriate accountability mechanisms are not in place.

---

[2] NARUC's [1] February 2008 *Resolution to Support Equal Access to Communication Technologies by People with Disabilities, at* http://www.naruc.org/Resolutions/People%20with%20Disabilities%20Resolution1.pdf; [2] February 2009 *Resolution on Lifeline and Link-Up Program Support for Broadband Internet Access Services and Devices,* at: http://www.naruc.org/Resolutions/TC%20Resolution%20on%20Lifeline%20and%20Link-Up%20Program%20Support%20for%20Broadband%20Internet%20Access%20Services%20and%20Devices.pdf; [3] November 2009 *Resolution on Legislation to Establish a Broadband Lifeline Assistance Program* (Supporting a permanent program); http://www.naruc.org/Resolutions/Resolution%20on%20Legislation%20to%20Establish%20a%20Broadband%20Lifeline%20Assistance%20Program.pdf.

Our federalist system of government allows States to act as laboratories for programs providing useful and tested templates to guide federal (and other State) policy makers' decisions. Lifeline is no exception. As the FCC continues work on databases to eliminate duplicate support and verify eligibility, some States moved ahead and created their own. According to an informal survey of our members, five States established programs to eliminate duplicative support and have been allowed to opt out of the FCC's National Lifeline Accountability Database.[3] At least 11 States in our informal survey use State social service databases to confirm consumer eligibility for participation in the Lifeline program.[4] But as more States consider establishing such database verification systems, the costs of doing so can be prohibitive, as States, like the federal government, are not immune to current economic conditions. As often happens, the expectation that the FCC will create federal databases may cause some States to wait to leverage the federal databases and avoid the costs of creating standalone databases.

Eleven States responding to our survey have programs to periodically conduct compliance audits on ETCs and/or of Lifeline recipients.[5] For example, California, in addition to financial and compliance audit provisions, has had annual renewal/recertification requirements since 2006. Unfortunately, the ability of some States to audit and/or investigate waste, fraud, and abuse may be hampered by rules or laws restricting, or removing outright, their authority over wireless companies.

One key capability States have to ensure carriers follow rules is the ability to revoke or not grant ETC designation pursuant to Section 214(e) of the 1996 Act. Six States responding to

---

[3] States establishing their own program to eliminate duplicates: California, Texas, Vermont, Oregon, and Puerto Rico.

[4] States responding they have a system or program in place to confirm the eligibility of Lifeline subscribers by using social service agency databases: AK, CA, FL, IL, IN, KS, NE, NY, OR, WA, WI.

[5] States responding that have requirements for requiring periodic compliance audits on lifeline carriers or recipients: CA, CO, FL, KS, ME, MA, NE, NJ, OR, WI, WY.

our survey have refused an application for ETC designation filed by a carrier. Seven others have revoked the designation for questionable practices and/or violating program rules.[6] But these numbers do not tell the whole story. In many cases, a carrier whose ETC application for or existing ETC designation is being challenged will often withdraw its application or relinquish its ETC status once it becomes clear it will not be granted or may be revoked. Such actions are not reflected in any State statistics. Moreover, many States require ETCs to certify--when they are seeking designation or submitting annual filings--that it is in compliance with all federal and State rules and whether the provider's ETC designation has been suspended or revoked in any jurisdiction.

In 2005, the FCC broadened the Lifeline program making discounts available to qualifying low-income consumers on pre-paid wireless service plans in addition to traditional landline service. At that time States expressed concern with the potential for fraud and abuse.

In the "old days" of the late 80's and the early 90's the opportunity to abuse Lifeline was limited. Most consumers had access to only one provider of wired phone service, the incumbent local exchange carrier. Lifeline consumers got their allotted discount but had to pay the remainder of their bill each month to keep their service. In such cases, duplicate Lifeline subsidies to single household were less common. Where they did occur, they were easier to investigate because service was provided to a specific geographic location. With a limited number of carriers and the focus on incumbent LECs, it was easier for the FCC, USAC and State PUCs to regulate and oversee Lifeline subscribers. Moreover, no companies provided completely free service. There was no industry segment with a business plan focused on making money off of the Lifeline program. In fact, the program was more likely a money loser for most carriers.

---

[6] States responding they had revoked a carriers ETC designation: FL, KS, KY, MI, MN, WA, WI.

While the Lifeline discount was rebated by USAC, the carriers bore the unreimbursed costs and administrative burdens associated with marketing and enrolling customers in the program.

Everything changed when the FCC allowed non-facilities based, wireless providers to enter the Lifeline market. They developed business plans not only providing low-income consumers with free cell phones and an allotment of free minutes each month, but also generated healthy profits. Such plans were not possible in 1985 or even in 1996. Did consumers benefit from this change? I'm sure the addition of plans providing a free cell phone plan of 250 or so minutes a month was no doubt beneficial to some low-income consumers. Indeed, the explosive growth in the fund is testament to its popularity. But it fundamentally changed the incentives for both customers and companies – opening up new avenues for waste, fraud and abuse.

Specifically, the move to wireless meant the physical connection to the carrier and the customer to a specific geographic location was severed. This undermined the first line of defense against duplicative services and ineligible recipients. The creation of "free" plans also eliminated any financial incentive for customers not to seek duplicate services and further weakened the connection the consumer has with providers associated with paying a monthly bill. Before the most recent recertification requirement was enacted, a Lifeline recipient could enroll and obtain a free wireless device from a third party agent on the street, receive their allotted minutes each month and never interact directly with the service provider. The elimination of these service characteristics opened up opportunities for fraud and abuse that didn't exist before.

NARUC and our members several years ago started raising concerns with the proper oversight of these new wireless Lifeline providers. State Commissions generally designate carrier participation in the Lifeline program for wireline carriers. That is not always the case for wireless providers. Ten states and the District of Columbia do NOT grant eligible

telecommunications carrier (ETC) status for wireless carriers because they lack the jurisdiction under State statute.[7] Another line of defense against abuse – State oversight - is non-existent or at least more limited in such jurisdictions. Wireless carriers wanting to provide Lifeline service in those States must submit their application for ETC designation with the FCC. As a result, the enforcement burden in many cases shifts back to the FCC. Moreover, the legislatures in several States have passed laws effectively deregulating Internet Protocol- (IP) based services. As the PSTN migrates to IP technologies and the federal Lifeline program properly transitions to support broadband, more of the responsibility for combating waste, fraud and abuse from those States is also likely to fall on the FCC. The question remains, does the FCC have the ability and resources to properly oversee the program in such States? Does a different division of responsibilities make sense? These are appropriate and timely questions for Congress and this committee to consider.

As far back as November 2009, NARUC adopted a resolution expressing our concern with growth in the Lifeline program and calling for improved verification practices to overhaul a system grounded in self-certification. Specifically, the resolution, called "upon the FCC and the States to review existing processes to verify eligibility and, if necessary, develop and implement best practices and suggestions, including consideration of real-time verification, for all Lifeline applicants to ensure eligibility for support."[8] Eliminating waste, fraud and abuse ensures only eligible consumers receive support from the program and minimizes the cost to all consumers who pay through their monthly bills.

---

[7] State that do NOT designate eligible telecommunications status to wireless carriers: Alabama, Connecticut, Delaware, New Hampshire, North Carolina, New York, Tennessee, Texas, the Commonwealth of Virginia, Florida and the District of Columbia.

[8] NARUC *Resolution on Lifeline Service Verification* (November 2009). Available online at: http://www.naruc.org/Resolutions/Resolution%20on%20Lifeline%20Service%20Verification.pdf.

Lifeline will once again be a major topic of discussion at the NARUC Summer Meeting this July in Denver. We will consider a resolution commending the "FCC on its efforts to eliminate waste, fraud, and abuse in the Lifeline program" and "encourag[ing] the FCC to ensure that the National Lifeline Accountability Database and the National Eligibility Database are available before the end of 2013, prior to the time that ETCs must recertify their Lifeline customers on or before December 31, 2013."[9] Commissioners and staff will each hold panel discussions on the recertification process, how it went, what we learned, what other information would be useful, and how the process can be improved. I suspect we will have more to report after those discussions.

I was pleased to see the FCC did take action on Lifeline in 2010. In May of that year the FCC asked the Federal-State Joint Board on Universal Service to review the existing eligibility, verification, and outreach rules for the Lifeline and Link-Up universal service programs.[10] The FCC also maintained a robust and open dialogue with NARUC and the States. Their outreach and collaboration efforts are ongoing to this day. I give the FCC, especially the Wireline Competition Bureau, FCC Commissioner Clyburn – the former Chair of the Federal State Joint Board on Universal Service, her staff and, of course, the Chairman, much credit for tackling this issue and seeking vital State input throughout the process. This is a textbook example of how the Congressionally-established Joint Board process can be properly utilized to address issues quickly and provide an excellent basic template for FCC action.

The Universal Service Joint Board came back with a recommended decision in record time – around six months – in November of 2010. It addressed the lifeline questions asked by

---

[9] DRAFT *Resolution to Improve Lifeline Annual Recertification Process*, for consideration at NARUC Summer Committee Meetings in July 2013 (Full text is currently embargoed).

[10] *Federal-State Joint Board On Universal Service; Lifeline and Link-Up*, CC Docket No. 96-45, WC Docket No. 03-109, Order, 25 FCC Rcd 5079 (2010) (2010 Referral Order)

the FCC and more - recommending that the FCC take into consideration the additional issues of broadband, overall fund size, and prepaid wireless Lifeline service as it moved forward with universal service reform.[11] In the January 31, 2012 *Report and Order and Further Notice of Proposed Rulemaking,* the FCC either enacted or sought additional comments on all of the Joint Board recommendations. Again, this is exactly how the congressionally mandated Federal-State Joint Board process should be used. We hope the FCC will use the process more often.

In my State of Washington, we designate wireless ETCs and have established a process to confirm eligibility and identify duplicate service. Specifically, as a condition for ETC designation, we require carriers to provide their customer records to the Washington Department of Social and Health Services (DSHS) on an annual basis to check customers' eligibility and any duplication with any landline Lifeline benefit. The Commission also encourages ETCs to work with DSHS to access their customer eligibility query database. To date, all ETCs in Washington have gained access to DSHS database and use it to check Lifeline applicants' initial eligibility to the extent such verification is possible. For those customers who apply for Lifeline based on their income eligibility or whose eligibility cannot be verified by the DSHS, ETCs are required to review documentation verifying applicant eligibility. Yet, this is not a perfect system and the FCC's order has fundamentally altered the landscape. Even though we have verification procedures in place, I still strongly support the expeditious creation of the national accountability and eligibility verification databases.

WUTC staff looked at the results of the recertification process in our State. Overall, 37% of Lifeline subscribers did not respond to carrier attempts to recertify their eligibility and 29% were de-enrolled. We found a difference existed between the response rate and de-

[11] Federal-State Joint Board on Universal Service Recommended Decision, November 4, 2010. Available at http://www.universalservice.org/_res/documents/about/pdf/fcc-orders/2010-fcc-orders/FCC-10J-3.pdf.

enrollment rate for facilities-based carriers versus the non-facilities-based prepaid wireless ETCs in Washington. For facilities-based carriers, both wireline and wireless, the non-response rate was 46% and de-enrollment rate was 24%. For the non-facilities-based prepaid wireless the non-response rate 35.4% and de-enrollment rate was 33%. Interestingly, there was a higher non-response rate for facilities-based carriers but a higher de-enrollment rate for the non-facilities based prepaid wireless ETCs. What does this tell us? Anecdotally, we have heard that many of the traditional wireline carriers may not have gone to the same effort or used as effective means of contact as some of the prepaid carriers to recertify their Lifeline customers. Information on number of attempts and methods used to contact Lifeline recipients would be useful in evaluating the recertification process and how it might be improved in the future.

In conclusion, the FCC is to be commended for its substantial efforts to address waste, fraud and abuse in the Lifeline program. One could argue that such efforts should have begun earlier but I and my NARUC colleagues prefer to look forward. I urge Congress to support the FCC and USAC efforts to complete the national accountability and eligibility databases. USAC announced last week that construction of the National Lifeline Accountability Database, or NLAD, has begun and it is expected to be operational later this year. While it cannot eliminate all abuses, this database will certainly very significantly reduce duplicative support nationally, a big step forward.

Throughout the process the FCC has worked closely with NARUC and our member PUCs. The congressionally mandated federal-State joint board process was utilized as designed and provided the commission with several recommendations that were subsequently acted upon. Data on the first recertification is now becoming available but an in depth analysis is needed to identify areas that can be improved going forward.

Let me close by reiterating my support for the Lifeline program with proper verification and accountability measures in place. This vital program is supported by the FCC and State commissions for voice services, and now needs to migrate over time to cover broadband networks. I believe expansion to broadband is crucial to assure those with the most need have access to employment opportunities, education, communications, health and social services, and numerous other applications that only broadband provides. We, as the State PUCs, stand ready and willing to work with the FCC, industry, the low-income community, and you in Congress to maintain this important program and combat waste, fraud and abuse.

N A R U C

National Association of Regulatory Utility Commissioners

April 19, 2013

The Honorable Fred Upton
Chairman
Committee on Energy and Commerce

The Honorable Joe Barton
Chairman Emeritus
Committee on Energy and Commerce

The Honorable Marsha Blackburn
Vice Chairman
Committee on Energy and Commerce

The Honorable Greg Walden
Chairman, Subcommittee on
Communications and Technology

The Honorable Tim Murphy
Chairman, Subcommittee on Oversight and
Investigations

The Honorable Robert Latta
Vice Chairman, Subcommittee on
Communications and Technology

Re: Response to March 26 letter for information on State actions to combat waste, fraud and abuse in the Lifeline Low-income USF Program

Dear Chairman Upton, Chairman Walden, Chairman Emeritus Barton, Chairman Murphy, Vice Chairman Blackburn and Vice Chairman Latta:

Thank you for allowing NARUC to provide the Committee with information on what States are doing to combat waste, fraud, and abuse in the Lifeline Program. We answer your four questions below using information from a recent informal survey of our member public utility commissions, other sources and anecdotal information. To date, thirty-one NARUC member commissions responded to that preliminary survey.

1. **What innovative steps and best practices are States taking to combat waste, fraud and abuse in the Lifeline program that might be a model for other States or the Federal Communications Commission (FCC)?**

   States often act as laboratories for experiments that can provide both useful and tested templates to guide federal (and other State) policy makers' decisions. Lifeline programs are no exception. The FCC's addition of wireless carriers to the federal lifeline programs, which began in 2005, presents new challenges for State oversight.

   Screening Databases: *As the FCC continues work on databases to eliminate duplicate support and verify eligibility, some States moved ahead and created their own. For example, California, Texas, Vermont, Oregon, and Puerto Rico each have established programs to eliminate duplicative support and have been allowed to opt out of the FCC's National Lifeline Accountability Database. States can opt out of the national database if they demonstrate to the FCC showing there is a state-wide system in place to detect, eliminate, and prevent duplicate Lifeline claims at least as robust as what the FCC plans for the national database.*

Several States have also established programs to verify subscriber eligibility in qualifying low-income/assistance programs, including the home States of Chairman Walden (Oregon) and Ranking Members Eshoo (California). At least eleven States in our informal survey use State social service databases to confirm consumer eligibility for participation in the Lifeline program.[1] *But more States are considering establishing such database verification systems. The cost of establishing such databases can be prohibitive and States, like the federal government, have not been immune from the financial and fiscal troubles in recent years. As often happens, the expectation that the FCC will create federal databases may cause some States to wait to leverage the federal databases and avoid the costs of creating standalone State databases.*

States that do not mandate Lifeline support, i.e., "federal default States", do not have their own Lifeline programs. Carriers in these States follow the federal Lifeline rules and eligibility criteria. The FCC lists the following as federal default States and/or territories: American Samoa, Delaware, Hawaii, Indiana, Iowa, Louisiana, New Hampshire, North Dakota, Northern Mariana Islands, and South Dakota. For these States and territories, federal databases on accountability and eligibility would be particularly useful.

Recertification/Compliance Audits: *Eleven responding States have programs to periodically conduct compliance audits on ETCs and/or of Lifeline recipients.*[2] *In some cases, the ability of States to audit and/or investigate waste, fraud, and abuse may be hampered by State rules or statute. This is the case for several States with respect to wireless.*

On the other end of the spectrum is California. In addition to financial and compliance audit provisions, the State has had annual renewal/recertification requirements since 2006. As a result the FCC's recent annual recertification requirement has had a negligible impact on California's program.[3] *Their experience has also shown that some consumers do indeed reapply after being de-enrolled from the program during recertification.*

In Kansas, the KUSF third party administrator conducts compliance audits on sixteen carriers per year. The carriers are randomly selected and may or may not be ETCs. The results of these random audits are made publicly available online.[4]

---

[1] States responding they have a system or program in place to confirm the eligibility of Lifeline subscribers by using social service agency databases: AK, CA, FL, IL, IN, KS, NE, NY, OR, WA, WI.

[2] States responding that have requirements for requiring periodic compliance audits on lifeline carriers or recipients: CA, CO, FL, KS, ME, MA, NE, NJ, OR, WI, WY.

[3] Data on Lifeline participation in California is publicly available. Data for years 2012 and 2011 are available at the following links – 2012: http://www.cpuc.ca.gov/NR/rdonlyres/E4B485AD-B084-41D0-944D-4D3620C72104/0/Solix_XeroxLifeLineSubscriberCounts2012.xls. 2011: http://www.cpuc.ca.gov/NR/rdonlyres/67F037FB-43FB-4F27-9A11-8F90BD2CBB9E/0/SolixLifeLineSubscriberCounts2011.xls

[4] Kansas' USF third party administrator conducts random audits of carriers each year. See, e.g., 2011 audit of Virgin Mobile: http://estar.kcc.ks.gov/estar/ViewFile.aspx/20110609112330.pdf?Id=454bc32c-c31e-4292-a934-038b354bc1c6. Other orders/audit information is available at: http://estar.kcc.ks.gov/estar/portal/kcc/portal.aspx.

Massachusetts, which wasn't able to complete our survey because it has recently opened an investigation into its Lifeline programs, requires ETCs to regularly report data as a condition of ETC designation. Specifically, the Department of Telecommunications and Cable requires ETCs to file each of the following 1) quarterly reports on the number of Lifeline subscriber accounts terminated for non-usage each month; 2) quarterly reports on the number of consumer complaints from Massachusetts subscribers regarding its Lifeline service; 3) quarterly reports on the amount of Universal Service Fund support received for Massachusetts Lifeline subscribers each month; and 4) participation in dispute resolution by the Department's Consumer Division to resolve Lifeline subscriber disputes (including eligibility disputes, program offering issues, and limited equipment related issues, but not matters related to rates or entry).

Florida has been very active in combating waste, fraud and abuse in the program. The Florida Public Service Commission (FPSC) staff review USAC disbursements to ETCs data on a monthly basis to watch for abnormalities. Staff also checks the number of Lifeline customers claimed by each Florida ETC by taking the total USAC amount reimbursed for Lifeline and dividing it by $9.25, the Federal amount reimbursable for each Lifeline customer. If a disbursement or series of disbursements appear questionable, the FPSC has the ability to issue subpoenas to landline carriers to determine the number of lines purchased by ETCs to provide Lifeline service. The FPSC also has the authority to review books and records of wireline ETC, but NOT wireless ETCs. However, Florida also established by statute the Florida Lifeline Work Group which includes the Public Service Commission, the Department of Children and Families, the Office of Public Counsel, and each eligible telecommunications carrier offering Lifeline services. Its purpose is to determine how the eligible Lifeline subscriber information will be shared, the obligations of each party with respect to the use of that information, and the procedures to be implemented to increase enrollment and verify eligibility in these programs. The FPSC generates an annual report to the Governor, the President of the Senate, and the Speaker of the House of Representatives on the number of customers subscribing to Lifeline service and the effectiveness of procedures to promote participation in the program.[5]

Prohibit Free Service: *The federal Lifeline program did not contemplate consumers getting free service when it was created in 1985. Until 2005, the federal program only allowed consumers to receive a discount on their monthly bill. When Lifeline expanded to include prepaid wireless carriers, several companies developed specific business models based primarily on free phones and service. At least one State has adopted rules prohibiting free Lifeline service, instead requiring subscribers to pay a*

---

[5] Florida Public Service Commission Report on Lifeline 2012. Link to 2012 Lifeline Report: http://www.floridapsc.com/publications/pdf/telecomm/tele-lifelinereport2012.pdf.

minimum amount each month. Currently, Oklahoma requires a Lifeline subscriber to pay $1 a month minimum. Georgia is considering a requirement that Lifeline subscribers pay $5 a month minimum fee. The minimum amount, which is similar to the federal tribal lands Lifeline $1 a month program, ensures the consumer has "skin in the game" and should provide some deterrence to duplicative subsidies as customers would pay monthly fees for each phone they acquired.

State Recourse on Bad Actors: *One key capability States have to ensure carriers follow rules is ability to pull/not grant ETC designation. Six States responding to our survey have in the past refused an application for ETC designation filed by a carrier. Seven others have pulled the ETC designation of a carrier for questionable practices and/or violating program rules.*[6] *But these numbers do not tell the whole story. In many cases, a carrier whose application for or existing ETC designation is being challenged will often withdraw its application or relinquish its ETC status once it becomes clear it will not be granted/may be pulled. Such actions are not reflected in any statistics on State actions. Many States require ETCs to certify - when they are seeking designation or submitting annual filings - that it is in compliance with all federal and State rules and whether the provider's ETC designation has been suspended or revoked in any jurisdiction.*

Many States can and, when necessary, do initiate investigations into the program generally or on a specific carrier. The previously referenced Massachusetts Department of Telecommunications and Cable April 1, 2013 investigation into the federal Lifeline program is one example. They are examining the implementation of the FCC's 2012 Lifeline Order, as well as ways the Department can protect against waste, fraud, and abuse. The investigation will include: (1) compliance with existing Department Lifeline ETC requirements; (2) annual ETC certifications and other reporting obligations; (3) expansion of Lifeline eligibility criteria; (4) outreach, consumer safeguards, and service quality; and (5) related matters.

Florida's monthly review of data, referenced earlier, resulted in, among other things, investigations of two ETCs whose designations were eventually revoked for questionable monetary claims at USAC. Another company claiming to be a Florida ETC was also caught before it was given any USAC money.

2. What States designate and recertify wireless prepaid eligible telecommunications carriers (ETCs) and which ones leave that to the FCC?

So far, 31 States have responded to NARUC's survey. Of those, 26 public utility commissions do designate wireless ETCs, while five do not. Based on the survey and literature search, we believe States that do NOT designate wireless ETCs include:

---

6 States responding they had pulled a carriers ETC designation: FL, KS, KY, MI, MN, WA, WI.

Alabama, Connecticut, Delaware, New Hampshire, North Carolina, New York Tennessee, Texas, Virginia, Florida, and the District of Columbia (10 States plus D.C.) Wireless/prepaid carriers seeking ETC designation in these States must file their application with the FCC. While these States do not handle the ETC designation, in some cases, they may have a role in certifying Lifeline subscribers signed up by the wireless ETCs since consumers may qualify under State-based criteria. Obviously, in some of these jurisdictions, a State's ability to effectively oversee program compliance may be hampered when the ETC is a wireless provider.

3. Are the recent reforms adequate to address waste fraud and abuse in the fund?

The recent reforms are a significant and positive step forward to clean up crucial abuses in the Lifeline program. The FCC reform, among other things, required annual recertification of recipients' eligibility; detailed audits every two years for carriers that receive over $5 million in Lifeline monies, and new Lifeline recipient eligibility certifications. These are all important and needed steps that have already improved accountability and eliminated some of the more egregious abuses to the program.

Meanwhile, the FCC continues to move forward with proposals to create databases to address problems of duplicate support (accountability database) and eligibility verification (eligibility database). These databases, once up in running, will improve program accountability. The first database, on duplicates, we hope will be up in the next year. The eligibility database is more complicated and the FCC continues to seek input from stakeholders. The difficulty in creating one database that combines the many federal and State eligibility standards is not to be understated.

Whether these reforms solve all the problems or require additional refinement is an open issue. The inaugural 2012 recipient recertification requirement process lead to de-enrollment of a large number of Lifeline subscribers. It seems likely that this procedure has resulted in some non-insignificant percentage of qualified and deserving Lifeline subscribers being de-enrolled. The majority of those de-enrolled were subscribers who failed to respond to the recertification notice. For example, in Florida 99.42% of de-enrolled subscribers were de-enrolled for <u>not responding</u> to the recertification letter. What we don't know is why all these people didn't respond. Did they simply overlook the notice? Did they disregard it since they had not been asked to recertify before? Did they not understand, or was the process too difficult for many of the low-income recipients? Were some of the non-responses from subscribers who had duplicate Lifeline service and choose the one they preferred to recertify? Additional investigation seems warranted.

The next logical question is: Will some percentage of subscribers that were de-enrolled for not responding to the notifications – but do qualify for the program – migrate back into the program in the coming months? Getting the answer could take months. A couple of States are reporting a slight uptick in Lifeline subscription. This might be because at least some of those de-enrolled are re-entering the program. This was the experience in California, which has had a recertification program since 2006. Further analysis is needed to answer these and many more questions.

4. Do States have any recommendations on how the FCC can further improve the program?

Below is a list of ideas offered by individual NARUC members and staff that work on Lifeline issues on a regular basis. These suggestions were collected to respond to your request. The suggestions have not been studied or endorsed by NARUC. The association has taken no position on the relative merits of any. Similarly, they are not necessarily the policy of any particular State. We specified in asking this question that we would not be attributing particular response to any state or individual. This anonymity encouraged a broader range of recommendations for the consideration of the Committee.

- *The FCC should get the national duplicates and eligibility databases online as soon as possible as it will help eliminate much waste, fraud and abuse. (4 States)*
- *The FCC should examine the provision of Lifeline Service at NO cost to the subscriber. If a consumer has to pay some amount each month for the service it may deter duplicative support. (2 States)*
- *The FCC should simplify the recertification process to assure eligible customers remain on the program. (2 States)*
- *The FCC should rescind the blanket forbearance on the facilities requirement given to prepaid wireless carriers. (2 States)*
- *The FCC/Congress should prohibit the practice of advertising "free government cellphones" and handing out free cellphones from tents and temporary kiosks. Providing information on the program and how to apply could be allowed at such temporary locations but the customer should be directed to a permanent facility before obtaining a phone after eligibility is verified.*
- *The FCC should prohibit the use of third-party agents hired by carriers to sign up Lifeline subscribers (2 States)*
- *The FCC should prohibit activation of handsets before eligibility is verified.*
- *The FCC should prohibit someone that falsifies an application from participating in the program for some period of time and/or require reimbursements to the fund of any losses caused by the fraud prior to re-qualifying for the program. (3 States)*
- *The FCC should impose significant fines and, when appropriate because of the magnitude of the abuse (and the threshold should be small) suspend companies AND their officers from any participation in the Lifeline programs when ETCs or their officers/principals/owners/third party vendors violate rules. Repeat offenders should be permanently banned program participation. (2 States)*
- *The FCC should prohibit any ETCs with a validation/recertification rate of less than a reasonable benchmark, such as 75%, from enrolling new customers and subject them to an FCC/USAC/State audit.*
- *The FCC should grant the USTelecom petition filed April 2, 2012 for reconsideration of 47 C.F.R. §§ 54.410(b)(2)(ii) and 54.410(c)(2)(ii) to allow States that administer the Lifeline program and determine eligibility to provide lists to carriers of subscribers that qualify for Lifeline instead of requiring that copies of application forms be provided to carriers.*

- *The FCC should require more than one month of reimbursement of lifeline funds whenever duplicate Lifeline recipients are discovered.*
- *The FCC should consider requiring all ETCs located in a particular State to use the same Lifeline application form that lists all Lifeline providers in that State so applicants will be more likely to ask questions if they already have service.*
- *The FCC should require ETCs to obtain and retain proof of eligibility.*
- *The FCC should require all ETCs to call their service "Lifeline" and prohibit the misleading practices used by some carriers of "doing business as", e.g., Assurance Wireless and SafeLink to avoid customer confusion.*

If you have questions about NARUC's positions or would like to discuss it further, please contact NARUC Legislative Director Brian O'Hara at (202)898-2205, bohara@naruc.org or NARUC General Counsel Brad Ramsay at (202)898-2207, jramsay@naruc.org.

Sincerely,

/s/Chuck Gray
NARUC Executive Director

Mr. WALDEN. Thank you, Mr. Jones. We appreciate, again, the work of your organization and you personally.

We will now move to Ms. Jessica Gonzalez, who is the Vice President of Policy and Legal Affairs for the National Hispanic Media Coalition. Ms. Gonzalez, we are delighted to have you here today. Please go ahead with your testimony.

STATEMENT OF JESSICA GONZALEZ

Ms. GONZALEZ. Thank you. Thank you, Chairman Walden——

Mr. WALDEN. Go ahead and push that little button there.

Ms. GONZALEZ. Thank you, Chairman Walden, Ranking Member Eshoo, members of the subcommittee. I am Jessica Gonzalez of the National Hispanic Media Coalition. We are an organization, a nonprofit organization that scrutinizes telecommunications policies through the lens of how they impact Latinos and other people of color.

The question posed by today's hearing is whether the Lifeline program is money well spent. I answer with a resounding yes.

Lifeline has an important goal to ensure that all people have access to affordable communications. It is a treasured tool that achieves broad societal goals, such as upward mobility. It positively and directly affects our economy, employment, healthcare, public safety, strong families, civic participation, and education.

The idea that we as a country should remove barriers so that all people can access communications is not a new one. In fact, the concept dates back to the Postal Act of 1792. Lifeline's roots are in the Reagan FCC, which created Lifeline at the behest of a bipartisan group of Congressmen and Senators. In the Telecom Act of 1996, Congress further codified the concept by establishing the Universal Service Fund, stating that consumers in all regions of the Nation, including low income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information services. And in the aftermath of Hurricane Katrina, the Bush FCC used USF monies to support prepaid wireless service, and ensure that those displaced by the storm would stay connected.

Lifeline now provides phone service to more than 15 million people. Who are these people? According to one provider, most of them have an annual household income of less than $15,000 per year. Nearly ⅓ are over the age of 55, and over ⅓ are disabled.

Stories in the media of corporate abuse for profit have drowned out the voices of the very real people that use lifeline as a tool to improve their lives and move away from government assistance. I sit here before you this morning to tell their stories.

The story of a disabled mother from Tennessee caring for a child with Down's Syndrome who said it gives me peace of mind to know that I can pick up the phone and call for help. The story of a veteran and double amputee who uses wireless Lifeline to coordinate doctor's appointments and communicate with family while away from home. A single father who was laid off, but secured a job in just a few months with his Lifeline. A pediatrician in Boston who treats fragile children living in shelters, in public housing, and on the streets. She can monitor those children because of wireless Lifeline service. A mental health therapist in Baltimore who ex-

plained that Lifeline could have helped the day that one of her third grade clients attempted suicide at school. His mother had no phone and was difficult to reach that day.

I think you get the picture. The vast majority of Lifeline recipients are grateful seniors, deserving veterans, and many folks who are going through the hardest times in their lives, facing job loss, illnesses, disability, and family tragedies. For these people, Lifeline literally lives up to its name, and must continue.

Speaking from personal experience, I used Lifeline about 10 years ago after being laid off from my teaching job. I subscribed for a very brief period of time, but the media isn't telling my story because it isn't sensational. I used Lifeline to enhance my education, and today I am an attorney, and I, like everyone else I know that has ever relied on a government service, was not flaunting it around town. In fact, if anything, I was embarrassed about it. I wanted to get off the assistance as soon as I could and never look back, and that is what I did until today when I realized that voices like mine are going unheard to the detriment of this important program. So yes, Lifeline is money well spent.

Thank you, and I look forward to your questions.

[The prepared statement of Ms. Gonzalez follows:]

Testimony of
Jessica J. González
Vice President of Policy & Legal Affairs
National Hispanic Media Coalition

Before the

United States House of Representatives
Committee on Energy and Commerce
Subcommittee on Communications and Technology

Regarding

The Lifeline Fund: Money Well Spent?
April 25, 2013

Chairman Walden, Ranking Member Eshoo, and members of the Subcommittee, thank you for inviting me to testify this morning about Lifeline. My name is Jessica González, and I am the Vice President of Policy & Legal Affairs of the National Hispanic Media Coalition, a 27-year-old, non-profit, public interest organization that seeks to ensure that Latinos are employed at all levels of the media and telecommunications industries, combats negative stereotypes and promotes positive portrayals, and advocates for policies here in Washington, DC to prevent Latinos from being left behind in the new communications age. I am especially pleased to testify here today to testify in support of Lifeline – a program that we at NHMC have long recognized for its unique ability to deliver important tools to help our nation's poor achieve prosperity.[1]

The question posed by today's hearing is whether Lifeline is "money well spent?" I answer with a resounding "yes." This program, like some others that comprise the Universal Service Fund, continues to achieve one of the oldest and most enduring goals of this country: to ensure that *all* Americans have access to affordable communications services. By virtue of the service that it provides to poor families, Lifeline has a positive societal impact and makes us a stronger and more prosperous country. Research has shown that the benefits of Lifeline service crosscut many issue areas that Members of this body care deeply about – the economy, employment, healthcare, public safety, strong families, civic participation, and education – to name a few. When drilling down into each of these issue areas, it is impossible to miss the stories of individuals and families who are profoundly impacted by the modest, nine-dollar subsidy that Lifeline provides.

In short, for the people that it reaches, the program is working precisely as intended. It removes economic barriers that prevent access to communications services and reaches the exact

[1] I would like to thank my colleague, Michael Scurato, for assisting me with the researching and drafting of this testimony.

people that we all want to and must reach. Lifeline is sought in times of need and it gives each family invaluable tools to use to get back on its feet. It reaches people seeking employment, healthcare, an education, a safety net – and allows them to take control of their situation and help themselves. While this program has faced challenges as a result of the unique and evolving service that it provides, the Federal Communications Commission ("FCC" or "Commission") has taken a number of concrete steps to reform any problem areas – steps that we believe will be effective if given the chance to work. Rather than be placed in the crosshairs, Lifeline should be nurtured and allowed to evolve as envisioned by statute. The few, bad corporate actors that have stolen from the program and, more importantly, from the poor families that it is helping, should be rooted out and punished. And, now that the ship is steadied, we should all examine ways to strengthen and evolve this program further, to ensure that it keeps up with the rapidly changing communications landscape.

Background

The idea that we, as a country, should remove barriers so that all people can access communications services is not a new one. In fact, it harkens back to some of our earliest principles – that we should be able to speak freely and assemble, that we should have a vibrant and unencumbered press, and that Americans should remain connected to one another so that we can exchange information and ideas. In fact, the idea of universal service can be traced back over 200 years to the Postal Act of 1792 which, when signed into law by President George Washington, established the national Post Office, vastly expanded postal roads so that they could

connect all corners of the young country, and established exceptionally low postage rates for newspapers so that access to information would be affordable.[2]

At the beginning of the 20th century, the universal service principle was applied to fledgling telecommunications services. In fact, the principle is present in our first, sweeping piece of communications legislation, the Communications Act of 1934. In establishing the Federal Communications Commission, Section 1 of that Act states that the new Commission should:

> ...make available, so far as possible, to all the people of the United States, without discrimination on the basis of race, color, religion, national origin, or sex, a rapid, efficient, Nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges...[3]

This concept endured throughout the regulated monopoly era and after the Bell System was broken up in the 1980s. And, throughout history, it has enjoyed enduring support from both Republicans and Democrats. In fact, Lifeline's roots lie in the Federal Communications Commission under President Reagan, when the program was created at the behest of a bipartisan group of Members of Congress, including the esteemed Congressman Dingell.[4]

In 1996, Congress further codified the universal service concept by establishing the Universal Service Fund in the Telecommunications Act of 1996.[5] This Act, passed by a Republican majority Congress, included language stating that "[c]onsumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas, should

---

[2] *See* Richard R. John, *How the Post Office Made America,* N.Y. Times, Feb. 8, 2013, *available at* http://www.nytimes.com/2013/02/09/opinion/how-the-post-office-made-america.html.
[3] 47 U.S.C. § 151.
[4] *See* Elspeth Reeve, *The Obama Phone's Roots in Government Deregulation*, The Atlantic Wire, Oct. 2, 2012, *available at* http://www.theatlanticwire.com/politics/2012/10/obama-phone-roots-government-privatization/57415/.
[5] 47 U.S.C. § 254.

have access to telecommunications and information services."[6] The Act also defined "universal service" as "an evolving level of telecommunications services … taking into account advances in telecommunications and information technologies and services."[7] In establishing the level of telecommunications services covered, the Act directed the Commission to consider new services using a number of factors, such as whether they are "are essential to education, public health, or public safety" or whether they have "through the operation of market choices by customers, been subscribed to by a substantial majority of residential customers."[8] For the first time, the Act also allowed wireless providers to participate.

And, finally, to bring us to where we are today, in 2005, the FCC under the Bush Administration considered this evolving level of telecommunications services and planted the seed that would finally boost participation in Lifeline by allowing Lifeline funds to be used for prepaid wireless services.[9] In the aftermath of Hurricane Katrina, the FCC used prepaid wireless services, paid for using the Universal Service Fund, to ensure that those displaced by the storm were able to stay connected to friends, family, and government services.[10] The program was designed, at the time, to cut through the bureaucracy and allow eligible families to easily access these services. When it was expanded beyond those impacted by Hurricane Katrina, the streamlined process made it much easier for people to stay connected and the availability of prepaid wireless services increased Lifeline participation rates substantially.[11] Unfortunately, the

---

[6] 47 U.S.C. § 254(b)(3).
[7] 47 U.S.C. § 254(c)(1).
[8] 47 U.S.C. §§ 254(c)(1)(A)-(B).
[9] *See* Reeve, *supra* note 4.
[10] *Id.*
[11] *See* U.S. GOV'T ACCOUNTABILITY OFFICE, GAO-11-11, IMPROVED MANAGEMENT CAN ENHANCE FCC DECISION MAKING FOR THE UNIVERSAL SERVICE FUND LOW-INCOME PROGRAM (2010); Democrats and Republicans alike identified increasing participation rates as a justification for expanding Lifeline to new services. *See* Statement of Kathleen Q. Abernathy,

relative ease with which providers were reimbursed for providing this subsidy caused some to exploit the program for personal gains. This type of exploitation is, ultimately, what led the FCC to institute a number of reforms to the program in recent years.

In all, Lifeline provides phone service to more than 15 million Americans, and has the potential to provide service to millions more.[12] Without Lifeline, a substantial number of these people, including many Latinos, would be left behind.[13] As I have demonstrated, Lifeline is constantly evolving and improving, and has undoubtedly provided a significant return on the investment. It should be allowed to continue on its current path.

Lifeline Creates Societal Benefits

Lifeline significantly strengths many facets of our society by providing poor families access to affordable communications services. By helping poor people stay connected, we are also advancing a number of other societal goals, such as enhanced education, better healthcare, getting people back to work, and ensuring public safety. I will focus on a few of these areas today.

Economy

The economic impact of connecting all Americans to affordable communications services is difficult to overstate. According to one estimate, a low-income household can generate hundreds of dollars of additional income each year, far beyond the amount of the subsidy alone,

---

Re: Federal-State Joint Board on Universal Service; Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i), CC Docket No. 96-45, 20 FCC Rcd. 15095, 15107 (rel. Sept. 8, 2005).

[12] *See* Mignon Clyburn, Commissioner, FCC, Remarks at Consumer Assembly 2013: Challenges and Opportunities (Mar. 15, 2013) ("Clyburn Remarks").

[13] *Id.*

just by subscribing to Lifeline phone service.[14] By that measure, if all eligible households decided to take advantage of the program and acquire a Lifeline phone, it could result in almost $4 billion of new income for this country's poor.[15] Essentially, the program would pay for itself.

Employment

Mobile phones have become an essential tool used by people to find employment or balance multiple jobs. This is particularly true where employment opportunities are unsteady or unpredictable. According to Georgetown Law Professor David Super:

> As the low-[wage] labor market comes increasingly to be dominated by contingent employment, this pattern is likely to become increasingly pronounced. Because many of these jobs offer wages at or near the federal minimum wage, bread-winners must work multiple part-time jobs to support their families even at a bare subsistence level. Coordinating their schedules on these various jobs often requires frequent telephone calls. The inability to receive timely a call from an employer can mean the loss of an opportunity to work a shift that has become available, potentially costing a low-income family a significant fraction of its weekly income.[16]

The many pressures and obstacles facing poor workers can lead to attendance issues or the need for frequent breaks to communicate with childcare providers and the like. An employee who has his own mobile phone is able to make contact with his or her employer in the event of a commuting issue or contact others during a break. This can limit or mitigate negative situations and help an employee maintain his job. This also enables employees to demonstrate professionalism, even in the face of difficult situations, which could lead to opportunities for promotion or other forms of advancement.[17]

---

[14] NICOLAS P. SULLIVAN, SUBSIDIZED CELL PHONES PROVIDE SIGNIFICANT ECONOMIC GAINS FOR POOR AND NEAR-POOR AMIERCANS 3 (Feb. 10, 2011), *available at* http://www.newmillenniumresearch.org/archive/NMRC_Sullivan_report_021011.pdf.
[15] *Id.*
[16] Comment of David A. Super, FCC WC Docket Nos. 11-42, 03-109, CC Docket No. 96-45, at 2 (filed Nov. 7, 2011).
[17] *Id.* at 3.

Public Safety

The universal service concept has, perhaps, most frequently been promoted as a way to ensure that all Americans have a way to contact the authorities in the event of an emergency to preserve life and limb. Lifeline has, unequivocally, always advanced this goal. Wireless Lifeline services have taken another step towards fulfilling this role as individuals with mobile phones can report danger wherever and whenever it confronts them. For instance, the FCC has reported that almost 70 percent of 911 calls are placed using wireless phones.[18] Given that statistic, it is not surprising that wireless Lifeline phones have increasingly provided this essential service to low-income families. According to one provider of wireless Lifeline services, in the month of December 2012, in the state of Georgia alone, their customers placed 5,904 calls to 911, 3,197 calls to non-emergency law enforcement, 15,085 calls to hospitals.[19] That is almost 200 emergency calls to 911 per day, in one state, from the customers of one provider. If one were to extrapolate using that number to the rest of the country and to all Lifeline providers over the course of many years, it is difficult to fathom the number of lives that have potentially been saved because of this program.

Lifeline Helps Real People

Sometimes, here in Washington, it is easy to lose sight of the real people who are impacted by each and every policy decision. However, Lifeline provides such a tangible benefit to so many people that even a cursory glance will reveal the importance of the program.

As I mentioned earlier, Lifeline provides an important tool to families that need it the most. To be eligible for the $9.25 per month, one-per-household benefit, a family must be living

---

[18] 911 Wireless Services, FCC, http://www.fcc.gov/guides/wireless-911-services (last visited Apr. 23, 2013).
[19] Telrite Corporation, Ex Parte Presentation, FCC WC Docket Nos. 11-42, 09-197 (filed Apr. 17, 2013).

at 135 percent of the poverty line or participate in another federal benefit program, such as the Supplemental Nutrition Assistance Program ("SNAP"), commonly known as food stamps.[20] As Commissioner Clyburn shared with us in a recent speech, one major provider told her that its average Lifeline customer is a middle-aged grandmother, raising her grandchildren on only $12,000 per year.[21] Taking a look at the customers of other Lifeline providers reveals a similar story and consistent themes, and reinforces the importance of providing basic, affordable communications service to all people.

According to one major provider, 79 percent of its customers have a household income of less than $15,000 per year.[22] Nearly a third are over the age of 55 and 36 percent are disabled.[23] Three quarters of this provider's customers do not have a landline at home and rely exclusively on their wireless Lifeline product.[24] And almost half have never had a wireless phone before.[25]

Another provider shared that 74 percent of its Lifeline customers are unemployed with many explaining that they use their Lifeline wireless phone to pursue employment.[26] According to this provider, 20 percent of its Lifeline users are over the age of 66 and 10 percent are veterans of the U.S. armed services.[27] Another recent survey of this provider's Lifeline customers

---

[20] *In the Matter of Lifeline and Link Up Reform and Modernization, Federal-State Joint Board on Universal Service, Lifeline and Link Up*, Advancing Broadband Availability Through Digital Literacy Training, WC Docket No. 11-42, CC Docket No. 96-45, WC Docket No. 03-109, WC Docket No. 12-23, *Report And Order And Further Notice Of Proposed Rulemaking*, 27 FCC Rcd. 6656, ¶ 14, 22 (rel. Feb. 6, 2012) ("Lifeline Reform Order").
[21] Clyburn Remarks.
[22] Sprint, Ex Parte Presentation, FCC WC Docket No. 11-42 (filed Apr. 10, 2013) (" April Sprint Ex Parte").
[23] *Id.*
[24] *Id.*
[25] *Id.*
[26] TracFone Wireless, Inc., Ex Parte Presentation, FCC WC Docket Nos. 11-42, 03-109 (filed Apr. 5, 2013) ("TracFone Ex Parte").
[27] *Id.*

revealed that 86 percent did not have an Internet connection at home, and 90 percent didn't have broadband Internet access, further increasing their reliance on their Lifeline phone service.[28]

Still another provider shared that 47 percent of its Lifeline customers are over the age of 50 and 13 percent are veterans.[29] Less than 10 percent of this provider's customers are employed on a full time basis.[30]

For these individuals and families, the modest $9.25 subsidy goes a very long way. For families living at this level of poverty, every single dollar counts in the struggle to provide basic necessities such as food, clothing, and shelter. The Economic Policy Institute estimates that it costs a family of 3 (two parents, one child), living here in the District of Columbia, $4,314 per month to provide their family with necessities such as housing, food, and healthcare.[31] However, at the 135 percent poverty level, which is the top end for income-based eligibility for Lifeline, a family of 3 only earns $26,366 per year or almost $2,200 per month.[32] Many lifeline providers have reported that the households they serve earn significantly less.[33] It is evident that the gulf between what people in poverty need and what they can obtain is huge. To suggest that people would be able to afford basic communications services without Lifeline demonstrates a lack of understanding of the plight of these families.

---

[28] Comments of TracFone Wireless, Inc., NTIA Docket No. 0907141137-05 (filed Nov. 30, 2009), *available at* http://www.ntia.doc.gov/files/ntia/broadbandgrants/comments/rfi2/TracFone%20-%20Comments%20to%20NTIA%20and%20RUS%20sent%2011-30-09.2.pdf.
[29] TAG Mobile, Ex Parte Presentation, FCC WC Docket No. 11-42 (filed Apr. 17, 2013).
[30] *Id.*
[31] Basic Family Budget Calculator, Economic Policy Institute, http://www.epi.org/resources/budget/ (last visited Apr. 23, 2013).
[32] 2013 Poverty Guidelines, Office of the Assistant Secretary for Planning and Evaluation, U.S. Dep't of Health and Human Services, http://aspe.hhs.gov/poverty/13poverty.cfm (last visited Apr. 23, 2013).
[33] *See* April Sprint Ex Parte, *supra* note 22; TracFone Ex Parte, *supra* note 26.

A snapshot of individual Lifeline subscribers reveals a number of striking stories. Commissioner Clyburn shared a story, in recent remarks, about an elderly woman in Massachusetts who was able to use her Lifeline mobile phone after a car accident to get the urgent medical attention that the needed. Without Lifeline, she would not have had a phone. Stories like this abound in the record before the FCC and throughout news outlets across the country.[34]

For instance, in its most recent order reforming Lifeline, the Commission highlighted a submission that it received from a disabled mother from Tennessee caring for a child with Down Syndrome.[35] The woman said, "It gives me peace of mind to know that I can always call for help.[36]

One provider submitted a collection of video testimonials to the record at the FCC, including a number stories and expressions of gratitude.[37] One customer, a veteran who is also a double amputee, explains how Lifeline allows him to coordinate his many appointments with his doctors and check in with his family when he is away from home.[38] Another man recently diagnosed with colon cancer and given only a few months to live said that without a Lifeline phone he would be unable to stay in touch with the only family he has, his 88-year-old mother.[39]

---

[34] Clyburn Remarks at 2.
[35] Lifeline Reform Order at fn. 30.
[36] *Id.*
[37] Nexus Communications, Ex Parte Presentation, FCC WC Docket No. 11-42 (filed Apr. 18, 2013).
[38] *See* The Other Side of Lifeline, http://www.youtube.com/watch?v=lCTRe8uluIw&feature=youtu.be (last visited Apr. 23, 2013).
[39] *Id.*

Another provider submitted a story about a single father of two children, including one child with special needs, who was laid off and able to secure a new job in just a few months using his Lifeline phone.[40] He stated:

> I was unemployed for an extended amount of time due to layoffs. The phone and service I received from [my Lifeline provider] were invaluable to my finding new employment and to my efforts to recover from this recession. It allowed me to contact potential employers and provide a way for them to respond to me, while also saving money. Assurance also gave me peace of mind that I had a way to stay connected to my kids while away from home.[41]

Comments submitted to the FCC by a number of consumer groups that serve low-income families contained a number of valuable perspectives, including one from a pediatrician at Boston Medical Center. Dr. Genevieve Preer described her interactions with low-income patients and families, including many who would be unreachable and unable to meet the medical needs of their children without Lifeline service:

> Lack of access to phone service can have an immediate and deleterious impact on my patients' health. For my patients living in shelter, public housing, on the street, or doubled up, cell phones are my only way to maintain contact with them. This is critically important for my most medically complex patients who require intense coordination of care with multiple subspecialties, which necessitates frequent phone calls to arrange appointments, studies, and procedures. In the absence of a reliable mode of contact, these patients miss essential care and suffer unacceptable health repercussions.
>
> For example, a medically complex two year old with congenital heart disease, developmental delay and failure to thrive needs phone service to enable her parents to arrange for medical transport, delivery of special formula, and communicate with the pharmacy about medications. Furthermore, I need to be able to contact her family to be able to monitor her symptoms and to ensure medications are being taken as prescribed. When I cannot reliably contact vulnerable fragile patients like this one, medications are administered incorrectly, significant symptoms are missed, and serious, avoidable complications result.[42]

---

[40] Sprint, Ex Parte Presentation, FCC WC Docket No. 11-42 (filed Mar. 21, 2013).
[41] *Id.*
[42] Comments of Consumer Groups, FCC WC Docket Nos. 11-42, 03-109, CC Docket No. 96-45 at 18 (filed May 25, 2011).

Finally, in response to a recent front-page article[43] about Lifeline in the Washington Post, one reader sent a letter to the editor detailing her perceptions of the program. The reader works as a mental health therapist in Baltimore schools and detailed the dangers that ensue when parents are not reachable, particularly for the students that she helps. She shared:

> I will never forget the day when one of my third-grade clients attempted suicide at school. His mother had no phone, so we had to call a neighbor to get her so that the child could be taken to the hospital without us filing an emergency petition, which would have meant having him removed from school in handcuffs by uniformed police. We reached her after about an hour of trying. The next time he had a psychiatric emergency at school, we were unable to explain the urgency of the situation to the neighbor without violating the family's privacy, and she wasn't willing to let the mother use her phone. The mother was not reached until after the police removed the boy from the school.[44]

The people who rely on Lifeline phone service certainly cannot be categorized within the moniker of "waste, fraud, and abuse." They are grateful seniors, deserving veterans, and many folks who are going through some of the hardest times of their lives – job losses, illnesses, disability, family tragedies – and who are thankful to be able to take advantage of this modest benefit to obtain a tool that they wouldn't otherwise have so that they can pull themselves back to prosperity.

Lifeline Has Been Reformed

It is also important to note that many of the recent reforms implemented by the FCC are just now starting to take effect and they impose a number of very strict requirements on subscribers and providers alike in order to ensure that waste, fraud, and abuse is mitigated. For

---

[43] Karen Tumulty, *'Obama phones' subsidy program draws new scrutiny on the Hill*, The Wash. Post, Apr. 9, 2013, *available at* http://www.washingtonpost.com/politics/obama-phones-subsidy-program-draws-new-scrutiny-on-the-hill/2013/04/09/50699d04-a061-11e2-be47-b44febada3a8_story.html.

[44] Letter to the editor, *When answering a cry for help requires a phone call*, The Wash. Post, Apr. 14, 2013, *available at* http://articles.washingtonpost.com/2013-04-14/opinions/38537697_1_lifeline-phone-baltimore-schools.

instance, customers must now provide documentation of eligibility prior to approval of their application and they must re-certify their eligibility each year. During the application process, information, such as date of birth, partial social security number, and address, must be furnished to the provider to ensure that multiple benefits are not being received. These new requirements have already resulted in many individuals being de-enrolled, creating substantial savings for the fund. Unfortunately, it seems that many of these de-enrollments occurred because consumers failed to fill out and submit the new paperwork in a timely fashion, meaning that many families that relied on the program were likely dropped unnecessarily.

Providers of Lifeline service also face a number of new obligations. First, they must now clearly disclose whether services being offered are a federal Lifeline benefit. Providers must also inform consumers that they are only allowed one Lifeline phone per household. The provider must de-enroll customers who don't use their Lifeline phone for 60 days. And finally, an officer of the company must also certify compliance with a number of rules, under penalty of perjury, prior to receiving any reimbursement. A national duplicates database is also currently under construction and it should be rolled out within the year.[45]

We believe that the FCC has taken effective steps to curb waste, fraud, and abuse in the program. In fact, in certain instances, we believe that the FCC's reforms may make it more difficult for eligible customers to participate in the program. More can certainly be done. For instance, NHMC has long advocated for minimum standards among wireless Lifeline products, so that customers have the minutes that they need to remain connected throughout the month. In

[45] *See* Lifeline Reform Order.

any event, we do not believe that the program can be effectively evaluated without giving the new reforms an opportunity to serve their intended purposes.[46]

Finally, it is important to note, once again, that bad actors that seek to defraud this program are, above all else, harming poor people who want to participate by siphoning money away from those that need it the most. This is more a reflection of the darker side of human nature, rather than the mismanagement of the program and the FCC has begun to aggressively enforce its new rules so that wrongdoers are held responsible. We strongly oppose any waste, fraud, or abuse that would be found in Lifeline. However, we also feel very strongly that eliminating or curtailing the program would be an unmitigated disaster for our nation's poor.

Conclusion

To conclude, I once again offer a resounding "yes" to the question posed today of whether Lifeline is money well spent. We are all better off when we care for those in need. Lifeline provides a unique tool to these families, one they wouldn't have otherwise, which allows them to improve their own situation. Thank you, again, for the invitation to testify this morning. I look forward to your questions.

---

[46] *See Id.*

Summary of the testimony of
Jessica J. González
before the United States House of Representatives, Committee on Energy and Commerce, Subcommittee on Communications and Technology regarding
The Lifeline Fund: Money Well Spent?
April 25, 2013

Background

- The concept that all Americans should have access to affordable communications services dates back more than 200 years.
- Lifeline's roots lie in the Federal Communications Commission ("FCC") under the Reagan administration in the 1980s.
- Lifeline was codified and expanded in the Telecommunications Act of 1996.
- Participation rates grew after the FCC, under the Bush Administration, expanded Lifeline to prepaid wireless services – shortly after Hurricane Katrina.
- Lifeline now provides phone service to more than 15 million Americans.

Lifeline Creates Societal Benefits

- By providing poor families with an important tool, phone service, the Lifeline program creates societal benefits.
- By one estimate, Lifeline could create billions of dollars in income for poor families.
- Lifeline phones, particularly wireless products, are important tools that poor people use to find employment and balance multiple jobs.
- Lifeline phones, particularly wireless products, are incredibly important to public safety as they allow people to reach the authorities in emergencies.

Lifeline Helps Real People

- Lifeline helps real people; many in the middle of very difficult circumstances.
- Lifeline serves grateful seniors, deserving veterans, people seeking employment, health services, educational tools and trying to provide for their families.
- One customer is a disabled mother from Tennessee caring for a child with Down Syndrome, who said "It gives me peace of mind to know that I can always call for help."
- Another is a veteran and double amputee, who uses Lifeline to coordinate his doctors' appointments and check in with family when away from home.
- One is a man with only a few months to live, who said that without his Lifeline he would be unable to stay in touch with his 88-year-old mother.
- Another is a single father who was laid off but secured a new job in just a few months using his Lifeline phone.
- Finally, a pediatrician in Boston, who treats patients living in shelters, public housing and on the streets, recognizes the value of the program. She can monitor those children because of Lifeline cell service.

Lifeline Has Been Reformed

- The FCC implemented strict, wide-ranging, and effective reforms to Lifeline in the past few years.

Mr. WALDEN. We appreciate your testimony, and look forward to coming back with some questions, I am sure, from all—to all the panel members.

We will now go to Mr. Geoff Feiss, who is the General Manager of the Montana Telecommunications Association. Mr. Feiss, we are glad to have you here today as well. Please go ahead with your testimony.

STATEMENT OF GEOFF FEISS

Mr. FEISS. Thank you, Mr. Chairman. It is a pleasure and it is an honor to be invited to testify.

Rural telecommunications providers are pleased to support the Lifeline program. We strongly endorse the principles of Universal Service, which are aimed at ensuring that all Americans have access to advanced communications services no matter where they live, and regardless of their income. The Lifeline program not only is the law, it is good policy. The program has been successful in enabling low income Americans to share in the many benefits of access to vital communications services.

It is well known that the progress has suffered from exponential growth in recent years. While other Universal Service program funding has been flat over the years, Lifeline support exploded from $800 million to $2.2 billion in just a few years, almost entirely because of a rapid influx of prepaid wireless providers into the program. The number of wireless Lifeline providers grew from 41 in 2004, to nearly 700 today.

The contribution factor has grown commensurately because of what Senator McCaskill terms "the wireless explosion." Continued growth of the Lifeline program threatens to jeopardize the integrity of the Universal Service Fund itself, including essential support for broadband investment in our Nation's schools and libraries, rural healthcare facilities, and high cost communities.

The FCC last year took important steps to mitigate waste, fraud, and abuse that plagued the program by releasing the Lifeline reform order. The savings attained by the order are substantial. What would have been a $2.4 billion Lifeline demand at the end of 2012 was reduced to $2.2 billion, and the savings continue to come in. In fact, it appears that the Lifeline program funding may be less than $2 billion in 2013.

But there is an end to these anticipated savings. While most of the savings from the reform order will have been achieved by the end of this year, there are many factors that threaten to put the program back on a growth path. For example, at least some portion of subscribers who were de-enrolled at the end of 2012 can be expected to reenroll in 2013 because they neglected to recertify during the recertification period.

Second, the eligibility base has been expanded substantially to include several new programs. In Montana, at least anecdotally, we are seeing considerable growth in subscribership as the result of this expanded eligibility.

Third, if broadband access becomes a permanent part of the program, we can expect further growth in demand.

Fourth, only about 55 percent of those consumers who are eligible for Lifeline service actually subscribe. It may be unreasonable

to expect 100 percent participation, but it is not unreasonable to anticipate greater growth.

And finally, states and the FCC continue to designate Lifeline-only prepaid wireless providers as eligible to receive Lifeline support. There are two such applications in the pipeline and Montana alone.

I submit that the program continues to offer considerable financial incentives for prepaid wireless providers to enter the market. First, while the FCC has made it a priority to transform Universal Service to support broadband investment, they have waived the requirement that Lifeline providers make any investment in facilities at all. Senator Pryor has called for the elimination of support for what he calls these "virtual networks."

Second, the second financial incentive attracting prepaid wireless Lifeline-only providers to the program is found in the level of support that these providers receive. That is, prepaid wireless Lifeline-only providers receive $9.25 per subscriber, regardless of what it costs to provide service. Since these providers can offer their Lifeline service for free, it is reasonable to assume that $9.25 is more than enough to cover their costs. And by the way, there is nothing in the law that defines comparable rates as free.

The Lifeline support mechanism, in my opinion, is similar to the identical support mechanism in the high cost program. When the level of identical support for competitive carriers reached $1 billion, half the amount of the Lifeline program, the FCC froze high cost identical support in 2008, and the Universal Service reform order released at the end of 2011, the FCC eliminated identical support altogether, saying that the level of support received under the mechanism "bears no relation to the efficient cost of providing mobile service."

I believe the same logic applies to the amount of support provided to prepaid wireless Lifeline-only providers in the Lifeline program. Thus, I suggest that the FCC could eliminate the Lifeline identical support mechanism. The FCC either could make Lifeline support cost-based for prepaid wireless providers, or it could establish a default benchmark level of $3 per subscriber. Providers could submit cost data to the FCC, demonstrating why $3 is insufficient. A $3 benchmark could save the Lifeline program as much as $1 billion, while saving the same number of—while serving the same number of qualified low income consumers. Or, if the program were capped at today's level of around $2 billion, the Lifeline program would have room for considerable future growth in low income subscribership, and/or expansion of the program to include broadband access. Thus, any further growth of the program would be curtailed without putting additional pressure on the contribution factor or jeopardizing the other goals of Universal Service.

Thanks again for the opportunity to testify. I look forward to any questions.

[The prepared statement of Mr. Feiss follows:]

Before the United States House of Representatives
Committee on Energy and Commerce
Subcommittee on Communications and Technology

"The Lifeline Fund: Money Well Spent?"

Testimony of Geoffrey A. Feiss, General Manager
Montana Telecommunications Association

April 25, 2013

Summary

The Lifeline Program successfully implements the Telecommunications Act's goal of ensuring that "consumers in all regions of the Nation, including low-income consumers...have access to telecommunications and information services... that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas."

Rural telecom providers are proud to play a prominent role in delivering Lifeline service to qualified low-income consumers.

The Lifeline Program has suffered from exponential growth in recent years which almost entirely is attributable to an influx of prepaid wireless providers providing free wireless service. Lifeline support grew from $800 million to $2.2 billion in just a few years, while finding in other programs remained relatively flat. Similarly, the number of wireless providers grew from 41 in 2004 to nearly 700 today. Continued growth in the Lifeline Program could jeopardize the integrity of universal service in general, including vital support for our nation's schools and libraries, rural health care providers and high cost rural broadband investment.

MTA commends the FCC for implementing a number of substantial and effective reforms last year under the *Lifeline Reform Order*, which aimed at curtailing waste, fraud and abuse in the Lifeline Program.

Despite the savings achieved by FCC's reforms, there is reason to believe that the savings may bottom out in the near future, and the Lifeline Program may return to a pattern of continued growth. Most of the *Lifeline Reform Order's* savings have been implemented. Moreover, the level of support for prepaid wireless providers—combined with a waiver of facilities-based service—appears to create financial incentives for continued entry of prepaid wireless providers into the Lifeline "market."

MTA suggests that more can be done to optimize efficiencies in the Lifeline Program:

- The Lifeline Program is the only universal service program that has not been put on a budget. It's time to put the program on a budget.

- The Lifeline funding mechanism resembles the "identical support" mechanism in the High Cost Program, which the FCC has eliminated because high-cost identical support "bears no relation to the efficient cost of providing mobile voice service." Thus, MTA recommends that Lifeline support for prepaid wireless providers should be cost-based. Alternatively, the FCC could establish a benchmark support level of $3 for prepaid wireless providers, and wireless providers could provide to the FCC cost data demonstrating why $3 is insufficient.

MTA's recommendations could save the Lifeline Program as much as $1 billion while serving the same number of qualified low-income consumers. Or, if the program were capped at today's level, MTA's recommendation would provide room for considerable future growth in low-income subscribership.

I. Introduction

MR. CHAIRMAN and members of the Committee, it is an honor to be invited to testify before you today. My name is Geoff Feiss, and I am the General Manager of the Montana Telecommunications Association (MTA), which represents small and large, commercial and cooperative, national and local incumbent telecommunications providers serving commercial and residential consumers of Montana with a full spectrum of advanced telecommunications services. Montana's rural telecom providers employ over 1,000 Montanans and have deployed over 20,000 miles of fiber optic facilities in the state to deliver advanced telecommunications services in many cases to as much as 100% of their consumers—in a state where the *average* number of households per square mile is less than four.

I am also a member of the board of directors of the Universal Service Administrative Company (USAC), which administers the federal universal service program, including Lifeline. (Please note, however, that I am testifying today in behalf of MTA, and not USAC.)

It is my pleasure to discuss the federal universal service Low Income Program, otherwise known as the Lifeline Program. All of MTA's members are proud to offer Lifeline service to qualified low-income consumers, including Tribal members, in Montana. The Lifeline Program continues to facilitate valuable access to vital telecommunications services for to low-income consumers. MTA and it members fully embrace the benefits of the Lifeline Program and its foundation in the principles of Universal Service as provided in the Telecommunications Act of 1996:

> Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information services...that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas. 47 U.S.C. §254. (Emphasis added.)

While MTA fully supports the policy and principles underlying the Lifeline Program, we are concerned that despite recent reforms implemented by the Federal Communications Commission (FCC), additional efficiencies can be attained to preserve scarce universal service resources. If the Lifeline Program returns to it's recent growth pattern, it could undermine the integrity of the universal service fund in general, including the Rural Health Care Program, the Schools and Libraries Program and the High Cost Program.

The Lifeline Program is the only universal service program that has no budget. The Rural Health Care Program is limited to $400 million annually; the Schools and Libraries Program is budgeted at $2.25 billion, with an inflation adjustment that puts it at $2.33 billion;[1] and High Cost at $4.5 billion. When the FCC released the *Lifeline Reform Order* last year (1/31/12), commissioners stated that the Commission would take a look in early 2013 to see how and whether the reforms adopted by the *Order* affected the program and would put the program on a budget at that time.

> After evaluating the impact of today's fundamental overhaul of the program and addressing key issues teed up in the Further Notice of Proposed Rulemaking, including the appropriate monthly support amount, the Commission will be in a position to adopt a budget for the program in early 2013.[2] (Emphasis added.)

It's time to put the Lifeline Program on a budget and make sure that recent reforms in fact keep futuregrowth in the program checked. MTA offers several recommendations in this regard.

---

[1] Annualized, based on $583.81 2Q13 USAC demand projection.
[2] Statement of FCC Chairman, Julius Genachowski. *Lifeline Reform Order*, FCC 12-11. Rel. February 6, 2012. p.288.

II. Background:

The dramatic growth of the Lifeline fund is well documented. The Lifeline Program "hovered" between $600 and $800 million annually from 1996 to 2004. Then prepaid wireless providers discovered the mechanism and flooded the market, in what Sen. McCaskill describes as the "wireless explosion." As of the beginning of 2013, the program spent $2.2 billion.

In 2004, there were 41 competitive (i.e., non-incumbent) Lifeline providers. Today there are nearly 700. Of the total Lifeline support disbursed in 1Q13, nearly 80% (or $1.45 billon) went to wireless providers, many of whom own no facilities and do little more than market resold services and handsets to consumers. While the rate of growth of Lifeline funding and new wireless providers entering the market appears at least temporarily to be slowing, the FCC and states continue to approve new Lifeline-only applications for designation as "eligible telecommunications providers" (ETCs), which enables them to receive Lifeline support. To my knowledge, no application for Lifeline-only ETC designation has been denied anywhere in the U.S. Thus, the door to the Lifeline program is hardly closed, and it appears that many new wireless providers clearly continue to see value in rushing through it. Moreover, the FCC has waived study area and facilities requirements that apply to all other ETCs; this is why it is that most of these Lifeline-only ETCs can merely resell existing service. In other words, prepaid wireless ETCs do not deploy any new telecommunications infrastructure, contrary to the FCC's intention to transform universal serve into a broadband deployment program.

From a "demand" perspective, growth of the Lifeline program since 2008 has been the most significant source of growth in the universal service contribution factor, which is 15.5% as of 2Q13. That means that most consumers are paying a fee of 15.5% of their long distance (interstate) telecom bills. The good news is that the current contribution factor is down from 16.1% in the previous quarter (1Q13); and that is down even further from an all-time high of 17.9% in 1Q12, just prior to the FCC's *Lifeline Reform Order* reforms.

The bad news is that the contribution factor is 15.5%. As noted above, the reason, from a demand perspective, that the contribution factor remains high is almost entirely attributable to the demands of Lifeline program, since the other components of universal

service have been relatively flat, if not declining. (The other primary reason for growth in the factor is the declining base of interstate telecommunications revenues, which is why contribution reform is another important, but lingering, issue that needs to be addressed.)

While the FCC's Lifeline Reform Order successfully has achieved substantial savings in the Lifeline Program, there are reasons to be concerned that the Lifeline Program will return to a pattern of growth, which threatens to put increasing pressure on the Universal Service Fund. Further reform, therefore, is necessary.

The FCC announced earlier this year that its *Reform Order* resulted in "savings" of $213 million by year-end 2012.[3] This is true, to an extent. These savings "reduce" the Lifeline fund to $2.2 billion from $2.4 billion. For example, the *Lifeline Reform Order* eliminated the Link-up program, except for Tribal low-income consumers. The Link-up program subsidizes the cost of installing service. It was growing exponentially. Link-up support demand (the amount given to Lifeline providers) had doubled in four quarters from $23.51 million in 3Q11 to $46.11 million in 2Q12. The FCC even questioned whether some Lifeline providers were charging the Lifeline Program for Link-up support for installation charges that they would not otherwise have charged consumers but for the subsidy they could receive from the Lifeline Program.[4] By eliminating Link-up support for all but Tribal consumers, the demand for Link-up support plummeted from a high of $46.11 million in 2Q12 to $0.23 million in 4Q12.[5]

Similarly, the Commission launched an in-depth data validation (IDV) initiative in 2011 with USAC to identify and eliminate duplicate support, whereby consumers receive Lifeline-supported service from more than one provider. The IDV initiative—which continues today—has identified an average of 10% of all Lifeline subscribers as duplicate subscribers. Overall, the initiative is on track to save a total of over $200 million of Lifeline support.

---

[3] "Wireline Competition Bureau Issues Final Report on Lifeline Program Savings Target. WC Docket No. 11-42. DA13-130. Rel. January, 31, 2013.

[4] See discussion of the Link-Up Program in the FCC's *Lifeline Reform Order* (FCC 12-11, Rel. Feb. 6, 2012) ¶¶ 240-254. For example, "Providing support for half of a 'customary' charge up to a flat $30 amount creates incentives for carriers to set their customary charge at $60 in order to maximize their draw from the program..." (¶247.)

[5] $0.05 million in 1Q13. $0.18 million in 2Q13.

The *Lifeline Reform Order* also required all Lifeline providers to re-certify 100% of their Lifeline subscribers by the end of 2012. As a result of the recertification process, some Lifeline providers de-enrolled as many as 50% of their Lifeline subscribers by the end of 2012.[6] USAC does not yet have data verifying or refuting how many of the de-enrolled subscribers will have in fact re-enrolled in 2013, but it appears that the recertification process overall may result in a 29% overall de-enrollment of Lifeline subscribers. At least some of the de-enrolled subscribers may re-enroll in 2013. In other words, the year-end 2012 "snapshot" of savings attributable to decertification may be inflated.

Further, the *Lifeline Reform Order's* "one-per-household" rule has yet to be fully implemented. One can expect additional savings to be attained upon implementation of this rule this year.

By and large, however, the savings that the *Lifeline Reform Order* aimed at attaining largely have been attained. That is, the savings have mostly "bottomed out." It is more likely that the "dip" in the growth of Lifeline support is going to reach is low water mark in 2013, and then begin to climb again.

A number of factors point to the potential for returned growth in demand on the Lifeline fund. For example, the *Reform Order* broadened the eligibility criteria for qualifying low-income subscribers.[7] Moreover, Lifeline support is being expanded to include broadband access. Currently, broadband expansion is a pilot program; but If the pilot program grows into a permanent feature of the Lifeline Program, one can assume further demand on the Lifeline fund. Further, only about 55% of eligible low-income consumers

---

[6] Spencer Ante. "Millions Improperly Claimed U.S. Phone Subsidies. Wall Street Journal. February 11, 2013. "A review of five top recipients of Lifeline support conduced by the FCC for the Journal showed that 41% of their more than six million subscribers either couldn't demonstrate their eligibility or didn't respond to requests for certification." In Montana, as many as 50% of lifeline subscribers were de-enrolled by the end of 2012 as a result of subscribers' failure to re-certify their Lifeline eligibility.

[7] Eligibility is based on household income at or below 135% of Federal Poverty Guidelines, or participation in one of the following federal assistance programs: Medicaid; Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps; Supplemental Security Income (SSI); Federal Public Housing Assistance; Low-Income Home Energy Assistance Program (LIHEAP); National School Lunch Program's free lunch program; and Temporary Assistance for Needy Families (TANF). Low-income consumers living on Tribal lands may also qualify by participation in one of several additional assistance programs: Bureau of Indian Affairs general assistance; Tribally-administered TANF; or Head Start (only those meeting its income-qualifying standards).

currently are served by the Lifeline Program, according to USAC. It may be unreasonable to assume that the Lifeline Program will reach 100% of all consumers who are eligible; but it is not unreasonable to assume that there is considerable room for more growth in subscribership. Finally, there are more Lifeline-only ETC applications in the pipeline. In Montana alone, there are two such applications pending Public Service Commission designation. Given states' and the FCC's lenience in approving Lifeline-only ETC designations, there is no reason to believe that more designations are not pending approval. Indeed, the FCC encourages more ETC applications by waiving facilities and study area requirements, not to mention providing financial incentives for prepaid wireless providers to enter the market, as discussed further below.

In summary, as Sen. Claire McCaskill pointed out last month, "the FCC in early 2012 enacted reforms aimed at addressing waste, fraud and abuse in the [Lifeline] program. These efforts resulted in the program coming in $214 million under its projected cost in 2012. But, in real dollars, the program still grew from $1.75 billion in 2011 to $2.2 billion in 2012—a staggering increase of 26% in one year."[8] While the *Lifeline Reform Order* may continue to have a positive effect on diminishing the rate of growth of the Lifeline Program, the savings from the *Order* are likely to bottom out in 2013. Demand for Lifeline support is likely going to return to its former growth path. Moreover, since Lifeline is the only universal service element that is not on a budget, its growth will directly affect the contribution factor. And since the contribution base continues to shrink in the absence of substantive contributions reform, any growth in Lifeline demand necessarily will increase the contribution factor, thereby putting all universal service programs in jeopardy.

III. Recommendations

The Lifeline Program should be put on a budget, like the rest of the programs in the Universal Service Fund (Schools and Libraries, Rural Health Care, and High Cost) – none of which, again, have actually been growing to any significant degree. As noted above, the Commission indicated that it would implement a Lifeline Program budget when it adopted

[8] McCaskill Amendment #484. S.Con.Res.8. March 22, 2013.

the *Lifeline Reform Order* a year ago.[9] One option is to cap the Lifeline Program at the year-end 2012 level of $2.2 billion. As discussed below, this would be a less-than-optimal solution, as it would lock in waste and inefficiency that currently continue to affect the Lifeline Program. Alternatively, as discussed below, the Lifeline fund can be reduced from its current level by reducing the amount of support per prepaid wireless subscriber without reducing the total number of Lifeline subscribers. (I should note that I do not recommend imposing a statutory cap on the Lifeline Program or on any of the universal service programs for that matter. Rather, the FCC should be encouraged to continue exploring ways to improve efficiency in the Program while adhering to the statutory principles of universal service. In short, the FCC should have the flexibility to adjust its rules as circumstances dictate.)

In addition to the general recommendation to put the Lifeline Program on a budget, a variety of proposals has been proffered by Members of Congress. For example, Sen. Tom Coburn proposed an amendment to the FY2014 Budget Resolution to collect a $5 participation fee from the Lifeline Program's 16.5 million participations, saving over $82 million, according to his analysis.[10] "However, if the fee decreases fraud and abuse in the program by even 3%, savings could be over $127 million total," according to Sen. Coburn's statement.

There is nothing in statute or rule that mandates that Lifeline service should be free. In fact, the statute provides that Americans should have access to "comparable" service at comparable rates. Sen. Coburn's proposal therefore makes sense for a number of reasons. Assuming the participation fee were remitted back to the Lifeline fund (i.e., not to providers), it could help sustain the fund's financial viability and reduce pressure on the contribution factor. A fee would more reasonably meet the "comparable rates" provision of the Telecommunications Act. And, as Sen. Coburn noted, it "would both promote self-sufficiency and root out rampant waste, fraud and abuse."

---

[9] Ironically, the FCC put the horses in front of the cart when it released *the Lifeline Reform Order*. The Commission issued reforms first, with the intent to review the effects of its reforms before determining an appropriate budget for the program. It would have been far less disruptive if the Commission had proposed reforms to the high cost program fist, and then determined an appropriate budget subsequently.

[10] Coburn Budget Amendment #413. March 22, 2013

By comparison, wireline Lifeline consumers pay around $16 for their Lifeline-discounted service, assuming the average local wireline rate is around $25. Thus, by requiring some minimal lifeline service rate that subscribers pay, the Commission could create a disincentive for abuse and could stretch the Lifeline dollar even further.

Sen. Mark Pryor, Chairman of the Communications, Technology and the Internet Subcommittee of the U.S. Senate Committee on Commerce, Science and Transportation, recommends "the following immediate steps to further reform Lifeline and restore faith in the program:

- Eliminate the participation of prepaid wireless providers and other mobile virtual network operators in the Lifeline program…
- Place a hard cap on the amount of Lifeline support that the universal service program should fund each year. That cap should be set far below the current $2.2 billion "budget" for the program...
- Freeze new [ETC] certifications for participation in the Lifeline program until the FCC's Inspector General can conduct an immediate investigation into all Lifeline provider certification programs…
- Study the effectiveness of the current Lifeline discount system and the actual cost to low-income Americans for prepaid wireless service as compared to traditional wireline service."[11]

MTA concurs generally with Sen. Pryor's recommendations.[12] For example, as noted herein, the FCC has encouraged the wireless explosion in part by waiving any facilities requirements for Lifeline-only competitive ETCs. These "virtual network operators," as Sen. Pryor calls them, have little if any investment in broadband infrastructure. Congress or the FCC might reconsider the facilities waiver, and provide Lifeline support only to facilities-based providers.

Moreover, It is interesting to note the parallels between the current situation facing the Lifeline Program and the similar circumstances that beset the universal service high cost program only a few years ago. Early in the last decade, competitive—primarily wireless—ETCs flooded the High Cost Program. High-cost support ballooned by $1 billion in just a few years. When the level of support to competitive ETCs reached $1 billion—

---

[11] Sen. Mark Pryor. Letter to FCC Chairman Julius Genachowski. March 13, 2013.

[12] See also letter from Congressman Steve Stockman to FCC Chairman, Julius Genachowski, March 8, 2013. "[W]e urge the FCC to take prompt action to constrain growth of the Lifeline program by setting a budget in the same vein as has for other aspects of the USF program, and by taking meaningful steps to set more proper incentives for carrier participation in the program than exist in the current version."

half of the level of support that the Lifeline Program now demands—the FCC put a cap on competitive ETC support.[13] The Commission found that

> growth has been due to increased support provided to competitive ETCs, which receive high-cost support based on the per-line support that the incumbent LECs receive, rather than on the competitive ETCs' own costs. While support to incumbent LECs has been flat since 2003, competitive ETC support, in the seven years from 2001 through 2007, has grown from under $17 million to $1.18 billion – an average annual growth rate of over 100 percent. We find that the continued growth of the fund at this rate is not sustainable and would require excessive (and ever growing) contributions from consumers to pay for this fund growth.[14] (Emphasis added.)

In short, the Commission found that the amount of support that competitive ETCs were receiving had no relationship to the cost of providing service. While wireline high-cost support is based on providers' cost of providing service, competitive ETCs were receiving "identical support," the same level of per-line support that wireline providers received, without consideration of their cost of providing service.

The FCC's "*Transformation Order*"[15] adopted in 2011 finds that the amount of high-cost support that competitive ETCs receive "bears no relation to the efficient cost of providing mobile voice service." The *Order* continues to state that the amount of support received by competitive ETCs cannot "reasonably [be] calculated to be sufficient but not excessive for universal service purposes."[16] (Emphasis added.) Thus, the *Transformation Order* phases out competitive ETC support altogether.

Lifeline support, particularly for prepaid wireless providers, resembles the high-cost "identical support" which the FCC has eliminated. The FCC concluded that identical support had contributed to the "ballooning" of high-cost universal service support. As noted above, when the competitive ETC support reached $1 billion, the FCC capped the program in 2008, and eventually eliminated it in the *Transformation Order*. Yet, unlike wireless

---

[13] "CETC Order." WC Docket No. 05-337; CC Docket No. 96-45. FCC 08-122. Rel. May 1, 2008. "In this Order, we take action to rein in the explosive growth in high-cost universal service support disbursements..." ¶1.
[14] *Id.* ¶6.
[15] "Transformation Order." WC Docket Nos. 10-90; 05-337; et al. FCC 11-161. Rel. November 18, 2011.
[16] *Id.* ¶¶ 504, 510.

competitive ETCs under the high-cost program, wireless competitive ETCs under the Lifeline Program invest practically nothing in infrastructure; and they have ballooned the Lifeline support fund by substantially more than $1 billion—the amount of support at which the FCC put the brakes on high-cost support for competitive ETCs.

The Lifeline dollar can be stretched significantly further so that lifeline support can reach the same, if not more, eligible consumers, while shrinking the size of the Lifeline fund. The Lifeline Program runs in much the same way as the high-cost identical support mechanism. All Lifeline providers get $9.25 of Lifeline support per subscriber, regardless of what it costs to provide Lifeline service. The $9.25 support level is based on wireline costs, not wireless, particularly not prepaid wireless costs. In fact, the Lifeline Program originally was established to help mitigate the effects of the subscriber line charge (SLC)—which wireless providers never incurred. That is, the amount of lifeline discount has no analogous counterpart in the prepaid wireless ecosystem, where SLCs never existed.

As currently structured, the amount of per-subscriber Lifeline support appears to create a financial incentive for wireless providers to rush into the Lifeline Program. The fact that Lifeline-only competitive ETCs can offer prepaid wireless service for free, and the number of Lifeline-only competitive ETCs has ballooned to 700 in only a few years, leads one to surmise that at least in part the wireless explosion is attributable to a generous support mechanism which "bears no relation to the efficient cost of providing mobile voice service" or cannot "reasonably [be] calculated to be sufficient but not excessive."[17]

So, to the extent that Lifeline support resembles identical support, specifically as it applies to prepaid wireless providers, MTA recommends removing the financial incentives which attract the prepaid wireless providers and turn the Program into a business plan. This can be done in one of two ways. The FCC could make wireless Lifeline support cost-based. Rate of return ETCs, such as those MTA represents, receive high-cost support based on their cost of providing service. These companies must produce detailed financial reports to the FCC and USAC and are subject to robust industry scrutiny and audits by

[17] Prepaid wireless ETCs not only can offer their service for free, but they face no comparability standard with regard to the quality of service they offer. While most wireless calling plans include unlimited minutes, for example, prepaid wireless Lifeline-only ETCs offer a limited number of minutes for free, and charge subscribers for running over their limits.

USAC and NECA. The FCC could require prepaid wireless providers to submit similar cost data by which a cost-based level of support could be determined. Or, the Commission could establish a "benchmark discount" level of support for prepaid wireless providers of, say, $3 or less.[18] Given that prepaid wireless providers have little CAPEX (especially with no facilities requirements) and their OPEX is marginal, a $3 default benchmark is not unreasonable. If a prepaid wireless ETC objects to the $3 benchmark, it could appeal to the FCC with data demonstrating why it needs more than $3 of Lifeline support per subscriber. Otherwise, the benchmark rate would apply.

A $3 support benchmark for prepaid wireless providers could reduce the current Lifeline Program by around $1 billion while serving the same number of eligible subscribers.[19] (Or, reducing the level of per-subscriber support for prepaid wireless providers could "free up" additional resources to serve more eligible low-income subscribers if the Lifeline fund were capped at today's level.) The "safe harbor" benchmark concept already is established. Wireless providers assess universal service fees are based on a "safe harbor" amount of interstate traffic. Carriers may appeal to the FCC if the safe harbor amount is inappropriate. To my knowledge, no provider has appealed the safe harbor rate.

IV. Conclusion

The Lifeline Program continues to fulfill an essential principle of universal service: to provide access to comparable telecommunications services to Americans, regardless of their economic circumstances. MTA member companies, and rural telecom providers across the nation, are proud to deliver Lifeline services to qualified low-income consumers throughout their service areas. The FCC has undertaken substantial and constructive reforms to weed out waste, fraud and abuse that have afflicted the Lifeline Program. MTA commends the FCC for implementing these reforms, and encourages Congress to work

[18] The FCC may need to undertake a general cost study to establish a national average prepaid wireless cost benchmark.

[19] Assumes 77% of all Lifeline support, or almost $1.5 billion, is received by wireless ETCs, most of which are prepaid wireless Lifeline-only competitive ETCs. A two-thirds reduction in support (going from $9.25 per subscriber to $3 per subscriber) would reduce Lifeline support by about $1 billion.

with the FCC to continue the search for greater efficiencies in the Lifeline support mechanism.

In this regard, MTA suggests that Lifeline support for prepaid wireless Lifeline-only ETCs resembles the "identical support" mechanism in the High Cost Program, which the FCC has eliminated. The FCC should put the Lifeline Program on a budget like all other universal service programs. Additionally, the Commission either could make Lifeline support a cost-based mechanism, like the high-cost mechanism, or it could establish a $3 default Lifeline support benchmark level of support for prepaid wireless ETCs. With a $3 default level of support for prepaid wireless Lifeline-only ETCs, the size of the Lifeline fund could be reduced while serving the same number of qualified low-income subscribers, and continuing to implement the Congressional policy of providing comparable service at comparable rates for qualifying low-income subscribers. (Or, the fund could be capped at today's level and support even more subscribership.) And, any further growth of the Program would be curtailed without putting additional pressure on the contribution factor or jeopardizing the other goals universal service.

Respectfully submitted,

Geoffrey A. Feiss, General Manager
Montana Telecommunications Association
208 North Montana Avenue, Suite 105
Helena, Montana 59601
406-442-4316
gfeiss@telecomassn.org

Mr. WALDEN. Thank you, Mr. Feiss. We appreciate your comments and testimony.

We will now turn to Mr. Christopher Guttman-McCabe, who is Vice President, Regulatory Affairs, CTIA—The Wireless Association. Welcome.

STATEMENT OF CHRISTOPHER GUTTMAN-MCCABE

Mr. GUTTMAN-MCCABE. Thank you, and good morning, Chairman Walden, Ranking Member Eshoo, and members of the subcommittee. On behalf of CTIA, I appreciate the opportunity to be a part of today's conversation about the Lifeline program.

Throughout its history, the Lifeline program has advanced the goal of ensuring that every American has access to telecommunications services, and the wireless industry plays an increasingly vital role in furthering that objective.

Nearly 3 decades after its creation and through an evolution shaped by Congress and FCC leaders from both parties, data demonstrates that Lifeline has been a critical component in the effort to expand telephone subscribership, particularly among those who live at or below the federal poverty level. But in spite of this progress, our work is not yet done. According to 2012 data from the Center for Disease Control, there are still several million American households that lack any phone service, something essential for full participation in the modern economy and the promotion of public safety.

While the Lifeline program has played an important role in driving penetration, its growth during the recent recession has led some to question its value and cause what has traditionally been a program with broad bipartisan support to become politicized. This is unfortunate and I would like to take a moment to clear up two common misconceptions that skewed discussions over the program.

The first misconception about the Lifeline program is that it relies upon taxpayer funds. This idea has been repeated in the press and on talk radio with such frequency that it is simply accepted by many as true. It is not. The fact is that like all Universal Service programs, Lifeline is funded through levies imposed on providers of interstate telecom services. Wireless companies, wireline companies, and VoIP providers contribute to the fund and generally recover those contributions from their end user customers. Funds are remitted not to the U.S. Treasury, but rather to USAC, an independent organization established by the FCC to administer the four USF programs. Congress appropriates no money for the fund, and monies collected and distributed by USAC do not impact the federal budget, the deficit, or the debt in any way. Because of that, increasing or decreasing the size of the Lifeline program, or any other component of the overall USF program, will not have an impact on the federal budget.

The second frequent misconception about the Lifeline program is that it provides free cell phones to people. Some have taken this untrue assertion so far as to claim that government is subsidizing iPhones or will soon be subsidizing low income people with iPads. The reality is that some carriers provide a lower end device to eligi-

ble consumers. Lifeline support is attached only to the service, not to the devices.

I hope you don't take my pushback on these points as a suggestion that we don't take the efficient operation of the Lifeline program seriously, because we do. The fact is that wireless consumers provide nearly half the funds that are collected for USF, and thus CTIA's members are very interested in assuring that all USF programs are run efficiently and with full accountability.

Because CTIA is committed to the responsible stewardship of the Universal Service Funds, we supported the FCC in its effort to enact new Lifeline accountability measures. These reform measures include rules eliminating Lifeline support for more than one connection per household, a new monthly usage requirement, new standards for determining Lifeline eligibility, and new requirements for ETCs to review Lifeline subscribers' eligibility, something carriers previously were prohibited from doing. The FCC also committed to the creation of a database to prevent duplication of support across carriers in real time, as well as to create a nationwide eligibility database to ensure that only qualified consumers receive benefits. We look forward to the completion of these two efforts.

Going forward, CTIA believes that the most important step that can be taken to safeguard the program and prevent fraud is for the FCC's 2012 reforms to be fully implemented. This is particularly true with respect to the creation of the duplicate and eligibility databases, which must be completed as expeditiously as possible.

Over the nearly 3 decades since its creation, the Lifeline program has served an important purpose and enjoyed bipartisan support. CTIA is committed to working with the subcommittee and the Commission to advance this effort in a way that is technologically and competitively neutral and fiscally responsible. We believe this a laudable and attainable goal.

Thank you. I look forward to your questions.

[The prepared statement of Mr. Guttman-McCabe follows:]

CTIA
The Wireless Association®

Extending the Wireless Frontier

TESTIMONY OF CHRISTOPHER GUTTMAN-McCABE
VICE PRESIDENT OF REGULATORY AFFAIRS,
CTIA – THE WIRELESS ASSOCIATION®

on

"THE LIFELINE FUND: MONEY WELL SPENT?

before the

HOUSE OF REPRESENTATIVES COMMITTEE ON ENERGY AND COMMERCE

SUBCOMMITTEE ON COMMUNICATIONS AND TECHNOLOGY

April 25, 2013

Chairman Walden, Ranking Member Eshoo, and members of the Subcommittee, on behalf of CTIA – The Wireless Association® ("CTIA"), thank you for the opportunity to speak with you today on the subject of the Federal Universal Service Fund's Lifeline program. Throughout its history, the Lifeline program has helped advance the goal of ensuring that every American has access to telecommunications services and the wireless industry plays an increasingly important role in furthering that objective. CTIA looks to work constructively with the Subcommittee to ensure that the Lifeline program is run in an efficient, responsible manner so that it may continue to fulfill this mission.

Today, my testimony will focus on three areas. First, I want to offer a brief history of the Lifeline program, and especially the wireless industry's role in it. Second, I would like to dispel a few popular misconceptions about the program. Third and finally, I would like to offer CTIA's views on the programmatic reforms recently adopted by the Federal Communications Commission.

A Brief History of the Lifeline Program

To understand where we are and how we got here, a brief history of the Lifeline program may be helpful.

Under the leadership of Chairman Mark Fowler, the Lifeline program was created by the FCC in 1985. Its purpose was to ensure that any increase in local rates that occurred following the break-up of the Bell System would not put local phone service out of reach for low-income households. The FCC was concerned that the implementation of a subscriber line charge would force low-income consumers to drop voice service, which, the FCC found, "had become crucial to full participation in our society and economy." (2012 Lifeline Reform Order, at para. 12.)

That notion - that access to telecommunications service is essential to full participation in our economy - led Congress to enact Section 254 of the Act as part of the Telecommunications Act of 1996, which includes specific universal service principles to ensure that low-income consumers have access to telecommunications service. The 1996 amendments also directed the FCC to consider "such other principles as the Joint Board and the Commission determine are necessary and appropriate." Upon the recommendation of the Federal-State Joint Board, the Commission thus adopted rules that universal service support mechanisms should be

"competitively neutral" and "not unfairly advantage one provider, nor favor one technology." (1997 Universal Service First Report & Order, at para. 364.) On this basis, the Commission also endorsed the Joint Board's recommendation that "all eligible telecommunications carriers, not just ILECs, should be able to receive support for serving qualifying low-income consumers." (Universal Service First Report & Order, at para.365.)

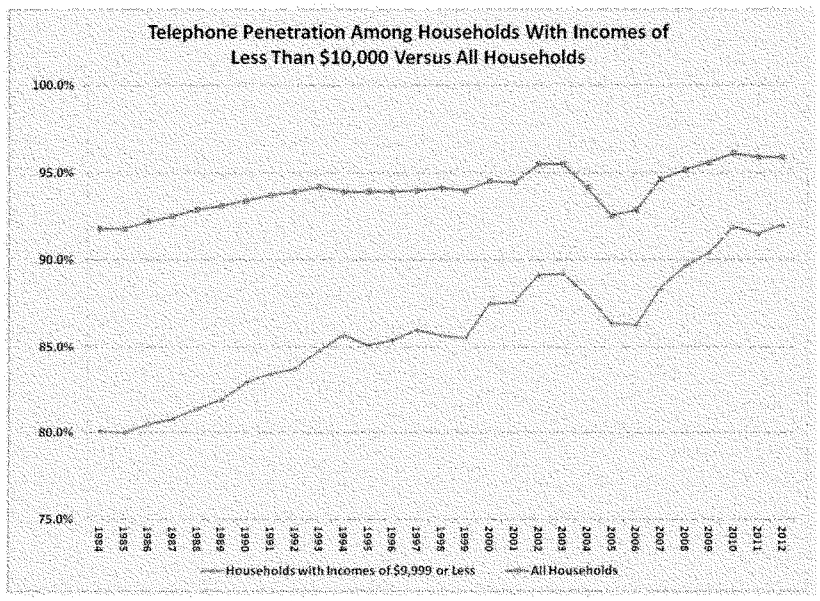
In 2005, under the leadership of Chairman Michael Powell, the Commission established a framework for the federal designation of wireless providers serving rural areas to qualify as "eligible telecommunications carriers," making them eligible for support from the high-cost fund. (2005 ETC Designation Order) Designation of wireless providers as ETCs was conditioned on the offering of Lifeline services to qualified low-income consumers. (2005 ETC Designation Order, at para. 17.)

Later in 2005, the next major modernization of the Lifeline program occurred, when the FCC, under Chairman Kevin Martin, granted TracFone's petition seeking forbearance from the statutory requirement that a carrier designated as an ETC for purposes of federal universal service support provide service, at least in part, over its own facilities. In evaluating TracFone's petition, the Commission had to consider two different provisions of the Act. First, it had to consider the universal service goals embodied in Section 254, and second, it had to consider whether TracFone's petition could satisfy all three prongs of the test for forbearance set forth in Section 10. The Commission ultimately concluded that the requirement that a Lifeline provider be facilities-based would impede greater provision of Lifeline services and that forbearance from the facilities requirement would promote competitive market conditions. As such, it granted TracFone's petition in September 2005, noting that it would advance "the statutory goal of providing access to low-income consumers." (In the Matter of Federal-State Joint Board on Universal Service, Petition of TracFone Wireless for Forbearance from 47 USC 214(e)(1) and 47 CFR 54.201(i), at para. 17.) This proved particularly timely, as it allowed for Lifeline supported service to be made available to people displaced by Hurricane Katrina. ("Wireless Carriers Mull Participation in Cellphone Plan for Katrina Evacuees," TR Daily, October 27, 2005.)

Nearly three decades after its creation, and through an evolution shaped by Congress and FCC leaders from both parties, data demonstrates that Lifeline has been a critical component in the effort to expand telephone subscribership (2012 Lifeline Reform Order, at paras. 15-16).

Since 1984, the year of the Bell System break-up and the year immediately before creation of the Lifeline program, telephone penetration has improved from 91.4% of households to 95.9% of households in March 2012, the last period for which FCC data is available. (FCC's 2012 Monitoring Report, at Table 3.2) To some, an increase in the total penetration rate of 4.5% may seem small, but it, is in, fact a powerful accomplishment and equates to more than 5 million American households having - or not having - access to a telephone and thus a connection to emergency services, employers, health care providers, and family.

The impact of the Lifeline program has been especially dramatic with respect to households with incomes of less than $10,000. Telephone penetration for those lowest income households increased from 80% in 1984 to 92% in 2012. And the gap in telephone subscribership between low income households and all households shrank from more than 11% to less than 4%.



Source: FCC Monitoring Reports

But in spite of this progress, our work is not yet done. According to 2012 data from the Centers for Disease Control, there are still several million American households that lack any phone service.

Misconceptions about the Lifeline Program

I've now had the opportunity to share with you a set of things that are comprised of facts: 1) the history of the Lifeline program and 2) what the program has accomplished.

I would now like to address things that are *not* based on facts – that is, several long-standing but non-factual misconceptions about the Lifeline program.

Thank you for the opportunity to set the record straight.

The first common misconception about the Lifeline program is that it relies upon taxpayer funds. This idea has been repeated in the press and on talk radio with such a frequency that it is simply accepted by many as true. But repeating a falsity does not make it true.

Here are the facts: The Lifeline program, like all USF programs, is funded through levies imposed on providers of interstate telecommunications services. Wireless companies, wireline telephone companies, and VOIP providers contribute to the fund and generally recover those contributions from their end-user customers. Funds are remitted not to the U.S. Treasury, but rather go to the Universal Service Administrative Company, an independent, not-for-profit organization established by the FCC to administer the four universal service programs.

Universal service contributions collected and distributed by USAC do not impact the Federal budget, the deficit, or the debt in any way. Congress appropriates no money for the fund and, because of that, increasing or decreasing the size of the Lifeline program, or any other component of the overall universal service program, will not impact the federal budget.

The second frequent misconception about the Lifeline program is that it provides "free cell phones" to people. Some have taken this untrue assertion so far as to claim that the government is subsidizing iPhones or will soon be providing low-income people with iPads. While Apple might be happy to have the added business, the reality is that Lifeline subsidies, which are set at

$9.25 per month for both wireline and wireless service, only support *services*, not devices. Smartphones and tablets are not included in the Lifeline program, which is generally offered on 2G/3G spectrum with a low-cost or no-cost device provided by the carrier, generally from a very limited selection of phones. Sprint's Assurance® Wireless affiliate, for instance, offers a single device – the Kyocera Jax – for use by Lifeline customers. TracFone's Safelink Wireless® provides only two options –with its Lifeline offering.

The FCC's Recent Reforms and Beyond

With a mission as important as Lifeline, it's vital the program be run efficiently with full accountability.

CTIA's members have a very significant interest in ensuring that the full range of universal service programs are administered in a responsible manner that prevents waste, fraud, and abuse.

Because CTIA and its members are committed to the responsible stewardship of Lifeline funds, we supported the FCC in its efforts to enact new Lifeline accountability measures in 2011 and 2012. These reform measures include rules eliminating Lifeline support for more than one connection per household, new standards for determining Lifeline eligibility, new requirements for ETCs to review Lifeline subscribers' eligibility (something carriers previously were prohibited from doing), a new monthly minimum usage requirement that is intended to ensure that support is awarded only in instances that will actually benefit low-income consumers, a requirement that providers annually recertify the eligibility of their Lifeline subscribers, rigorous audit requirements, the creation of a database to prevent duplication of support across carriers in real time, and a commitment to create a nationwide "eligibility" database to ensure that only qualified consumers receive benefits. The FCC also eliminated subsidies that had been called into question, including toll limitation support and LinkUp support outside of tribal areas. Collectively, these reforms have brought, and should continue to bring, new efficiency and cost savings to the Lifeline program.

Before addressing whether additional reforms are needed, let me be clear that CTIA believes the most important step that can be taken to safeguard the program and prevent waste, fraud and abuse is for the FCC's 2012 reforms to be fully implemented. This is particularly true with

respect to the creation of the national duplicate database. No consumer should "double dip" from the Lifeline program and CTIA fully supports the Commission's effort to develop an automated national duplicate database to prevent these abuses.

The implementation of a duplicates database will fill a critical gap in the program's regulatory structure, because while the FCC and USAC have implemented a state-by-state in-depth data validation process through which Lifeline carriers' customer lists are collected and compared by USAC for the purpose of identifying and resolving duplicates, these interim measures, robust as they are, are not a substitute for a fully automated, national database. Unfortunately, while the duplicates database was to be "operational as soon as possible and no later than a year from release of the Order," (2012 Lifeline Reform Order, at para. 185) the Commission has not yet completed its work on this project. This must be corrected as expeditiously as possible.

CTIA also strongly supports the development of a national eligibility database, which we believe will be the most effective way to improve administration of the program because it will assign program functions to parties who are best able to perform them by placing eligibility decisions in the hands of appropriate government agencies. In the 2012 Lifeline Reform Order, the Commission directed "the Bureau and USAC to take all necessary actions so that, as soon as possible and no later than the end of 2013, there will be an automated means to determine Lifeline eligibility for, at a minimum, the three most common programs through which consumers qualify for Lifeline." (2012 Lifeline Reform Order, at para. 97) It is of the utmost importance that the Commission and USAC complete their work to create and operationalize the database this year.

Notwithstanding last year's reforms, questions have been raised about whether additional accountability mechanisms are necessary. In particular, it has been suggested that further enrollments in the Lifeline program should be frozen until the 2012 reforms are in place. CTIA believes it is neither necessary nor advisable to freeze the program, as doing so would deny legitimately eligible Lifeline subscribers from accessing the program. In addition to the aforementioned FCC/USAC interim measures to prevent duplication, applicants seeking to establish their eligibility for Lifeline service must provide documented proof of qualifying program participation or proof of qualifying income, and the FCC has committed to provide by

the end of this year an automated means of determining eligibility for the three most common programs through which consumers qualify for Lifeline. In states where a database of eligible customers exists, ETCs must check that database before any service is approved. The federal database solution will provide a more efficient means for carriers to verify program status and eligibility, but state-based solutions that are consistent with federal rules will play a useful role in the interim.

Another reform suggestion is the idea that mobile virtual network operators, which offer service by reselling capacity procured from facilities-based wireless provider, should be precluded from providing Lifeline service. CTIA does not believe such a prohibition is appropriate, as it would unreasonably discriminate against a class of carrier solely on the basis of its business model and deny Lifeline consumers the full benefit of competition-driven value and innovation that characterize the mobile wireless market. MVNOs offering Lifeline service are subject to the same accountability requirements that apply to facilities-based providers, such as taking steps to avoid duplicate subscriptions, validating consumers' eligibility to receive service, and compliance with the non-usage rule. As long as they comply with these obligations, MVNOs cannot be barred without violating the fundamental notions of competitive and technological neutrality that undergird not only universal service policy, but also competition policy generally.

Still others have raised the suggestion that Lifeline service should be subject to a cap. Unlike the universal service fund's other components, which support carriers or institutions, the Lifeline fund is unique in supporting individuals only. While there was significant growth in the fund between 2008 and 2011, that growth correlated to increased demand for other social welfare programs during the economic downturn. As the economy improves and the 2012 reforms are implemented, USAC's projections regarding Lifeline demand have declined, alleviating pressure on the fund and diminishing the need for a cap.

CTIA also is concerned about proposals to impose a co-payment obligation on Lifeline service. In January, the Georgia Public Service Commission voted to impose a $5.00 monthly service rate for all wireless Lifeline subscribers in Georgia. CTIA has challenged the Georgia PSC's imposition of a mandatory co-payment as inconsistent with Section 332(c)(3)(A) of the Communications Act, which expressly provides that "no State or local government shall have any authority to regulate the entry of or the rates charged by any commercial mobile service or

any private mobile service." On its face, the imposition of a minimum charge by a state indisputably regulates "the rates charged by any commercial mobile service," and is thus preempted by Section 332(c)(3)(A). Accordingly, in the event that a minimum charge is contemplated, it must be done at the federal level, both because the states lack jurisdiction to impose such measures and because Lifeline is a national program.

However, while acknowledging that the appropriate venue for discussion of a minimum charge is at the federal level, there is still belief among many CTIA members that a minimum charge is unnecessary and perhaps counterproductive. While a minimum charge of $5.00 per month may seem modest to members of the Subcommittee, it may represent a significant imposition for those who fall within the income threshold for Lifeline eligibility. Additionally, for those subscribers who do not have a bank account or credit of any sort, as is the case for a significant number of Lifeline subscribers, simply making a co-payment may be a challenge. And finally, for carriers to accept a co-payment, arrangements will have to be made with retailers and others to accept payment, increasing the cost of program administration, with the likely effect that consumers will receive fewer minutes of use.

Finally, notwithstanding the accountability measures imposed by the FCC last year, there are some who simply want to preclude wireless participation in the Lifeline program. CTIA believes proposals like H.R. 176 are incompatible with the idea that universal service policy should be technologically and competitively neutral. It has long been a central tenet of American telecommunications policy that every American should have access to telecommunications service, and proposals that would uniquely discriminate against wireless providers' ability to participate in programs intended to achieve this objective are inconsistent with much of what this Subcommittee and the Commission have attempted to achieve over the last quarter-century. H.R. 176 and proposals like it also ignore the fact that we are evolving from a wireline-centric to a wireless-centric nation and if policymakers are going to have a conversation about sunsetting the PSTN, that conversation will require that we identify ways to fill any gaps that its retirement might leave. With respect to Lifeline, wireless is the way to fill that gap. For these reasons, CTIA urges the Subcommittee to reject H.R. 176.

* * *

Over the nearly three decades since its creation, the Lifeline program has served an important purpose and justifiably enjoyed bi-partisan support. CTIA hopes this continues and we pledge to work with the Subcommittee, the Commission, and other interested parties to ensure that low-income Americans continue to have affordable access to basic telecommunications service. CTIA believes this objective can be accomplished in a way that is both technologically and competitively neutral and fiscally responsible, and we look forward to engaging with you to accomplish these objectives.

Thank you for the opportunity to testify today. If CTIA can provide any additional information you would find helpful, please let us know.

Mr. WALDEN. We appreciate your testimony as well.

For our final witness today, we will go to Billy Jack Gregg, who is head of Billy Jack Gregg Universal Consulting. We appreciate your testimony.

STATEMENT OF BILLY JACK GREGG

Mr. GREGG. May it please the committee, as you have heard here this morning, there are two sides to the advent of prepaid wireless providers as part of Lifeline. On the one hand, prepaid wireless service has been the most successful measure ever adopted to expand Lifeline service to low income consumers. On the other hand, prepaid wireless service has opened the door to numerous abuses and caused a rapid rise in the cost of the Lifeline program. Some states currently have more—have Lifeline subscribers far in excess of the eligible number of households. At the same time, other states have seen a decline in Lifeline subscribers, even though the number of low income households has risen.

[Slide shown.]

The first slide you are looking at today shows graphically the increase in the low income fund since 2006. Prior to 2008, the line that you see went off to the left in almost a flat manner, but then beginning with 2009 with the advent of prepaid wireless service, we see the rapid escalation, almost a tripling to $2.2 billion. Virtually all of this increase has been caused by payments to prepaid wireless carriers.

Currently, payments from the fund average 58 percent of its potential maximum size based on the number of low income households in each state. However, Lifeline payments to the states vary widely. Six states currently receive more in low income support than the potential maximum indicated by the number of low income households in those states, and these are shown as—at the top of the slide. These states are Oklahoma, Maryland, Alaska, Louisiana, Arkansas, and Georgia. On the other end of the spectrum, the six states at the bottom of the slide currently receive only 10 percent or less of their potential support: Montana, South Dakota, Nebraska, Colorado, Hawaii, and Wyoming.

The greatest increase in Lifeline subscribership has occurred in Maryland. In the third quarter of 2009, there were only 6,504 Lifeline subscribers in Maryland, representing only 2 percent of the eligible low income households in that state. By the third quarter of 2012, the number of Lifeline subscribers in Maryland had risen almost 100 fold to 645,000. Moreover, the current number of Lifeline subscribers in Maryland is almost double the number of low income households in the state, as shown by the graph. The dashed red line is the number of eligible low income households. The blue line is the number of Lifeline subscribers by quarter. I would note, however, that in the last quarter shown that the number of subscribers drop by 100,000. This is the first quarter that the FCC's reforms took effect. We can expect to see a continuation of this trend as the quarters progress.

In spite of the nationwide increase in Lifeline subscribers over the past 3 years, the number of subscribers in 11 states actually declined, with the largest drop occurring in California, traditionally one of the largest recipients of Lifeline support. Over the past 3

years, California has lost almost half a million Lifeline subscribers. At the same time, the number of low income households in California has risen by over 400,000. Once again, you can see the dashed red line is the number of eligible households, the blue line is the number of Lifeline subscribers.

The FCC decisively addressed numerous flaws in the low income program in its 2012 Lifeline reform order. In order to build on the positive aspects of prepaid wireless Lifeline service, while at the same time guarding against further abuse of the system, the following additional measures should be adopted.

One, the low income fund must operate within a budget, like all the other constituent funds of the Universal Service Fund.

Two, the overall budget for the low income fund should be composed of caps on support to individual states. If demand in a particular state exceeds the cap, then payments to carriers in the state should be proportionally reduced to fit under the cap.

Third, the FCC should conduct multiple pilot programs to determine whether a required minimum contribution from Lifeline recipients is appropriate, and if so, at what level.

Fourth, the FCC should explore ways to provide incentives for state involvement in providing Lifeline service to as many eligible customers as possible.

Fifth, the Lifeline subsidies should be portable and recipients should receive the same level of subsidy, regardless of the service they choose: landline, post-paid wireless, prepaid wireless, or broadband.

And finally, federal and state governments should continue to promote participation by the low income customers in the Lifeline program by removing barriers to participation and encouraging automatic enrollment.

In order to continue the public policy success of the Universal Service Fund and the low income fund, we must continue to support access, not excess.

Thank you.

[The prepared statement of Mr. Gregg follows:]

Testimony of
Billy Jack Gregg
Universal Consulting
Hurricane, West Virginia

Before the
Communications & Technology Subcommittee
Energy & Commerce Committee
United States House of Representatives
April 25, 2013

"Options for Managing Growth in the Federal Low-Income Fund For Telecommunications"

My name is Billy Jack Gregg and I am the principal in a consulting firm located in Hurricane, West Virginia. I provide services in the areas of energy and telecommunications, with an emphasis on universal service, intercarrier compensation and broadband. Prior to my current position I was the Director of the West Virginia Consumer Advocate Division for 26 years, charged with the responsibility of representing West Virginia utility ratepayers in state and federal proceedings which affected rates for electricity, gas, telephone and water service. I have previously served as a member of the Board of Directors of the Universal Service Administrative Company (USAC) and the Federal-State Joint Board on Universal Service. I greatly appreciate the opportunity to testify at this legislative hearing on the challenges currently facing the Federal Universal Service Fund's Low-Income Fund, more commonly known as Lifeline.

I. Background

The Lifeline program was created by the FCC in 1985 to increase low-income telecommunications subscribership and to ensure that higher local rates resulting from the break-up

of the Bell System and subsequent imposition of end-user access charges did not result in low-income consumers being forced off of the national telecommunications network. In 1996 Congress enshrined universal service principles in the Telecommunications Act, and established the goals that telecommunications services should be available at "affordable" rates and that "consumers in all regions of the Nation, including low-income consumers ..., should have access to telecommunications and information services...."[1] As a result, the Lifeline program was expanded and federal support for low-income customers increased. In 1999 the Low Income Fund provided benefits to 5 million low-income customers and paid out $479 million in support. By 2012 the number of Lifeline recipients had grown to 17 million and Low Income support had swelled to $2.2 billion. Most of the growth in the Low Income Fund has occurred during the last three years. The most important issue facing the Low-Income Fund today is managing the growth of the Fund in a manner which minimizes opportunities for fraud, waste and abuse, but which also promotes full participation by beneficiaries and equity among the States.

Between 1999 and 2009, there were repeated state and federal efforts to increase customer participation in the Lifeline program. In spite of these efforts, the Fund did not grow substantially. A 2004 study by the FCC staff indicated that only a third of eligible customers actually subscribed to Lifeline service.[2] As part of these Lifeline promotion efforts, in 2005 the FCC approved a forbearance order that allowed pre-paid wireless carriers to become "eligible telecommunications carriers" (ETCs) for purposes of the Low Income Fund only.[3] As a result of this decision, and the subsequent approval of pre-paid wireless carriers at ETCs in numerous states, the Low Income Fund

---

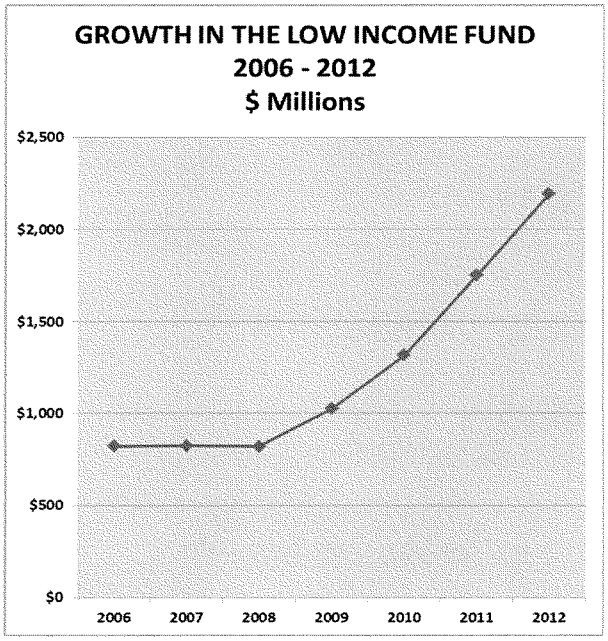
[1] 47 USC 254(b)(1) & (3).

[2] *In the matter of Lifeline and Link Up*, WC Docket No. 03-109, "Report and Order and Further Notice of Proposed Rulemaking," FCC 04-87 (April 29, 2004), Appendix K, Table 1.B.

[3] *Petition of Tracfone Wireless, Inc. for Forbearance*, CC Docket No. 96-45, "Order," 20 FCC Rcd 15095 (Sept. 8, 2005). Tracfone was conditionally granted ETC status in 2008 and began offering Lifeline service

simply exploded.

As shown graphically below, payments from the Low Income Fund have soared from $823 million in 2007 to $2.189 billion in 2012, an increase of 266%.[4]



While the recession obviously was a factor, the increase in the size of the Low Income Fund has been caused primarily by growth in support payments to pre-paid wireless providers. In 2007 there were no payments to pre-paid wireless providers. By the second quarter of 2012, payments to pre-paid wireless ETCs constituted 60% of the Low Income Fund.[5] While Low Income Fund

---

thereafter. *TracFone Wireless, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the State of New York, et al.*, CC Docket No. 96-45, Order, 23 FCC Rcd 6206 (April 11, 2008).

[4] Universal Service Administrative Company (USAC), Annual Reports, 2007 & 2012.

[5] Based on data in USAC's quarterly projections of USF demand for the second quarter of 2012, total

payments more than doubled in the five-year period between 2007 and 2012, payments from the other three funds that make up the Federal Universal Service Fund (USF) grew by only 6%. Set forth below are the disbursements from each of these funds in 2007 and 2012.

CHANGE IN USF FUNDING MECHANISMS
2007 – 2012

	$ Millions		
USF Fund	**2007**	**2012**	**Change**
High Cost Fund	4,286.7	4,147.1	-139.6
Low Income Fund	822.7	2,189.5	1,366.8
Schools & Libraries Fund	1,808.0	2,218.2	410.2
Rural Health Care Fund	37.4	155.4	118.0
TOTAL	**6,954.8**	**8,710.2**	**1,755.4**

As can be seen, the growth in the USF since 2007 has been caused primarily by the Low Income Fund, which has grown by almost $1.4 billion dollars. The other component funds of the USF have shown modest or negative growth during the same period and, more importantly, do not pose a long term threat to the sustainability of the USF. The Schools and Libraries Fund has been capped at $2.25 billion a year since its inception.[6] The Rural Health Care Fund has likewise been capped at $400 million a year, although annual expenditures have come nowhere near that level. The High Cost Fund, which was the primary factor in the growth of the overall USF between 1999 and 2011, was finally capped by the FCC in 2011 at $4.5 billion a year. The Low Income Fund is the only component fund of the USF that does not presently operate within an annual budget or cap. Not surprisingly, growth in the Low Income Fund has caused the overall size of the USF to increase, and raised the USF contribution factor paid by all Americans.

---

projected demand for the Low Income Fund amounted to $622 million. Of this amount, $374 million went to pre-paid wireless providers, such as Tracfone, Virgin Mobile & Budget Prepay Inc. The second quarter of 2012 was USAC's last quarterly USF projection before the issuance of the FCC's Lifeline Reform Order on January 31, 2012. *In the matter of Lifeline and Link Up Modernization*, WC Docket No. 11-42, "Report and Order and Further Notice of Proposed Rulemaking," FCC 12-11 (Jan. 31, 2012) (hereinafter referred to as the "FCC Lifeline Reform Order").

[6] Since 2010 the Schools & Libraries Fund cap has been allowed to grow based on an annual inflation

III. The FCC's 2012 Reforms of the Low Income Fund

As I said earlier, in the decade between 1999 and 2009 state and federal officials tried repeatedly to find ways to increase participation in the Lifeline program. Without a doubt, the advent of pre-paid wireless providers as Low Income Fund ETCs has been the single greatest success story in increasing low-income participation, boosting Lifeline subscribership far beyond levels anyone hoped imagine. The offer of free cell phones and free air time, coupled with the convenience of mobility, apparently made pre-paid wireless a very attractive product for low-income customers. From 2009 to 2012, Lifeline subscribership more than doubled – from 7.97 million to over 17 million.

Unfortunately, the increase in Lifeline subscribership wrought by the advent of pre-paid wireless offerings also had a flip side: reports surfaced of customers acquiring multiple free pre-paid phones from different providers; of carriers providing phones to multiple customers at the same address; of carriers receiving continued support for phones that were no longer active; and of ineligible customers acquiring Lifeline phones. In response to the unparalleled growth in the Low Income Fund and to the widespread reports of "gaming" of the support system, the FCC issued its Lifeline Reform Order on January 31, 2012, which substantially reformed the Low Income Fund and addressed some of its most obvious abuses. The FCC Order made the following changes in the Low Income Fund:

- Procedures to verify eligibility for Lifeline were streamlined and strengthened;
- A national Lifeline eligibility database was established;
- The one subsidy per household rule was clarified and confirmed;
- The Link Up program was eliminated, except for facilities-based carriers serving

---

factor. For the current funding year, the Schools & Libraries Fund is capped at $2.495 billion.

tribal areas;

- Toll Limitation Service (TLS) was phased-out;
- The federal Lifeline subsidy was made uniform throughout the nation; and
- Independent audit requirements were imposed on large recipients of Lifeline support.

The reforms began to be implemented on April 1, 2012, and are being completely phased-in over the next two years. In its Order the FCC stated that it expected the reforms to save the Low Income Fund $2 billion over the next three years, including $200 million in 2012. A report released by the FCC's Wireline Competition Bureau in January 2013 estimated that these reforms actually produced $213 million in savings during 2012.[7] The FCC has also estimated that as a result of the reforms, the Low Income Fund will stabilize at $2.2 billion in 2013, and then fall to approximately $2.0 billion in 2014.[8]

IV. A Study of the Potential Size of the Low Income Fund Compared to Actual Payments

As the FCC and interested parties study the effectiveness of the reforms to the Low Income Fund, it is prudent to look ahead to the potential size of the Low Income Fund under current rules and how Lifeline funds are currently distributed among the various states. In 2010 in response to the rapid growth in the Fund beginning in 2009, I prepared a study of the potential size of the Low Income Fund at that time, and made recommendations on alternative methods of distribution of Lifeline funds.[9] Based on U.S. Census Bureau data on low income populations, I determined the

---

[7] *Wireline Competition Bureau Issues Final Report on Lifeline Program Savings Target*, WC Docket No. 11-42, Public Notice DA13-130 (Jan. 31, 2013).

[8] FCC Lifeline Reform Order ¶357, ftn. 961.

[9] Billy Jack Gregg, "Determining the Potential Size of the Current USF Low Income Fund and a Proposal to Mitigate the Impact of Adding Broadband as a Supported Service" (Feb. 2010). This study was cited as part of the comments of the National Association of State Consumer Advocates (NASUCA) submitted to the Federal-State Joint Board on Universal Service in July 2010. "Comments of NASUCA in Response to Joint Board Request for Comment," CC Docket No. 96-45, WC Docket No. 03-109 (July 15, 2010), p. 4.

number of households at or below 135% of the federal poverty guidelines (FPG) in each state. The 135% FPG level was used as a proxy for the total potential number of participants in the Lifeline program, because households with incomes at or below 135% FPG generally qualify for all of the welfare programs that confer eligibility for Lifeline support. In 2010 the total potential size of the Low Income Fund appeared to be $2.5 billion and payments from the Fund stood at 48% of the potential size of the Fund.

This spring I updated my 2010 study to see what changes had occurred in the three-year interval during which the overall size of the Low Income Fund more than doubled, from approximately $1 billion to $2.2 billion. I have attached a copy of the updated study to my written testimony. Set forth below are several highlights from the update:

- The number of households in the United States increased by 4%, while the number of households at or below 135% of FPG increased by 13.5%, obviously reflecting the impact of the recession;
- The number of Lifeline subscribers more than doubled, from 7.97 million to 17.06 million;
- In spite of the doubling of Lifeline subscribers, going-forward, non-tribal Lifeline support has only increased by 46%;
- Because of the increase in low-income households, the potential size of the Low Income Fund has risen from $2.5 billion to $2.97 billion; and
- Payments from the Fund increased to 58% of its potential maximum size.

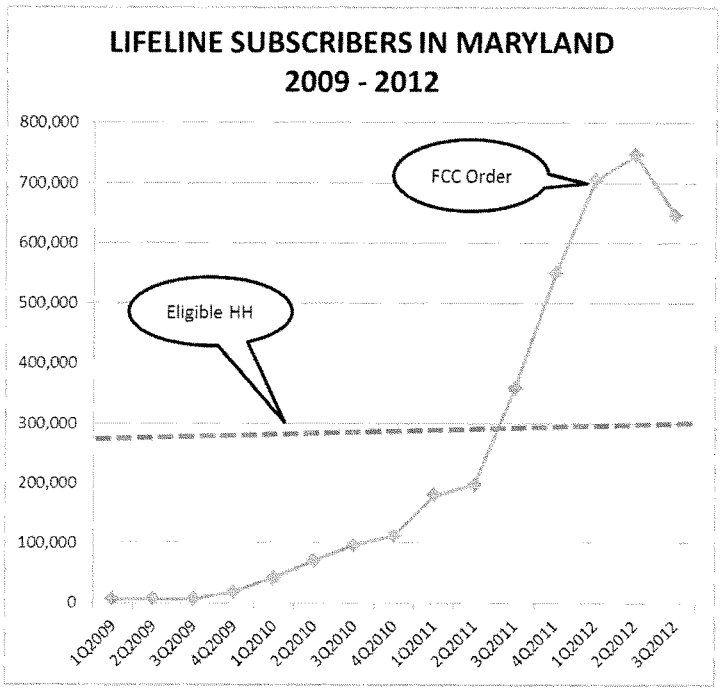
Even though payments from the Fund average 58% of its potential maximum size, payments to the states vary widely. Six states currently receive more in Low Income support than the potential maximum indicated by the number of households in those states with income at or below 135% of FPG, as shown in the table below.

	Total Potential Federal Support $000	Total Adjusted Federal Support $000	Difference $000	Actual As % of Potential Support
Oklahoma	$35,106	$75,924	$40,818	216.27%
Maryland	$33,764	$59,893	$26,129	177.39%
Alaska	$5,155	$6,105	$950	118.43%
Louisiana	$55,329	$62,501	$7,172	112.96%
Arkansas	$35,334	$39,263	$3,929	111.12%
Georgia	$102,551	$108,257	$5,706	105.56%

On the other end of the spectrum, six states currently receive only 10% or less of their potential support based on the number of low-income households.

	Total Potential Federal Support $000	Total Adjusted Federal Support $000	Difference $000	Actual As % of Potential Support
Montana	$11,523	$1,221	($10,302)	10.60%
South Dakota	$7,765	$777	($6,988)	10.01%
Nebraska	$13,130	$1,299	($11,831)	9.89%
Colorado	$41,470	$2,314	($39,156)	5.58%
Hawaii	$9,433	$413	($9,020)	4.38%
Wyoming	$4,422	$193	($4,229)	4.36%

The greatest increase in Lifeline subscribership occurred in Maryland. In the third quarter of 2009, there were only 6,504 Lifeline subscribers in Maryland, representing 2% of the eligible low-income households in that state. By the third quarter of 2012 the number of subscribers in Maryland had risen almost a hundredfold to 645,840. The current number of Lifeline subscribers in Maryland is almost double the number of low-income households in the state, as shown in the graph below.



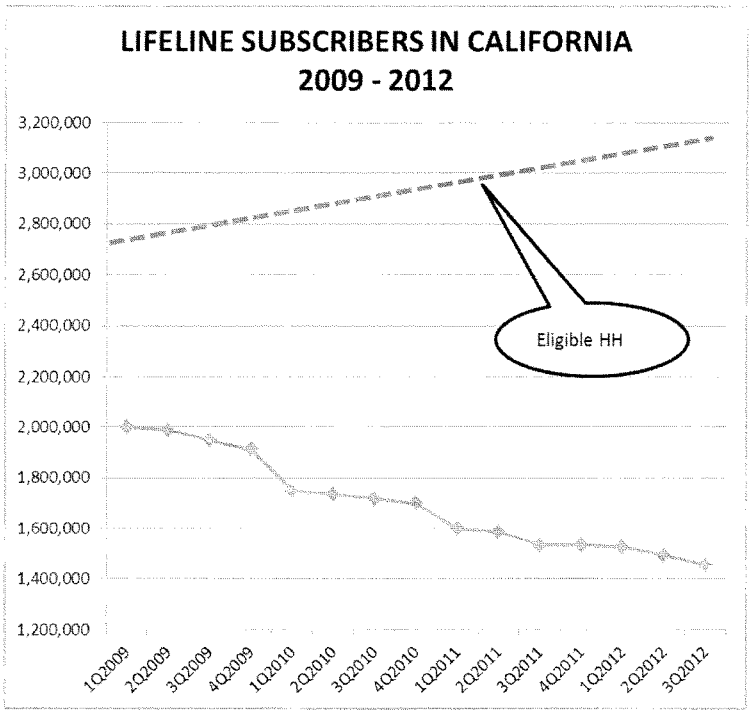
It should be pointed out that subscribership in Maryland peaked at 745,712 in the second quarter of 2012. In the third quarter of 2012 ETCs began implementing the new FCC rules on verification of Lifeline eligibility, which resulted in a decline of 100,000 in the number of reported Lifeline subscribers in only one quarter. As time goes on, we can expect the number of Lifeline subscribers in Maryland to continue to decline until it approximates the number of low-income households.

In spite of the nationwide increase in Lifeline subscribers over the past three years, the number of subscribers in eleven states actually declined, with the largest drop occurring in California, traditionally one of the largest recipients of Lifeline support. This data is shown in the table below.

	Lifeline Subscribers		
	2013 000	2010 000	Difference 000
California	1,455	1,947	(492)
Alaska	55	73	(18)
Texas	873	888	(15)
South Dakota	7	16	(9)
North Dakota	12	19	(7)
Nebraska	13	19	(6)
Idaho	23	28	(5)
Montana	11	16	(5)
Vermont	19	23	(4)
Hawaii	4	5	(1)
Wyoming	2	3	(1)

The drop in subscribers in California was apparently caused by the state's implementation of annual verifications of continued customer eligibility for Lifeline as required by an earlier FCC order concerning the Low Income Fund.[10] Over the past three years, California has lost almost half a million Lifeline subscribers; at the same time the number of low-income households in California has risen by over 400,000.

[10] *In the matter of Lifeline and Link Up*, WC Docket No. 03-109, "Report and Order and Further Notice of Proposed Rulemaking," FCC 04-87 (April 29, 2004), ¶¶33-36.



Obviously, more work needs to be done on the Low Income Fund to make it more accessible to customers that are eligible for its benefits, while at the same time creating proper incentives and safeguards against fraud, waste and abuse.

V. Recommendations

In order for the Low Income Fund to be sustainable in the long-term, it must be administered efficiently to achieve the statutory goal of providing low-income consumers access to telecommunications and information services. To this end, I have several recommendations.

- First, like the other constituent funds of the USF, the Low Income Fund must operate

within a budget. This budget can be reviewed and adjusted periodically by the FCC based either on an inflation factor or on changes in the number of low-income households.

- The overall budget for the Low Income Fund should be composed of caps on support to individual states. The caps should be based on the number of low-income households within each state, plus a 5% buffer to account for imprecision and lag in data. Caps will prevent individual states from drawing down more support than can be justified by the number of potential eligible Lifeline recipients.
- As with the operation of similar caps imposed on the High Cost Fund, if demand in a particular state exceeds the cap, then payments to ETCs would be proportionately reduced to fit under the cap.
- The FCC should conduct multiple pilot programs to determine whether a required minimum contribution from Lifeline recipients is appropriate, and if so, at what level. While having some "skin in the game" normally evokes more rational economic behavior, chronically low subscribership rates for Lifeline indicate that barriers of any type discourage low-income customers from participating in the Lifeline program. For all their faults, it cannot be denied that the Lifeline offerings of pre-paid wireless ETCs which provide free phones and usage have been the most effective way to get low-income customers enrolled in the Lifeline program and connected to the national telecommunications network.
- The FCC should explore ways to encourage state involvement in providing Lifeline service to as many eligible customers as possible.[11] By establishing a uniform federal

[11] The Tenth Circuit has previously ruled that universal service is a joint undertaking involving both the

Lifeline benefit of $9.25/month and eliminating the requirement for state contributions in order to draw down matching support, the FCC reform order may have had the unintended consequence of eliminating incentives for states to contribute to support of low-income customers. For example, Colorado has recently eliminated its state low-income program, in part because of the perception that the federal USF is now going to pay for the entire cost of low-income telecommunications support.[12] Reinstating state matching requirements in order to draw down supplemental federal support would be entirely appropriate.[13]

- The Low-Income program should continue to focus on the customer rather than the carrier. Lifeline recipients should receive the same level of subsidy regardless of the service they choose - landline, post-paid wireless, pre-paid wireless or broadband. In this way, competition and the market choices of customers will continue to drive the evolution of Lifeline service offerings.
- Federal and state governments should continue to promote participation by low-income customers in the Lifeline program by removing barriers to participation and encouraging automatic enrollment. The adoption of a budget and imposition of state specific caps may actually encourage additional states to allow entry of Lifeline-only ETCs since the fund would be protected from unexpected, runaway growth.

As it is with all of the support mechanisms that make up the Universal Service Fund, so it is with the Low-Income Fund: the limited resources of the fund must be properly distributed and

---

federal and state governments. The Court stated: "...[T]he FCC may not simply assume that the states will act on their own to preserve and advance universal service. It remains obligated to create some inducement – a 'carrot' or a 'stick,' for example, or a binding cooperative agreement with the states – for the states to assist in implementing the goals of universal service." *Qwest Corp. v. FCC*, 258 F.3d 1191, 1204 (10th Cir. 2001).

[12] See. Colorado Senate Bill 13-194, enacted April 1, 2013.

[13] In the attached study, I have included such a proposal for joint federal-state support of Lifeline which

targeted to carry out the purposes of the Act. In order to continue the public policy success of the Universal Service Fund, we must continue to support access, not excess.

---

allows matching funds from the states to draw down supplemental funds from the federal USF.

Summary of Testimony of
Billy Jack Gregg
Universal Consulting
Hurricane, West Virginia

Before the
Communications & Technology Subcommittee
Energy & Commerce Committee
United States House of Representatives
April 25, 2013

There are two sides to the advent of pre-paid wireless service as a part of Lifeline. On the one the hand, pre-paid wireless service has been the most successful measure ever adopted to expand Lifeline service to low-income consumers. On the other hand, pre-paid wireless service has opened the door to numerous abuses and caused a rapid rise in the cost of the Lifeline program. Some states currently have Lifeline subscribers far in excess of the eligible number of households. At the same time, other states have seen a decline in Lifeline subscribers even though the number of low-income households has risen.

The FCC decisively addressed numerous flaws in the Low Income program in its 2012 Lifeline Reform Order. In order to build on the positive aspects of pre-paid wireless Lifeline service, while at the same time guarding against further abuse of the system, the following additional measures should be adopted:

- The Low Income Fund must operate within a budget.
- The overall budget for the Low Income Fund should be composed of caps on support to individual states.
- If demand in a particular state exceeds the cap, then payments to ETCs would be proportionately reduced to fit under the cap.
- The FCC should conduct multiple pilot programs to determine whether a required minimum contribution from Lifeline recipients is appropriate, and if so, at what level.
- The FCC should explore ways to encourage state involvement in providing Lifeline service to as many eligible customers as possible.
- The Lifeline subsidy should be portable and recipients should receive the same level of subsidy regardless of the service they choose - landline, post-paid wireless, pre-paid wireless or broadband.
- Federal and state governments should continue to promote participation by low-income customers in the Lifeline program by removing barriers to participation and encouraging automatic enrollment.

DETERMINING THE POTENTIAL SIZE OF THE CURRENT USF LOW-INCOME FUND AND A PROPOSAL TO MITIGATE THE IMPACT OF ADDING BROADBAND AS A SUPPORTED SERVICE

February 2010

Billy Jack Gregg
Universal Consulting

Updated March 2013

From 2003 to 2008 demand for support from the federal Universal Service Fund's Low Income Fund ranged between $712 million a year to $818 million a year. In 2008 the FCC approved granting ETC status to prepaid wireless carriers for purposes of the Lifeline program. As more and more prepaid wireless ETCs gained approval, the Low Income Fund grew rapidly. By 2012 the Low Income Fund had more than doubled in size, disbursing almost $2.2 billion.

In February 2012 the FCC adopted reforms to the Low Income Fund which mitigated the rapid growth in the program by eliminating most Link-Up support and tightening verification procedures for Lifeline program participants. These reforms began to be implemented during 2012, and will continue to phase-in over the next two years. In the same Order the FCC also authorized broadband pilot programs as part of the Low Income Fund. The funding for these pilot programs was initially set at approximately $14 million over an 18-month period.

In order to investigate the potential size of the Lifeline fund in light of all these changes, and to study the impact of different alternatives for distributing Low Income support, I have updated a study I did in 2010 based on data contained in the Universal Service Administrative Company's USF demand projections from 2010 and 2013. The study is contained in the attached Excel spreadsheet. There are six tabs on the attached spreadsheet, each of which is described below.

1. The beginning point of the study is the amount of Low Income support to be paid in each state during the second quarter of 2013, as set forth in USAC's latest demand projections. The projections for each state are then annualized. The first tab **"Adjustment for Tribal Support"** adjusts the amount of actual annualized support for each state to remove Link-Up support, and Lifeline support in excess of that paid in non-tribal areas. Tribal support is paid to approximately 838,000 subscribers nationwide; however, because the amounts of tribal support paid in each state are not reported by USAC, it was necessary to rely on estimates in order determine the amounts of tribal and non-tribal Lifeline support paid. Total estimated excess tribal support of $207 million was removed from total annualized Lifeline support to produce an adjusted actual Lifeline total of $1.725 billion.

2. The second tab **"Potential Size"** looks at how big the Lifeline fund could potentially grow. This spreadsheet also contains the raw data for determining each state's relative share of low-income households. I used the number

of households in each state with incomes at or below 135% of the Federal Poverty Guidelines (FPG) as a proxy for the total potential number of participants in the Lifeline program. Households with incomes at or below 135% of the poverty level generally qualify for all of the welfare programs that confer eligibility for Lifeline support. I multiplied the total potential number of participants in each state by the current average annual federal support per participant - $111/year - to determine the maximum potential Lifeline support under current rules. As shown at the bottom of the column labeled "Total Potential Federal Support," full participation by all eligible households would result in a Lifeline fund of $2.967 billion compared to $1.725 billion today. In other words, current participants in the Lifeline program only draw 58% of total potential support. [NOTE: All of my calculations concern the Lifeline program only. The federal Low Income fund also contains Link-Up and Toll Limitation Service (TLS), which currently amount to approximately $3 million annually. I have not included Link-Up and TLS in my study because TLS is being phased-out and Link-Up now applies only to tribal lands.]

The "Difference" column compares (a) the total potential Lifeline support which could be received by a state based on the number of low-income households in that state, and (b) the support currently received in that state. Positive numbers indicate that a state is currently receiving support in excess of its total potential support; negative numbers that a state is receiving less than its total potential support. Even though nationwide participation in Lifeline is only 58%, six states – Alaska, Arkansas, Georgia, Louisiana, Maryland and Oklahoma - currently receive support that exceeds the potential maximum for those states. Two of these states – Alaska and Oklahoma – contain 88% of total tribal Lifeline subscribers, so it is possible that additional tribal support is responsible for the high level of actual support in those states. However, the other four states do not have a substantial tribal presence.

3. The third tab **"Reallocated Current"** uses the allocators for each state developed in the first tab (based on total low-income households in each state compared to the national total) and applies the allocators to the existing $1.725 billion Lifeline fund. Positive numbers indicate that a state is receiving more than its allocated share of current support. Twenty states are currently receiving more under current rules than they would if Low Income funds were allocated based on the percentage of low-income households in each state. Thirty states and Puerto Rico receive less than their allocated share of current support.

4. The fourth tab **"Basic & Supplemental"** investigates a potential approach to mitigate concerns about the growth of the Low Income Fund and the potential impact of adding broadband as a service supported by the Low Income Fund. The data in this tab assumes basic (Tier 1) federal support of $2.0 billion for Lifeline, with $0.5 billion in supplemental (Tier 2) federal support available based on a one-to-one match by states. According to Appendix LI08 in USAC's most recent projections, there were approximately 17 million Lifeline subscribers as of the third quarter of 2012. Basic federal support of $2.0 billion could provide $111 annual support to 18 million Lifeline subscribers (approximately 67% of total low-

income households) who could use the support to subsidize purchase of basic landline service, wireless service, or broadband service from ETCs, at the Lifeline customer's option. However, the federal subsidy would only apply to one service per household. (Any extra support for customers on tribal lands would be over and above tier 1 and 2 support, and should be subject to its own budget.) The tier 2 supplemental federal support of $0.5 billion would potentially draw another $0.5 billion in support from the states, resulting in the $3.0 billion necessary to provide full support to all low-income households. (However, it should be remembered that 100% program participation is highly unlikely.) The supplemental support could either be in the form of a set per line amount, or the states could be given flexibility in how the supplemental funds were used. For example, some states could choose to enroll more participants with the supplemental support, while other states could increase the amount of support going to existing participants.

Except for the fact that the separate funding components discussed above equal the funding requirement needed to cover all low-income households, there is nothing magic about the $2.0 billion and $0.5 billion tier 1 and 2 funding levels I have assumed. I used them because they are close to where the fund seems to be heading under current rules. The basic funds (Tier 1) would not be block-granted to the states. The funds would merely be available to the state based on the share of low-income households in that state. Actual disbursements would be based on the actual number of participants. If the number of participants in a particular state exceeded available funding, then going- forward support to that state would be pro-rated, as has been done with capped high-cost support. On the other hand, supplemental (Tier 2) support could be block-granted to the state based on the amount of support the state provided. While the total amount of Tier 1 and Tier 2 support would be greater than the current size of the Lifeline fund, it is likely that many states would not draw down their maximum allocated share of Lifeline funds, or would take several years to do so. However, regardless of the actual draw on the fund, policy makers would know the maximum size for the Lifeline fund since the budget for each tier would be predetermined. States would also know the share of the Low Income Fund allocated to them, which should provide a strong incentive for states to participate up to the maximum funding allocation. The funding for each tier could be reviewed periodically to ensure that it remained sufficient in light of changes in the nation's demographics.

5. The fifth tab **"HH v LL Subscribers"** compares current Lifeline subscribers to the number of households in each state at or below 135% of FPG. Eight states have more Lifeline subscribers than low-income households – Alaska, Arkansas, Georgia, Louisiana, Maryland, Ohio, Oklahoma & Rhode Island.

6. The sixth tab **"LL Subs 2010 v 2013"** compares the subscribership data presented in USAC's demand projections for the second quarter of 2010 and the second quarter of 2013. Although the total number of Lifeline subscribers more than doubled – from 7.9 million to 17 million – there were eleven states that

actually saw a decline in Lifeline subscribership – Alaska, California, Hawaii, Idaho, Montana, Nebraska, North Dakota, South Dakota, Texas, Vermont & Wyoming.

COMPARISON OF LOW INCOME FUND DATA FROM 2010 AND 2013

The updating of the 2010 study of the Low Income Fund presented an opportunity to see how the fund and the nation's demographics have changed over the past three years. Set forth below are key data points from 2010 and 2013:

	Population 000	Households 000	Population Below 135% 000	Households Below 135% 000
2010	304,997	117,131	61,800	23,561
2013	317,580	121,936	69,982	26,735
Difference	12,583	4,806	8,182	3,174

As can be seen, although the total number of households in the United States increased by 4.8 million, or 4%, the number of households at or below 135% of FPG increased at a faster rate, 13.5%, reflecting the impact of the recession.

	Non-Tribal Subscribers 000	Adj. Actual Support $000	Tribal Subscribers 000	Est. Tribal Support $000	Total Subscribers 000	Total Fed. Support $000
2010	7,594	$1,217,253	378	$110,401	7,972	$1,327,654
2013	16,219	$1,725,453	838	$207,062	17,057	$1,932,515
Difference	8,625	$508,200	460	$96,661	9,085	$604,861

The number of subscribers to both tribal and non-tribal Lifeline more than doubled over the past three years. However, federal Low Income support has only increased by 46%, which is a tribute to the efficacy of the FCC's efforts to control the growth of the Low Income Fund. The biggest increase in subscribership occurred in the state of Maryland. In the third quarter of 2009, there were only 6,504 Lifeline subscribers in Maryland. By the third quarter of 2012 the number of subscribers had risen almost a hundredfold to 645,840. It should also be pointed out that the current number of subscribers in Maryland is almost double the number of low-income households in the state.

	Potential Support $000	Adj. Actual Support $000	Difference $000	Actual as % of Potential Support
2010	$2,521,734	$1,217,253	$1,194,080	48.27%
2013	$2,967,577	$1,725,453	$1,035,062	58.14%
Difference	$445,843	$508,200	-$159,018	9.87%

Because of the increase in the number of households at or below 135% of FPG, the potential size of the federal Low Income fund has risen by $446 million since 2010. Because of the increase in Lifeline subscribership, actual funding as a percentage of the potential size of the fund grew from 48% to 58%.

TAB 1

ADJUSTMENT TO REMOVE
EXCESS TRIBAL LOW-INCOME SUPPORT
UPDATED MARCH 2013

	Total Actual Federal Support $000	Less Link Up $000	Less Excess Tribal LL $000	Adjusted Actual Support $000
Alabama	$33,484	$12	$0	$33,472
Alaska	$7,259	$3	$1,151	$6,105
Arizona	$29,414	$11	$8,646	$20,757
Arkansas	$39,277	$14	$0	$39,263
California	$154,697	$43	$0	$154,654
Colorado	$2,315	$1	$0	$2,314
Connecticut	$12,620	$5	$0	$12,615
Delaware	$4,203	$2	$0	$4,201
D.C.	$5,084	$2	$0	$5,082
Florida	$108,009	$40	$0	$107,969
Georgia	$108,297	$40	$0	$108,257
Hawaii	$413	$0	$0	$413
Idaho	$2,406	$1	$0	$2,405
Illinois	$80,257	$29	$0	$80,228
Indiana	$21,906	$8	$0	$21,898
Iowa	$9,388	$3	$0	$9,385
Kansas	$8,592	$3	$0	$8,589
Kentucky	$24,935	$9	$0	$24,926
Louisiana	$62,524	$23	$0	$62,501
Maine	$9,461	$3	$0	$9,458
Maryland	$59,915	$22	$0	$59,893
Massachusetts	$33,526	$12	$0	$33,514
Michigan	$68,963	$25	$0	$68,938
Minnesota	$9,776	$4	$0	$9,772
Mississippi	$24,398	$9	$0	$24,389
Missouri	$25,543	$9	$0	$25,534
Montana	$2,336	$1	$1,114	$1,221
Nebraska	$1,299	$0	$0	$1,299
Nevada	$13,518	$5	$0	$13,513
New Hampshire	$2,614	$1	$0	$2,613
New Jersey	$41,542	$15	$0	$41,527
New Mexico	$11,865	$4	$3,314	$8,547
New York	$131,441	$48	$0	$131,393
North Carolina	$61,461	$23	$0	$61,438
North Dakota	$1,456	$46	$78	$1,332
Ohio	$99,448	$37	$0	$99,411
Oklahoma	$266,130	$98	$190,108	$75,924
Oregon	$4,508	$2	$0	$4,506
Pennsylvania	$57,913	$21	$0	$57,892
Rhode Island	$9,385	$3	$0	$9,382
South Carolina	$26,622	$10	$0	$26,612
South Dakota	$985	$0	$208	$777
Tennessee	$43,545	$16	$0	$43,529
Texas	$82,990	$30	$0	$82,960
Utah	$4,419	$2	$0	$4,417
Vermont	$1,898	$0	$0	$1,898
Virginia	$27,567	$10	$0	$27,557
Washington	$25,246	$9	$1,705	$23,532
West Virginia	$14,162	$5	$0	$14,157
Wisconsin	$19,435	$7	$0	$19,428
Wyoming	$193	$0	$0	$193
United States	$1,898,640	$726	$206,324	$1,691,590

Puerto Rico	$33,875	$12	$0	$33,863
TOTAL	$1,932,515	$738	$206,324	$1,725,453

Sources: Universal Service Administrative Company, Appendices LI01, LI02 & LI08, 2Q2013

Total actual federal support determined by annualizing total low income support for 2Q2013
Total adjusted federal support determined by removing tribal support amounts above normal federal support
Insular areas - Guam, American Samoa, Virgin Islands & Northern Marianas - not included because of limited poverty data

TAB 2

POTENTIAL SIZE OF LIFELINE FUND
COMPARED TO ACTUAL CURRENT SUPPORT
UPDATED MARCH 2013

	Population	Households	Below 135% of Poverty Population	Below 135% of Poverty Households	Annual Federal Support	Total Potential Federal Support	Total Adjusted Federal Support	Difference	Actual As % of Potential Support
	000	000	000	000		$000	$000	$000	
Alabama	4,822	1,906	1,024	405	$111.00	$44,926	$33,472	($11,454)	74.50%
Alaska	731	274	124	46	$111.00	$5,155	$6,105	$950	118.43%
Arizona	6,553	2,482	1,639	621	$111.00	$68,913	$20,757	($48,156)	30.12%
Arkansas	2,948	1,175	799	318	$111.00	$35,334	$39,263	$3,929	111.12%
California	38,041	13,073	9,258	3,181	$111.00	$353,140	$154,654	($198,486)	43.79%
Colorado	5,188	2,075	934	374	$111.00	$41,470	$2,314	($39,156)	5.58%
Connecticut	3,590	1,419	514	203	$111.00	$22,551	$12,615	($9,936)	55.94%
Delaware	917	353	177	68	$111.00	$7,557	$4,201	($3,356)	55.59%
D.C.	632	297	151	71	$111.00	$7,869	$5,082	($2,787)	64.58%
Florida	19,318	7,546	4,350	1,699	$111.00	$188,613	$107,969	($80,644)	57.24%
Georgia	9,920	3,701	2,476	924	$111.00	$102,551	$108,257	$5,706	105.56%
Hawaii	1,392	475	249	85	$111.00	$9,433	$413	($9,020)	4.38%
Idaho	1,596	605	379	144	$111.00	$15,935	$2,405	($13,530)	15.09%
Illinois	12,875	4,914	2,626	1,002	$111.00	$111,254	$80,228	($31,026)	72.11%
Indiana	6,537	2,584	1,295	551	$111.00	$61,204	$21,898	($39,306)	35.78%
Iowa	3,074	1,276	508	211	$111.00	$23,398	$9,385	($14,013)	40.11%
Kansas	2,886	1,159	591	237	$111.00	$26,346	$8,589	($17,757)	32.60%
Kentucky	4,380	1,759	1,070	430	$111.00	$47,699	$24,926	($22,773)	52.26%
Louisiana	4,602	1,770	1,296	498	$111.00	$55,329	$62,501	$7,172	112.96%
Maine	1,329	568	256	109	$111.00	$12,144	$9,458	($2,686)	77.88%
Maryland	5,885	2,238	800	304	$111.00	$33,764	$59,893	$26,129	177.39%
Massachusetts	6,646	2,669	1,048	421	$111.00	$46,718	$33,514	($13,204)	71.74%
Michigan	9,883	3,906	2,057	813	$111.00	$90,248	$68,938	($21,310)	76.39%
Minnesota	5,379	2,187	757	308	$111.00	$34,157	$9,772	($24,385)	28.61%
Mississippi	2,985	1,131	750	284	$111.00	$31,534	$24,389	($7,145)	77.34%
Missouri	6,022	2,448	1,353	550	$111.00	$61,050	$25,534	($35,516)	41.82%
Montana	1,005	426	245	104	$111.00	$11,523	$1,221	($10,302)	10.60%
Nebraska	1,856	754	291	118	$111.00	$13,130	$1,299	($11,831)	9.89%
Nevada	2,759	1,033	505	227	$111.00	$25,152	$13,513	($11,639)	53.73%
New Hampshire	1,321	533	149	60	$111.00	$6,669	$2,613	($4,056)	39.18%
New Jersey	8,865	3,296	1,447	538	$111.00	$59,709	$41,527	($18,182)	69.55%
New Mexico	2,086	796	604	231	$111.00	$25,589	$8,547	($17,042)	33.40%
New York	19,570	7,556	4,386	1,693	$111.00	$187,971	$131,393	($56,578)	69.90%
North Carolina	9,752	3,901	2,220	888	$111.00	$98,568	$61,438	($37,130)	62.33%
North Dakota	700	304	96	42	$111.00	$4,633	$1,332	($3,301)	28.75%
Ohio	11,544	4,693	2,448	995	$111.00	$110,459	$99,411	($11,048)	90.00%
Oklahoma	3,815	1,514	797	316	$111.00	$35,106	$75,924	$40,818	216.27%
Oregon	3,899	1,585	816	332	$111.00	$36,820	$4,506	($32,314)	12.24%
Pennsylvania	12,766	5,168	2,383	965	$111.00	$107,090	$57,892	($49,198)	54.06%
Rhode Island	1,050	427	208	85	$111.00	$9,385	$9,382	($3)	99.96%
South Carolina	4,724	1,875	1,276	506	$111.00	$56,205	$26,612	($29,593)	47.35%
South Dakota	833	343	170	70	$111.00	$7,765	$777	($6,988)	10.01%
Tennessee	6,456	2,582	1,493	597	$111.00	$66,289	$43,529	($22,760)	65.67%
Texas	26,059	9,340	6,511	2,334	$111.00	$259,040	$82,960	($176,080)	32.03%
Utah	2,855	933	539	176	$111.00	$19,552	$4,417	($15,135)	22.59%
Vermont	626	268	107	46	$111.00	$5,076	$1,898	($3,178)	37.39%
Virginia	8,186	3,185	1,288	501	$111.00	$55,630	$27,557	($28,073)	49.54%
Washington	6,897	2,759	1,372	549	$111.00	$60,917	$23,532	($37,385)	38.63%
West Virginia	1,855	763	469	193	$111.00	$21,423	$14,157	($7,266)	66.08%
Wisconsin	5,726	2,356	1,080	446	$111.00	$49,537	$19,428	($30,109)	39.22%
Wyoming	576	234	98	40	$111.00	$4,422	$193	($4,229)	4.36%
United States	313,913	120,622	67,679	25,909	$111.00	$2,875,952	$1,691,590	#########	58.82%
Puerto Rico	3,667	1,314	2,303	825	$111.00	$91,625	$33,863	($57,762)	36.96%
TOTAL	317,580	121,936	69,982	26,735	$111.00	$2,967,577	$1,725,453	#########	58.14%

Sources: Census Bureau, Current Population Survey, POC46: Poverty Status by State 2011
Census Bureau, State and County QuickFacts
Universal Service Administrative Company, Appendices L001 & L002, 2Q2013

2012 population estimate divided by average number of persons per household to derive current nui Quickfacts
2012 poverty by state divided by average persons per HH to determine HHs at or below 135% poverty level
Total adjusted actual federal support determined by annualizing total low income support for 2Q2013 and removing excess tribal support
Insular areas - Guam, American Samoa, Virgin Islands & Northern Marianas - not included because of limited poverty data

TAB 3

CURRENT TOTAL LIFELINE SUPPORT
REALLOCATED BASED ON NUMBER OF LOW-INCOME HOUSEHOLDS
Updated March 2013

	Population 000	Households 000	Below 135% of Poverty Population 000	Below 135% of Poverty Households 000	Allocator	Reallocated Federal Support $000	Total Adjusted Federal Support $000	Difference $000	Actual As % of Realloc. Support
Alabama	4,822	1,906	1,024	405	1.51%	$26,122	$33,472	$7,350	128.14%
Alaska	731	274	124	46	0.17%	$2,997	$6,105	$3,108	203.68%
Arizona	6,553	2,482	1,639	621	2.32%	$40,068	$20,757	($19,311)	51.80%
Arkansas	2,949	1,175	799	318	1.19%	$20,545	$39,263	$18,718	191.11%
California	38,041	13,073	9,258	3,181	11.90%	$205,328	$154,654	($50,674)	75.32%
Colorado	5,188	2,075	934	374	1.40%	$24,112	$2,314	($21,798)	9.60%
Connecticut	3,590	1,419	514	203	0.76%	$13,112	$12,615	($497)	96.21%
Delaware	917	353	177	68	0.25%	$4,394	$4,201	($193)	95.62%
D.C.	632	297	151	71	0.27%	$4,575	$5,082	$507	111.07%
Florida	19,318	7,546	4,350	1,699	6.36%	$109,666	$107,969	($1,697)	98.45%
Georgia	9,920	3,701	2,476	924	3.46%	$59,627	$108,257	$48,630	181.56%
Hawaii	1,392	475	249	85	0.32%	$5,485	$413	($5,072)	7.53%
Idaho	1,596	605	379	144	0.54%	$9,265	$2,405	($6,860)	25.96%
Illinois	12,875	4,914	2,626	1,002	3.75%	$64,687	$80,228	$15,541	124.02%
Indiana	6,537	2,584	1,395	551	2.06%	$35,586	$21,898	($13,688)	61.54%
Iowa	3,074	1,276	508	211	0.79%	$13,604	$9,385	($4,219)	68.99%
Kansas	2,886	1,159	591	237	0.89%	$15,318	$8,589	($6,729)	56.07%
Kentucky	4,380	1,759	1,070	430	1.61%	$27,734	$24,926	($2,808)	89.88%
Louisiana	4,602	1,770	1,296	498	1.86%	$32,170	$62,501	$30,331	194.28%
Maine	1,329	568	256	109	0.41%	$7,061	$9,458	$2,397	133.95%
Maryland	5,885	2,238	800	304	1.14%	$19,632	$59,893	$40,261	305.08%
Massachusetts	6,646	2,669	1,048	421	1.57%	$27,164	$33,514	$6,350	123.38%
Michigan	9,883	3,906	2,057	813	3.04%	$52,473	$68,938	$16,465	131.38%
Minnesota	5,379	2,187	757	308	1.15%	$19,860	$9,772	($10,088)	49.20%
Mississippi	2,985	1,131	750	284	1.06%	$18,335	$24,389	$6,054	133.02%
Missouri	6,022	2,448	1,353	550	2.06%	$35,497	$25,534	($9,963)	71.93%
Montana	1,005	426	245	104	0.39%	$6,700	$1,221	($5,479)	18.22%
Nebraska	1,856	754	291	118	0.44%	$7,635	$1,299	($6,336)	17.01%
Nevada	2,759	1,033	605	227	0.85%	$14,624	$13,513	($1,111)	92.40%
New Hampshire	1,321	533	149	60	0.22%	$3,878	$2,613	($1,265)	67.39%
New Jersey	8,865	3,296	1,447	538	2.01%	$34,717	$41,527	$6,810	119.62%
New Mexico	2,086	796	604	231	0.86%	$14,879	$8,547	($6,332)	57.45%
New York	19,570	7,556	4,386	1,693	6.33%	$109,293	$131,393	$22,100	120.22%
North Carolina	9,752	3,901	2,220	888	3.32%	$57,311	$61,438	$4,127	107.20%
North Dakota	700	304	96	42	0.16%	$2,694	$1,332	($1,362)	49.45%
Ohio	11,544	4,693	2,448	995	3.72%	$64,224	$99,411	$35,187	154.79%
Oklahoma	3,815	1,514	797	316	1.18%	$20,412	$75,924	$55,512	371.96%
Oregon	3,899	1,585	816	332	1.24%	$21,408	$4,506	($16,902)	21.05%
Pennsylvania	12,766	5,168	2,383	965	3.61%	$62,266	$57,892	($4,374)	92.98%
Rhode Island	1,050	427	208	85	0.32%	$5,457	$9,382	$3,925	171.93%
South Carolina	4,724	1,875	1,276	506	1.89%	$32,679	$26,612	($6,067)	81.43%
South Dakota	833	343	170	70	0.26%	$4,515	$777	($3,738)	17.21%
Tennessee	6,456	2,582	1,493	597	2.23%	$38,543	$43,529	$4,986	112.94%
Texas	26,059	9,340	6,511	2,334	8.73%	$150,615	$82,960	($67,655)	55.08%
Utah	2,855	933	539	176	0.66%	$11,368	$4,417	($6,951)	38.85%
Vermont	626	268	107	46	0.17%	$2,951	$1,898	($1,053)	64.31%
Virginia	8,186	3,185	1,288	501	1.87%	$32,345	$27,557	($4,788)	85.20%
Washington	6,897	2,759	1,372	549	2.05%	$35,419	$23,532	($11,887)	66.44%
West Virginia	1,855	763	469	193	0.72%	$12,456	$14,157	$1,701	113.65%
Wisconsin	5,726	2,366	1,080	446	1.67%	$28,803	$19,428	($9,375)	67.45%
Wyoming	576	234	98	40	0.15%	$2,571	$193	($2,378)	7.51%
United States	313,913	120,622	67,679	25,909	96.91%	$1,672,179	$1,691,590	$19,411	101.16%
Puerto Rico	3,667	1,314	2,303	825	3.09%	$53,274	$33,863	($19,411)	63.56%
TOTAL	317,580	121,936	69,982	26,735	100.00%	$1,725,453	$1,725,453	$0	100.00%

Sources: Census Bureau, Current Population Survey, POC46: Poverty Status by State 2011
Census Bureau, State and County QuickFacts
Universal Service Administrative Company, Appendices LI01 & LI02, 2Q2013

TAB 4

ALLOCATED BASIC & SUPPLEMENTAL FEDERAL LIFELINE SUPPORT COMPARED TO CURRENT LIFELINE SUPPORT

Updated March 2013

	% of Low Income Households in US	Share of Basic Federal Support $000	Share of Supplemental Federal Support $000	Total Potential Federal Support $000	Current Lifeline Support $000	Difference $000
Alabama	1.51%	$30,278	$7,570	$37,848	$33,472	($4,376)
Alaska	0.17%	$3,474	$869	$4,343	$6,105	$1,762
Arizona	2.32%	$46,444	$11,611	$58,055	$20,757	($37,298)
Arkansas	1.19%	$23,814	$5,953	$29,767	$39,263	$9,496
California	11.90%	$237,999	$59,500	$297,499	$154,654	($142,845)
Colorado	1.40%	$27,948	$6,987	$34,936	$2,314	($32,622)
Connecticut	0.76%	$15,198	$3,800	$18,998	$12,615	($6,383)
Delaware	0.25%	$5,093	$1,273	$6,366	$4,201	($2,165)
D.C.	0.27%	$5,303	$1,326	$6,629	$5,082	($1,547)
Florida	6.36%	$127,116	$31,779	$158,895	$107,969	($50,926)
Georgia	3.46%	$69,114	$17,279	$86,393	$108,257	$21,864
Hawaii	0.32%	$6,357	$1,589	$7,947	$413	($7,534)
Idaho	0.54%	$10,740	$2,685	$13,424	$2,405	($11,019)
Illinois	3.75%	$74,980	$18,745	$93,725	$80,228	($13,497)
Indiana	2.06%	$41,248	$10,312	$51,560	$21,898	($29,662)
Iowa	0.79%	$15,769	$3,942	$19,711	$9,385	($10,326)
Kansas	0.89%	$17,756	$4,439	$22,195	$8,589	($13,606)
Kentucky	1.61%	$32,147	$8,037	$40,183	$24,926	($15,257)
Louisiana	1.86%	$37,289	$9,322	$46,611	$62,501	$15,890
Maine	0.41%	$8,184	$2,046	$10,230	$9,458	($772)
Maryland	1.14%	$22,755	$5,689	$28,444	$59,893	$31,449
Massachusetts	1.57%	$31,486	$7,871	$39,357	$33,514	($5,843)
Michigan	3.04%	$60,823	$15,206	$76,028	$68,938	($7,090)
Minnesota	1.15%	$23,020	$5,755	$28,775	$9,772	($19,003)
Mississippi	1.06%	$21,252	$5,313	$26,566	$24,389	($2,177)
Missouri	2.06%	$41,145	$10,286	$51,431	$25,534	($25,897)
Montana	0.39%	$7,766	$1,942	$9,708	$1,221	($8,487)
Nebraska	0.44%	$8,849	$2,212	$11,062	$1,299	($9,763)
Nevada	0.85%	$16,951	$4,238	$21,189	$13,513	($7,676)
New Hampshire	0.22%	$4,495	$1,124	$5,618	$2,613	($3,005)
New Jersey	2.01%	$40,241	$10,060	$50,301	$41,527	($8,774)
New Mexico	0.86%	$17,246	$4,311	$21,557	$8,547	($13,010)
New York	6.33%	$126,683	$31,671	$158,354	$131,393	($26,961)
North Carolina	3.32%	$66,430	$16,607	$83,037	$61,438	($21,599)
North Dakota	0.16%	$3,122	$781	$3,903	$1,332	($2,571)
Ohio	3.72%	$74,444	$18,611	$93,054	$99,411	$6,357
Oklahoma	1.18%	$23,660	$5,915	$29,575	$75,924	$46,349
Oregon	1.24%	$24,815	$6,204	$31,018	$4,506	($26,512)
Pennsylvania	3.61%	$72,174	$18,043	$90,217	$57,892	($32,326)
Rhode Island	0.32%	$6,325	$1,581	$7,907	$9,382	$1,475
South Carolina	1.89%	$37,879	$9,470	$47,349	$26,612	($20,737)
South Dakota	0.26%	$5,234	$1,308	$6,542	$777	($5,765)
Tennessee	2.23%	$44,676	$11,169	$55,845	$43,529	($12,316)
Texas	8.73%	$174,580	$43,645	$218,225	$82,960	($135,265)
Utah	0.66%	$13,177	$3,294	$16,471	$4,417	($12,054)
Vermont	0.17%	$3,421	$855	$4,276	$1,898	($2,378)
Virginia	1.87%	$37,492	$9,373	$46,864	$27,557	($19,307)
Washington	2.05%	$41,055	$10,264	$51,319	$23,532	($27,787)
West Virginia	0.72%	$14,438	$3,610	$18,048	$14,157	($3,891)
Wisconsin	1.67%	$33,386	$8,346	$41,732	$19,428	($22,304)
Wyoming	0.15%	$2,980	$745	$3,725	$193	($3,532)
United States	96.91%	$1,938,249	$484,562	$2,422,812	$1,691,590	($731,222)
Puerto Rico	0.03088	$61,751	$15,438	$77,188	$33,863	($43,326)
TOTAL	1.00000	$2,000,000	$500,000	$2,500,000	$1,725,453	($774,547)

Sources: Census Bureau, Current Population Survey, POC46: Poverty Status by State 2011
Census Bureau, State and County QuickFacts
Universal Service Administrative Company, Appendices LI01 & LI02, 2Q2013

TAB 5

LOW INCOME HOUSEHOLDS
COMPARED TO LIFELINE SUBSCRIBERS
UPDATED MARCH 2013

	Below 135% of Poverty		Lifeline	
	Population	Households	Subscribers	Difference
	000	000	000	000
Alabama	1,024	405	324	(81)
Alaska	124	46	55	9
Arizona	1,639	621	187	(434)
Arkansas	799	318	414	96
California	9,258	3,181	1,455	(1,726)
Colorado	934	374	28	(346)
Connecticut	514	203	126	(77)
Delaware	177	68	39	(29)
D.C.	151	71	54	(17)
Florida	4,350	1,699	1,049	(650)
Georgia	2,476	924	1,102	178
Hawaii	249	85	4	(81)
Idaho	379	144	23	(121)
Illinois	2,626	1,002	939	(63)
Indiana	1,395	551	188	(363)
Iowa	508	211	101	(110)
Kansas	591	237	90	(147)
Kentucky	1,070	430	244	(186)
Louisiana	1,296	498	684	186
Maine	256	109	105	(4)
Maryland	800	304	646	342
Massachusetts	1,048	421	340	(81)
Michigan	2,057	813	619	(194)
Minnesota	757	308	102	(206)
Mississippi	750	284	256	(28)
Missouri	1,353	550	276	(274)
Montana	245	104	11	(93)
Nebraska	291	118	13	(105)
Nevada	605	227	145	(82)
New Hampshire	149	60	25	(35)
New Jersey	1,447	538	406	(132)
New Mexico	604	231	77	(154)
New York	4,386	1,693	1,206	(487)
North Carolina	2,220	888	612	(276)
North Dakota	96	42	12	(30)
Ohio	2,448	995	1,003	8
Oklahoma	797	316	684	368
Oregon	816	332	61	(271)
Pennsylvania	2,383	965	511	(454)
Rhode Island	208	85	87	2
South Carolina	1,276	506	231	(275)
South Dakota	170	70	7	(63)
Tennessee	1,493	597	421	(176)
Texas	6,511	2,334	873	(1,461)
Utah	539	176	40	(136)
Vermont	107	46	19	(27)
Virginia	1,288	501	290	(211)
Washington	1,372	549	211	(338)
West Virginia	469	193	150	(43)
Wisconsin	1,080	446	185	(261)
Wyoming	98	40	2	(38)
United States	67,679	25,909	16,732	(9,177)
Puerto Rico	2,303	825	315	(510)
TOTAL	69,982	26,735	17,047	(9,688)

Sources: Universal Service Administrative Company, Appendix L108 for the Second quarters of 2013 & 2010

TAB 6

LIFELINE SUBSCRIBERS
2013 v 2010

	Lifeline Subscribers		Difference
	2013	2010	
	000	000	000
Alabama	324	157	167
Alaska	55	73	(18)
Arizona	187	78	109
Arkansas	414	31	383
California	1,455	1,947	(492)
Colorado	28	25	3
Connecticut	126	54	72
Delaware	39	5	34
D.C.	54	13	41
Florida	1,049	575	474
Georgia	1,102	235	867
Hawaii	4	5	(1)
Idaho	23	28	(5)
Illinois	939	108	831
Indiana	188	52	136
Iowa	101	50	51
Kansas	90	28	62
Kentucky	244	69	175
Louisiana	684	77	607
Maine	105	62	43
Maryland	646	7	639
Massachusetts	340	161	179
Michigan	619	256	363
Minnesota	102	67	35
Mississippi	256	69	187
Missouri	276	71	205
Montana	11	16	(5)
Nebraska	13	19	(6)
Nevada	145	32	113
New Hampshire	25	8	17
New Jersey	406	131	275
New Mexico	77	73	4
New York	1,206	492	714
North Carolina	612	249	363
North Dakota	12	19	(7)
Ohio	1,003	341	662
Oklahoma	684	205	479
Oregon	61	45	16
Pennsylvania	511	199	312
Rhode Island	87	29	58
South Carolina	231	59	172
South Dakota	7	16	(9)
Tennessee	421	225	196
Texas	873	888	(15)
Utah	40	30	10
Vermont	19	23	(4)
Virginia	290	121	169
Washington	211	98	113
West Virginia	150	10	140
Wisconsin	185	84	101
Wyoming	2	3	(1)
United States	16,732	7,718	9,014

Puerto Rico	315	232	83
TOTAL	17,047	7,950	9,097

Sources: Universal Service Administrative Company, Appendix LI08 for the Second quarters of 2013 & 2010

Mr. WALDEN. Mr. Gregg, thank you for your testimony, and for the charts, graphs, and data behind them, and for your recommendations.

We will now—and I want to thank all the witnesses for your testimony again.

I will start out with questions. Ms. Veach, in the Lifeline reform order, the Commission said the reforms would put the Commission in a position to determine the appropriate budget for Lifeline in early 2013. Well, we are kind of into early 2013. We are about out of early 2013. What is the status on the budget? When will we see that?

Ms. VEACH. Thank you, Mr. Chairman, and as you say, when the Commission adopted the reforms in 2012, the Commission unanimously determined not to put a budget on the program——

Mr. WALDEN. Right.

Ms. VEACH [continuing]. Until it had an opportunity to assess the impact of the reforms. Rather, the Commission adopted a savings target for 2012, which——

Mr. WALDEN. Right.

Ms. VEACH [continuing]. As the Bureau reported, we exceeded. And at the same time, the Commission wanted to assess the reforms and also has sought further comment on what the optimal rate should be. So the specific timing of when the Commission will move to a budget is up to the commissioners.

Mr. WALDEN. Is what?

Ms. VEACH. Is up to the commissioners.

Mr. WALDEN. So in other words, you don't know when we are going to see a budget.

Ms. VEACH. We continue to assess the impact of the reforms.

Mr. WALDEN. Right. I don't mean to be rude, but the order said early 2013. We kind of expect the FCC to follow its own timelines there, and so we will keep pressing for that budget because I personally think that is important to have.

Do you all—just quickly down the row in kind of a John Dingell yes or no answer, do you think it is important for the FCC to develop a budget in this area?

Mr. Jones?

Mr. JONES. Yes, I think it is important to have a budget, but before we adopt a budget there is a very technical and complex program, and I would urge the FCC to work with states that are reforming it. I think we proposed 15 ways——

Mr. WALDEN. Yes, you did.

Mr. JONES [continuing]. You could prohibit activation of phones, you could cut them off at 75 percent, benchmark for reactivation. There are ways instead of a top down approach, a bottoms up approach that may work.

Mr. WALDEN. All right. Ms. Gonzalez, real briefly here on budget. Yes, no?

Ms. GONZALEZ. Yes, but I think first the FCC needs time to assess the reforms, and we wouldn't want it to set an arbitrary number that would cut anyone off from service.

Mr. WALDEN. Mr. Feiss?

Mr. FEISS. I agree, yes.

Mr. WALDEN. Mr. Guttman-McCabe?

Mr. GUTTMAN-MCCABE. You know, I think—echoing some of the earlier points, we need to see what the status is of the reforms, and I don't think this is simple. I mean, I think when you look at what do you do with the next person who becomes unemployed if you set a budget that limits the amount of support? You have a difficult decision to make.

Mr. WALDEN. Mr. Gregg?

Mr. GREGG. Yes, the total maximum size of the non-tribal Lifeline fund right now would be $2.9 billion if every eligible household received a year's worth of subsidy at $9.25. However, there are different ways you can cut that. You could establish a two-tiered system where the Federal Government would supply up to $2 billion of tier one support, basic fundamental support, and then an additional half billion if the states would match it. This would provide strong incentives for the states to pony up some money to help support Lifeline service.

Currently, the reforms may have had the unintended impact of reducing incentives or creating counter-incentives for states to participate. In fact, Colorado just eliminated their Lifeline program about 3 weeks ago, in part because of the perception that the Federal Government is now paying the entire cost of the program.

Mr. WALDEN. So I want to ask, perhaps you, Mr. Gregg, or Mr. Jones, about the $9.25 rate. Where does that come from? Is that evaluated on a regular basis? Is it an accurate rate?

Mr. GREGG. The $9.25 is simply an average of what was paid out at the time the FCC adopted their reform order in 2012.

Mr. WALDEN. OK.

Mr. GREGG. It had been made up, and as people explained earlier, originally the Lifeline subsidy was to offset the subscriber line charge that was imposed when the Bell system was broken up in the early '80s.

Mr. WALDEN. Right.

Mr. GREGG. Then, whenever the Lifeline program was included in statute in the '96 Telecom Act, there were two additional tiers added. One was an additional $1.75 that was given to all states if they would guarantee it was passed through to customers, and then an additional $1.75 based on state matching. That is what is now gone away——

Mr. WALDEN. The market has changed so much since '96. In all competition, Mr. Jones, is $9.25 an appropriate rate?

Mr. JONES. Probably not. NARUC has no resolution on this point. I will speak for myself. When TracFone came before us for a prepaid wireless ETC designation, my commissioner staff and I asked the TracFone people a lot of questions on what does it actually cost——

Mr. WALDEN. Right.

Mr. JONES [continuing]. To provide this service, and they refused to give us any information. Why? Because under law, we have no jurisdiction over wireless carriers and the FCC rules do not permit a cost-based determination. So it kind of places states in a difficult position to decide whether or not it is cost-based or not. So the FCC just—as Billy Jack said, they did an averaging of the select $9.25.

Mr. WALDEN. Mr. Feiss—do you have any comment on this, Mr. Feiss?

Mr. FEISS. I think Commissioner Jones summed it up. We don't have the data, but it——

Mr. WALDEN. So we don't know whether $9.25 is a lot, not enough, but boy, it sure seems like there are a lot of entrants in the non-facilities based——

Mr. JONES. Well, just based on our evidence, I mean, we could have an argument about competition in a subsidy market, but this is true competition in the subsidy market and I would conclude that the non-facilities based ETCs are making a substantial margin on the service.

Mr. WALDEN. There is a fine line between competition and gluttony here, I think, so we have to watch for that.

I am going to turn now to my colleague from California, Ms. Eshoo.

Ms. ESHOO. Thank you, Mr. Chairman.

First, I would like to ask for a unanimous consent request to submit for the record—we have a long list of support letters that we would like to have entered into the record.

Mr. WALDEN. I believe we have them all here, and we will accede to that request.

[The information appears at the conclusion of the hearing.]

Ms. ESHOO. Thank you very, very much. Thank you to all of the witnesses. You have given us, I think, excellent testimony this morning.

Now, I don't know if this was given to all of the members, but I think our respective staffs received this from the FCC. It is the Lifeline reform overview, and on page 8, it is very interesting because it starts with January 2012, and it goes to April of 2013. And this is the number of Lifeline subscribers in the millions. Starting in January of '12, it was 15.8. It peaked August 2012 to 18.2, and the graphs show that it continues to move down, and at the lowest rate right now in terms of Lifeline subscribers, it is 13.2 million. So this says to me that it is moving in the right direction, I mean, that the reforms are working.

Now, I am trying to figure out what the biggest problem is, most frankly. There are some wild allegations, full page ads, pro and con, Obama phones, you know, I think what we need to stay away from, with all due respect, is simply a disdain for the President, and then moving that to apply to policies in telecommunications. I mean, it just doesn't mix. That is like water and oil. It doesn't make sense. It is not dignified. I don't want to have anything to do with that.

But what I do want to hear from the witnesses are the following things. To the FCC, this whole issue of a cap, what do you think of that? I do think that the chairman has raised a good point about the budget. When do you anticipate being able to not only assess the success of the reforms that the FCC is putting into place so that you can then arrive at a budget? I don't know about this $9.25. Who has the authority to even dive into that? I mean, I am hearing that, Mr. Jones, that your organization can't, that is why you couldn't get an answer. Is it the FCC or do we need to do oversight and bring people in and do it ourselves? I mean, I think that that is a legitimate question.

I also, to Mr. Guttman-McCabe, as you know, I strongly support cell phone unlocking so consumers can switch carriers while keeping their existing phones. Given that the Lifeline program only subsidizes service and not the device, I don't know how many members know this, but the government does not provide any device. It is, most frankly, the wireless industry. I mean, everything is moving to wireless anything, that is why we are trying to find more spectrum to support all of this. But wireless industry advertises, right?

Mr. GUTTMAN-MCCABE. Correct, yes.

Ms. ESHOO. I mean, you promote this, so——

Mr. GUTTMAN-MCCABE. Yes, Congresswoman. I mean——

Ms. ESHOO. I think that such a policy would enable support dollars to go further and expand the use of the universe of phones that can be used with the program. So I would like to know what you think of that.

So maybe Ms. Gonzalez, you want to comment on cap, so why don't we start with the FCC. Maybe, Mr. Jones, you want to comment on the several items I have raised, Ms. Gonzalez, and Mr. Guttman-McCabe. So why don't we go quickly. I have got 32 seconds, but I think the chairman will let you answer.

Mr. WALDEN. Quickly.

Ms. VEACH. Thank you, Ranking Member.

Ms. ESHOO. I got it all in.

Ms. VEACH. The issue of the cap is tied to the issue of what the optimal subsidy amount should be. The Commission is currently considering, after taking in public comment, the $9.25 rate and——

Ms. ESHOO. So you have the authority to review that rate, and if you think it needs to change, you have the authority to change it?

Ms. VEACH. That is correct.

Ms. ESHOO. And when do you think you are going to complete that?

Ms. VEACH. I can't speak as to when the commissioners——

Ms. ESHOO. This year?

Ms. VEACH [continuing]. Would vote on that. It is just not within my ability to say.

Ms. ESHOO. Can you get back to us on it?

Ms. VEACH. That decision is highly relevant to what the budget for the program should be.

Ms. ESHOO. Can you get back to us on that?

Ms. VEACH. I will do so.

Ms. ESHOO. Thank you.

Mr. JONES. Just quickly, NARUC does not have a position whether the $9.25 is appropriate or not. As I said, we operate through resolution. We have two resolutions on plank, but speaking for myself, I think Julie hit the nail on the head. They do have the authority. It has to go to the five commissioners—four commissioners, whatever it is going to be right now with the chairman leaving. But the states could offer their help. As I said, we do—I think certain states have had better luck than we have in getting a composition of rates, and as Mr. Feiss said, in Montana. Certain states may help out, so this may be worthwhile to refer the issue to the Joint

Board, again, on Universal Service, to work out some of these details.

Ms. GONZALEZ. To the extent that a cap may cut eligible people off from service, it is a bad idea, and certainly right now when the FCC has not fully implemented the reforms.

Ms. ESHOO. Thank you.

Mr. FEISS. Congresswoman, it is—this is the only program that doesn't have a budget, and ironically, one could argue that the FCC actually did it right with Lifeline to implement reforms first, see how the reforms work, and then determine what the appropriate level of that program is. They have not done that with the other three programs. I wish they had, but they haven't, so it is probably time to consider a budget and work from there.

Ms. ESHOO. Thank you.

Mr. GUTTMAN-MCCABE. Congresswoman, I think it is fair to point out there has been a lot of discussion and debate about the provision of phones. The carriers subsidize the phones themselves, and I have two here. I brought them just so people can look. These phones will not make you the envy of your friends and neighbors, oK. They are kind of circa-2000 at best. Hopefully you can't see who the manufacturers are so I don't get myself in trouble, but the reality is, these are not the phones that get you advanced access to, you know, to communications of the future. They are $19.95 at retail at most. They are designed to do exactly what the program was designed for, which is to get you access to basic telecommunications.

So anyone wants to see them afterward, I am happy to bring them to you, but you know, you can see we are not talking iPhones, we are not talking iPads, we are talking basic service. And that is funded by the carriers who participate in the program.

Ms. ESHOO. Thank you.

Mr. GREGG. Congresswoman, as you saw in the second slide, we need to work on both ends. We have some states that have more Lifeline subscribers than there actually are low income households. Obviously, that subscribership has to come down. But we also have many more states that have fewer Lifeline subscribers than there are low income households. So we need to work on increasing participation there.

Ms. ESHOO. Thank you very much to all of you.

Mr. WALDEN. OK. We will now turn to the vice chair of the subcommittee, the gentleman from Ohio, Mr. Latta.

Mr. LATTA. Thank you, Mr. Chairman, and again, thank you very much to our panel for being with us today. It has been very, very informative and again, thank you for being here.

Mr. Jones, if I could start with you, if I may. In your testimony, you listed a number of additional reforms that the NARUC members have suggested to improve the integrity of the Lifeline fund, including consumer co-pays, a return and requirement that carriers have their own facilities, reforms to the marketing practices of Lifeline carriers, and procedural requirements for carriers enrolling new Lifeline customers. Could you elaborate on those suggestions?

Mr. JONES. Thank you. Yes, I could. Again, NARUC does—operates by resolution. We do not have resolutions on point on these 15 recommendations that we made to you. We want it to be respon-

sive. So these are ideas for your consideration, you and your staffs. But speaking for myself, I will mention three.

The national duplicate database is really important to get up and going. I would encourage the subcommittee to have strong oversight on Ms. Veach's program. USAC announced this week that they were going to finish the duplicate database by the end of the year. Let's get it done. It was supposed to be done in February. We need to get that up and going. So the database development, and then you have the other database, the eligibility database. That is going to be more complex because the order, as you know, introduces three more benchmarks, including low income energy assistance, to feed into this massive database for the initial eligibility. So it is very important to get that eligibility database up and going.

The other thing I would urge them to do is rescind the blanket forbearance on the facilities requirement given to prepaid wireless carriers. This was done in 2005. The FCC could rescind that if the subcommittee plays a useful role in providing oversight. That is something you could do.

The other thing you could do is prohibit activation of a handset before the initial eligibility is done. It doesn't make sense to me—again, speaking personally—for a handset to be activated before either a state database or a national database is queried. You have the four last numbers of the Social Security number or you have a subscriber ID. I mean, this is just kind of commonsense business and database. You should be able to develop a system to query, and if that person is a duplicate, you can get it at the front end and not activate the handset.

Those are three.

Mr. LATTA. OK, thank you.

Mr. Guttman-McCabe, if I could turn to you. Senator Coburn brought to life in disturbing press coverage out in Oklahoma of people with model subsidized cell phones. I guess the question is how widespread of abuse is this, and is the problem related to vendors who advertise free cell phones in low income neighborhoods, and what is the industry doing, if anything, to combat that problem? And what is or could the FCC also be doing to curb that abuse?

Mr. GUTTMAN-MCCABE. Sure. Thank you, Congressman.

First of all, I think at times people tend to conflate bad actors and MVNOs, people that don't have networks, and conflate MVNOs with bad actors. There are a lot of non-facilities based carriers who are actually good actors, do a very good job with this program as Mr. Gregg suggested, actually move services out to people who otherwise wouldn't get them. The reality is there are some bad actors in this program, and one thing you will hear from us, and you may hear me say it, depending upon how many times I am asked is if we can have responsibility, efficiency, and accountability in this program, we are all for it. I mean, 100 percent. We think it needs to happen. There can't be states like Mr. Gregg suggested have significantly above 100 percent participation above the poverty level.

So for us, we want a program that is smart, intelligent, well-targeted, that allows for a range of technology neutral participants. If companies decide that they want to subsidize, you know, a relatively inexpensive phone to allow the person to get access to it, I don't think that is much different than someone who gets a free

landline phone as part of their landline service. So, looking at wireless differently, I find it concerning because it is no different than—I don't pay for my landline phone, in essence, in my house, which I still happen to have. It seems to be moving towards the minority. But you know, we are here talking about potentially removing wireless from the program at the same time that all of us are reading articles about the overwhelming majority of people are beginning to move away from a landline phone. I just read this week that the landline phone is now the third most popular phone in the U.S. households, wireless being number one, VoIP being number two, and then landlines.

So there definitely are things that have to be rooted out, you know. I would question the advertising of some of the companies and the marketing of some of the companies that are providing the service, but I don't think you can say that MVNO equals bad actor, because there are a great deal of them that are very good actors and are really doing a positive thing with this program. And if you look at their subscribers, I mean, when 79 percent of your Lifeline subscribers have a household income below $15,000, I think you are targeting the right people. I think that is the good that this bipartisan program was designed for.

Mr. LATTA. Thank you. Mr. Chairman, my time is expired and I yield back.

Mr. WALDEN. Thank the gentleman for his questions.

We will turn now to the gentlelady from California, Ms. Matsui, for 5 minutes.

Ms. MATSUI. Thank you, Mr. Chairman.

First of all, I just want to ask a quick question of Ms. Veach. Is there such a thing as a free government phone? Yes or no?

Ms. VEACH. No, there is not.

Ms. MATSUI. OK. Is it accurate to say that the Lifeline program is not contributing to any current growth within the USF fund at this point?

Ms. VEACH. That is correct.

Ms. MATSUI. OK. Mr. Guttman-McCabe, I strongly believe that Lifeline should be reformed and modernized in a responsible manner, and it must account for America's ever-reliance on the Internet and innovation economy. One hundred million Americans are still not adopted to broadband, and coupled with the fact that nearly 80 percent of available jobs are only accessed by online applications, and both need to be addressed. Do you support the concept of modernizing Lifeline to support broadband?

Mr. GUTTMAN-MCCABE. Congresswoman, I think—and I congratulate you. It is a conversation that we as a country, and particularly you as policymakers, have to have. I mean, the country is absolutely moving in that direction. The reality, as I said a moment ago, is that if people aren't choosing wireless phones, they are sort of choosing sort of VoIP or over the top phones with their broadband connection. You know, we are seeing a movement in that way that makes absolute sense for us to have this discussion, and we are having it as part of the broader Universal Service program.

Ms. MATSUI. No, and that is good, because I find it kind of interesting we are having this discussion about landlines and wireless

and as we all know, that most of us have been moving to wireless for quite some time. And now we are also talking about broadband too, and everybody seems to want to do that, but you got to get there and if we are stuck in the landline business, we won't get there to the right degree.

I would also like to ask you, too. A study by the Telecommunications Policy Institute found that 59 cents of every dollar spent in the USF High Cost Fund goes to the carrier recipient's overhead and administrative expenses. That is only 41 cents out of every rural USF subsidy dollar goes to building rural networks. But Lifeline offers a discount on the monthly price of service. One hundred percent of every Lifeline subsidy dollar goes to reducing a low income consumer's monthly phone bill.

So given these differences, wouldn't you say that Lifeline is already the far more efficient of the two programs, and that we should devote as much attention to reducing waste, fraud, and abuse in the subsidies we pay to carriers as we are in the subsidies paid to low income consumers?

Mr. GUTTMAN-MCCABE. Yes, I think that is a key—those are key points to focus on. I think that gets lost at times, but the Lifeline subsidy goes directly to the consumer to offset their bill. You know, Mr. Feiss talked a little bit about cost-based support and things like that. The FCC has argued against sort of a race to the top, against a race to say here are my costs and I should have, you know, some return above that.

I know several of the panelists suggest that we also should be looking at the High Cost Fund because of the fact that not all of those dollars are rationally and intelligently spent. I think you hit a key point, which is the Lifeline program, it is means-tested, it is designed to target exactly to the people who need it, people who, you know, we are talking household incomes in the mid to low teens in the thousands of dollars, and it is a one-to-one offset. I mean, every dollar that goes in offsets the cost that they otherwise would pay.

Ms. MATSUI. Well thank you very much. I compliment the FCC on the reforms that have been taking place in, I guess, the last 8 months in the reduction of, I guess, about $5 million. And these reforms are taking place, and I think it is timely we do this hearing. On the other hand, I believe we need more time to really figure out the real impact of this.

And I also understand, too, that it goes beyond this to a great degree because it is very uneven. We have states that are maybe oversubscribed, and other states that, you know, are not at all to point where we are reaching everyone. And so to me, this needs to be looked at and studied to a degree that we have not done yet.

My goal is to ensure that every American that qualifies get access to one of three things, especially in my bill, that they are able—landline, wireless, broadband, choose. But we are not going to make any progress if we get stuck on things like caps for Lifeline, because Lifeline is a different situation that I believe even the High Cost Fund, and I am not denigrating High Cost Fund at all, but I believe that we are looking at something we want to expand access in a reasonable manner, and we want to make sure we have accountability there.

So I ask each of you if you are agreed upon that, that Lifeline needs to be expanded in a reasonable way so we capture more of the qualified households and not get into a fight about all about whether or not they are doing the right thing or not. Are you all agreed that we need Lifeline?

Ms. VEACH. Yes.

Mr. JONES. Yes.

Mr. FEISS. Yes.

Mr. GUTTMAN-MCCABE. Yes.

Mr. GREGG. Yes, and we should focus on the customer, rather than the carriers. That is why we should have a straight subsidy, whatever the level is, and let the customer apply it to the service that they choose, that meets their needs, and that way, their choices will drive the market.

Ms. MATSUI. OK. You are all agreed on that one?

Mr. FEISS. I think Mr. Gregg's conclusion, access versus excess, was well said.

Ms. MATSUI. OK.

Mr. JONES. Congresswoman, just with the proper accountability in place.

Ms. MATSUI. I understand.

Mr. JONES. We have some strong concerns about the High Cost Fund being at $4.5 billion. We think that is appropriate, too.

Ms. MATSUI. OK. Thank you very much, and I am sorry, Mr. Chairman.

Mr. WALDEN. That is all right.

Ms. MATSUI. Thank you.

Mr. WALDEN. It is good to get the answers.

We will turn now to the gentleman from Illinois, Mr. Shimkus, for 5 minutes.

Mr. SHIMKUS. Thank you, Mr. Chairman. This is a great hearing. I like the terminology "access, not excess." I think probably a lot of us will use that, Mr. Gregg. Thank you for that.

I actually appreciate the Minority's handing me the letters and all this documentation. I did go to one comment from Illinois that said make it more efficient. Don't drop it. There is a reason it is called Lifeline. So that is where we need to go, but I don't think you all understand the anger that is out there in America over this.

I live right next to St. Louis, Missouri, so Senator McCaskill's responding to this anger of a free phone, and to say it is not a free phone is not accurate. It is a free phone. Someone gets a phone and they get minutes and they don't get billed, for the most part. And in this day and age, people really have a hard time understanding it. So you all are supporters of this. You are doing a terrible job of marketing it, because you have lost the public opinion war on this, and we can't—and it is tough to get the genie back in the bottle. Actually, that is why I appreciate the Minority for asking for the hearing. This is part of that educational process. But you all got a long, long way to go.

And for Ranking Member Waxman to say no one uses an Obama phone, he doesn't go to the web. There is an Obamaphone.net that answers a lot of these questions accurately on who is qualified and who is—but that is how you pull it up. You got the Obama phone rap out there, and you can just Google it, and that leads to this

frustration and anger about people getting free phones. And the free phones are—they are receiving it based upon rate payers, right? People are paying rates. We are all paying.

My first question to Mr. Guttman-McCabe, and I am a friend of the industry, you know that. Can you tell me how many people have one of these free phones but then use their 250 minutes, go in, and pay for more minutes?

Mr. GUTTMAN-MCCABE. I don't know the answer to that, Congressman. I think we can—I can see if we can track that down and get back to you. I don't——

Mr. SHIMKUS. Some of my friends were not willing to provide us that information, but let me pose a question. If they get a free phone and then they can go in and pay for doubling of the minutes, does that pose a question whether they should have a free phone or not?

Mr. GUTTMAN-MCCABE. Well I think if you go back and you look at—and the Commission has put in some of these, you know, some of these measures, I think——

Mr. SHIMKUS. Should part of the measures be are they purchasing more minutes?

Mr. GUTTMAN-MCCABE. Well, I think the measures should be do you satisfy some threshold to qualify, and so if the threshold——

Mr. SHIMKUS. Let me ask another question to your industry. What incentive is there for the industry to do due diligence on qualifications to receive an Obama phone?

Mr. GUTTMAN-MCCABE. Well in the past, not only was there not—I won't say there was not incentive. We weren't allowed to do eligibility requirements.

Mr. SHIMKUS. Well, and that is a problem.

Mr. GUTTMAN-MCCABE. It was self-certification.

Mr. SHIMKUS. Right.

Mr. GUTTMAN-MCCABE. But we—in 2010, we pushed for this, so this is not something that, you know, came about on its own. This is something we fully endorsed and strongly believe and continue to push the Commission for an eligibility database and a duplicates database. Because I agree with you, we are not winning the PR discussion. It is about having something that is efficient and accountable, and yet still works.

Mr. SHIMKUS. Let me give you the exact thing. We are going to have issues with the young new staffers here in Washington, D.C., and we are going to get to offer them, because of the income qualifications, they will be able to qualify for a free phone based upon how some of us compensate our employees and our staff, and Medicaid. What a great benefit package to come to work in Washington with that venue.

Ms. Veach, the final question that I have is there is discussion about expanding this to broadband. Do you know what percentage of current Lifeline subscribers already have broadband service?

Ms. VEACH. Congressman, we don't track individual subscribers, so I don't have that data.

Mr. SHIMKUS. OK, I think we probably would try to look forward to see if you can then provide that at some time, especially as we move in this debate.

And with that, I yield back my time.

Mr. WALDEN. Now turn to the gentleman from New Mexico, I believe. Mr. Lujan, I think you are up next.

Mr. LUJAN. Thank you very much.

And I don't know how many of you have been to Obamaphone.net, but here it is, and Obamaphone.net looks like—it is a nice Web site, nice colors. I like the color blue, and it is in here quite a bit. And it has this great picture of President Obama up on top, but when you start scrolling down, it says sign up now. So it says the Obama phone government benefit program. And when I see this notion that says sign up now, I would think, as a consumer, that if I am on this Web site and I click there, that I am signing up now for a phone. But if you scroll down to the bottom of this Web site—and I am glad I have good eyesight, because it is really small—it says "Obamaphone.net is an independently owned and operated Web site that is in no way affiliated with the United States government, departments within the Federal Government, or any state or local jurisdiction located inherently therein." And then it kind of runs away, because I guess the footnote is not needed as much as the rest of the propaganda on this Web site.

And so I wonder if it is fraudulent or not for us to put on a Web site that appears to be a federal Web site telling consumers they can sign up for a Lifeline phone, collecting information that is in no way affiliated with the Federal Government, as opposed to encouraging people who go to this Web site, I encourage you to go look at it so you never go to it again, so that we can get through this. That is part of what the FCC is trying to do. We are trying to crack down on waste, fraud, and abuse here, and we shouldn't direct people into areas that are purported to maybe sign up for a Web site that are probably signing up for sharing their consumer information in one way or another. I tried to get to the privacy notice on the site, but I couldn't find it. I guess I am not savvy enough. But I was able to get to that disclaimer at the bottom.

So I just think, Mr. Chairman, that as we talk about these sites and what is happening here, that we agree that there are important programs across the Federal Government that are needed. I come from a rural state. This has been purported to be a program that is abused in only urban parts or needed in urban parts of the United States. I think that there are some letters that have been submitted, and Mr. Chairman, I would ask unanimous consent to submit two letters from two rural organizations, the National Grains on the Order of Patrons of Husbandry, and Rural Broadband, and in it, Mr. Chairman, one of the letters cites that "Lifeline is an essential to the success of our country because it ensures that even the most unserved areas are safe, able to communicate, and included. Simply put, any cuts to Lifeline will leave rural, tribal, and low income communities more vulnerable and locked out of full participation." And I also have two letters from two tribes, Gila River Telecom and Mescalero Apache Telecom, Incorporated, that I would like to ask unanimous consent to submit into the record.

Mr. WALDEN. I believe those were part of the Minority's packet that has already been submitted. We went through that.

Mr. LUJAN. Thank you very much. I thank Ms. Eshoo for her wisdom, as well as for her submissions, so thank you and the staff very much, Ms. Eshoo.

And so with that, Mr. Chairman, I want to—I have a few questions to Mr. Jones, and I appreciate you being here, Mr. Jones, having been a former member of NARUC myself when I was fortunate to be part of the New Mexico Regulatory Commission, which is the equivalent of utility commissions across the country.

You stated in your testimony that "The ability of some states to audit and/or investigate waste, fraud, and abuse may be hampered by rules or laws limiting or altogether removing states' authority over wireless companies." Could you explain how that could be the case, and with the concerns in some states, what can NARUC do to help ensure that states will adopt stronger policies in those areas where maybe we see rules that aren't as strong?

Mr. JONES. Congressman, that mainly refers to many state statutes across the country, largely, I think, with Mr. Guttman-McCabe's companies that have gone and lobbied state legislatures to prohibit PUCs from regulating or having anything to do with wireless service. The laws are written a little bit differently, but it makes it very difficult for state PUCs to have jurisdiction over things like e-911, TRS, High Cost Funds, or Universal Service. So that prevents us, and also 214(e), Section 214(e) that governs eligible telecommunications carriers, that is the federal statute that we operate under. It is written very broadly and it doesn't specify the type of technology, so this has been the subject of litigation in many states where some of the wireless carriers push hack on us.

What can we do? We can work with—I think the best thing we can do is work with Ms. Veach and her colleagues at the FCC through the Joint Board process where we deal with these difficult issues. They have better access to information on cost and all sorts of things than we do. And in that confidential setting of the Joint Board process, I think we can get at some of these issues.

Mr. LUJAN. Mr. Chairman, thank you so much. I know my time is expired. I have some other questions I will submit to the record. I was so compelled with the Obamaphone.net, Mr. Chairman, that I had to use a little of my time to talk about that wonderful Web site. Thank you very much.

Mr. WALDEN. Appreciate the gentleman's questions and comments.

We will now turn to Mr. Terry for 5 minutes.

Mr. TERRY. Thank you, Mr. Chairman.

To Mr. Feiss, at least in the State of Nebraska over the last couple of years we have seen now 51 different Lifeline providers apply with our PUC in Nebraska. Are you seeing the same explosion of—I am putting fictitional quote marks on competitiveness and competition in Montana?

Mr. FEISS. Congressman Terry, we have two pending applications for Lifeline—only prepaid wireless support.

Mr. TERRY. Two?

Mr. FEISS. Right, and those——

Mr. TERRY. Nebraska has 51 over the last couple years. Only two. That is interesting.

Mr. Jones, is NARUC seeing that level of explosion, and this builds—the next part of that question is how do we determine what the appropriate price line is, because if there is 51 carriers coming in Nebraska to get their $9.25 per phone, there is a hell of an incentive going on.

Mr. JONES. Right. We have designated six wireless CTCs for support with the wireline, and I think we have—I am going to up the ante that Mr. Feiss said. I think we have eight or ten pending before our staff right now. So we have designated six on the wireline side. We have many more wireline carriers. But to put this in perspective, of the eligible low income households in the State of Washington, even with that support we are only reaching 33 percent of the low income people in our state. That is Lifeline, wireless, everything together.

So as Billy Jack said, if we want to get to 50, 60 percent, if that is a valid social goal to have people connected for these valuable services, we have a long ways to go. But obviously it costs money.

What can we do to get at the cost? It is really with the FCC, I think. The FCC has the ability to determine if the $9.25 per month is appropriate or not.

Mr. TERRY. So Ms. Veach, how do you reply?

Ms. VEACH. Congressman, on the question of the $9.25 rate, we have sought public comment on that question and are looking at the record, and will continue to conduct an open proceeding to put the commissioners in a position to determine what the optimal rate should be.

Mr. TERRY. In a public comment process, will you be able to obtain the true cost of providing this service?

Ms. VEACH. I think there are different types of services. As we have heard, there are wireless services as well as landline services, so——

Mr. TERRY. All right, so for the variety of services, are you going to be able, in a public comment setting, obtain cost information?

Ms. VEACH. In addition to the record that is already developed, if necessary the Commission can ask for more data if it needs from Mr. Guttman-McCabe's members or others.

Mr. TERRY. So is that a yes that you are obtaining that information through the public comment?

Ms. VEACH. We have invited comment. I would be happy to work with your office to let you know whether we have obtained the kind of information you are asking about already or need——

Mr. TERRY. Is there a red flag with the FCC that there is that many competitors coming into what used to be, just a few years ago, a very limited market? Does that raise a red flag?

Ms. VEACH. Well absolutely. In our reforms, we required that before any non-facilities based carrier could be designated to receive support, it first had to have a compliance plan approved with the Commission, and we have only approved 20 of those since the reforms went out. The next step, then, is to approach the relevant state PUC to seek designation.

Mr. TERRY. OK. I will yield back.

Mr. WALDEN. Gentleman yields back his time.

Now recognize the gentleman from Illinois, my friend Mr. Rush, for 5 minutes.

Mr. RUSH. I want to thank you, Mr. Chairman. This has been quite a hearing, and I am not surprised. I want to congratulate the Ranking Member for bringing this issue to the floor.

But as I sit here and hear some of the questions and some of the commentary, it really, really infuriates me about some of the attitudes and opinions and some of the remarks that I have heard. I am trying to maintain my cool, so to speak.

But first of all, Mr. Chairman, there are some letters that I would like to enter into the record, and some of them may be included, but I am told that—in your packet, but I am told that they aren't included, and we have a statement from the NAACP, the Leadership Council on Civil Rights and Human Rights, the United Church of Christ, the National Organization for Women, the Asian American Justice Center, Disability Rights, Education, and Defense Fund, and from the CWL. I would like those included in the record.

Mr. WALDEN. Without objection.

[The information appears at the conclusion of the hearing.]

Mr. RUSH. All right. Mr. Chairman, I want to ask maybe Ms. Veach or anybody can answer this question. Was there any noticeable uptake in the Lifeline services program during and immediately after Hurricane Katrina?

Ms. VEACH. Congressman, as a matter of fact, it was during the time of recovery from Hurricane Katrina when the Commission permitted wireless providers to enter the program to provide vital services to the consumers affected.

Mr. RUSH. Well, this notion of this service or these phones being called an Obama phone, what do you think is the rationale behind it? Because if you are going to call it any kind of nonpolitical, nonclass, and I might indicate, non-racist way, then it certainly should be called a Bush-Obama phone, isn't that correct?

Ms. VEACH. Congressman, you are absolutely correct that a lot of the expansion of the program that happened without proper oversight was during prior Administrations. The reforms that the FCC has put in place in the last 3, 4 years will ensure that only eligible subscribers can participate, and that there are appropriate checks in place on the consumers as well as the carriers.

Mr. RUSH. Well, let's look at who uses Lifeline. It is certainly not just members of citizen and urban centers. This program supports older Americans. One carrier reported that 47 percent of its users are 50 years or older, and 16 percent are over 60. Now I know, because that is my age category, I like music, but I am not too fond of rap music, so for this service to be characterized as being or associated with something called Obama Rap, what do you think about that?

Ms. VEACH. As you say, the service is available without regard to any demographic characteristics: seniors, the elderly, disabled, rural as well as urban, based on income rates or participation in another federal assistance program. It is available in all 50 states.

Mr. RUSH. Let me ask—I see my time is winding down and I have a lot of other questions. Is there any of the witnesses at the table, are you aware of any increase in mobile phones in Afghanistan?

Mr. JONES. No, sir, I am not.

Ms. GONZALEZ. I can't answer that question.

Mr. RUSH. I was at a meeting earlier today with an expert, and there is an increase in mobile phone use in Afghanistan. And my understanding that it is thoroughly subsidized. To a great extent, it is thoroughly subsidized. So our taxpayer dollars are going to Afghanistan to increase mobile phone uses in Afghanistan, but here we are making much—and some of it legitimate—much ado about possibly job seekers, 26 percent of users reported by—unemployed and 62 percent are employed on only a part-time basis. Fifty-two percent of the subscribers are Caucasian, 30 percent are African American, and 10 percent are Hispanic. I mean, we are making ado about something that really doesn't—that has been a fairly good program.

The subject of this hearing is "The Lifeline Fund: Money Well Spent?" with a question mark. My answer to that is yes, it is well spent. There are some problems, but I think that FCC is moving to address the problems. I think they should be commended. But whether this program should be capped, no, it should not be capped, especially when the unemployment—the number of poor people in this country is on a dramatic increase, then why would we try to cap this particular program?

Mr. Chairman, I yield back. I just want to—I don't like the message that is emanating from this hearing, and I think it is offensive to the best interest of the American people. I yield back.

Mr. WALDEN. Thank the gentleman's comments. We appreciate his comments. We are just trying to get to the truth and the answers, and that is why it is a bipartisan hearing. So I appreciate your participation.

We will now go to the gentleman from Louisiana, Mr. Scalise, for 5 minutes.

Mr. SCALISE. Thank you, Mr. Chairman. I appreciate you having this hearing. It is a very important hearing to have dealing with a program that has had a history of fraud and waste and abuse. This program is the kind of program that really angers, I know, a lot of my constituents, and I am far from alone when I talk to colleagues of mine from all across the country. Whether you want to call it an Obama phone or free cell phone or whatever it is, it is a program that the Federal Government has set up that taxes——

Mr. RUSH. What about a Bush-Obama phone?

Mr. SCALISE. Whatever you want to call it——

Mr. WALDEN. Regular order, please.

Mr. SCALISE [continuing]. It is a free phone to some people that is paid for by other people, and those other people that are paying for that service, when they see the fraud and abuse and the waste in this program, get incredibly angry, and to discount that anger of hardworking taxpayers who are seeing their cell phone bills go up, knowing that some of that money is being used to pay for somebody else to get free cell phones, and in many cases, in violation of the law itself, they have a right to be angry. And their anger is very justified when they look at the dramatic increase over the last few years of the cost of this program.

I want to ask you, Ms. Veach, because it is being considered by some and there is legislation filed to expand this into broadband. I think that should tell you that if they filing a bill to expand it into broadband, that means that the law shouldn't currently allow

you to provide broadband services for free to some people at a cost to other people. If they are filing a bill to try to make that legal, yet in your own testimony, you talk about a pilot program that you all have already undergone, started, to extend it to broadband. Under what legal authority—first of all, with all the fraud, waste, and abuse in the existing program, what legal authority do you have to actually broaden it even more? And whether you want to call it an Obama pad or a Bush pad or whatever you want to call it, you are already expanding this program into an area that the law doesn't say you can expand it to, and in fact, when our colleagues on the other side file a bill to do this, they are implying that you don't have the legal authority to do it today. Where is that legal authority coming from?

Ms. VEACH. Thank you, Congressman.

As you say, we have taken a small piece of the savings from the other reforms——

Mr. SCALISE. How much?

Ms. VEACH. Fourteen million dollars to initiate a broadband pilot that will inform us by testing different technologies, different types of speeds and so forth to see what we can do to——

Mr. SCALISE. Under what—you tell me what you are doing. What legal authority do you have to do it? Fourteen million dollars of money that should be in the pockets of hardworking taxpayers to lower their cell phone bill. You know, and this is where we get to the, you know, the overall abuse of the program, but also the overall public opinion of the program, because there are—you know, in Louisiana, a family of four making $35,000 a year is paying for this. They can't get the free phone. You know, this is a family who made a decision, you know, if they have got their own cell phone, and let's say they got broadband at their house, they are paying for that with after-tax dollars that they worked really hard for and they made tough decisions. They might not go out to eat one night because they—that is an important priority that they have set, and it angers them when now they are paying somebody else's free cell phone bill. And then you have identified waste, fraud, and abuse that this committee had oversight on and that has been identified by many people. We are trying to clean up the fraud and abuse.

I am cosponsor—not a cosponsor directly, but a supporter of legislation by Representative Griffin—I think there are other bills that would actually go back to the original intent and say no more free cell phones. But they are looking at this and they are saying I am paying for this. And if instead of saying oh, oK, we found waste, fraud, and abuse, what the government should be doing is saying that money—every quarter you assess the companies that ultimately taxpayers pay the bill. You assess them every quarter. You could lower their cell phone bill by the amount of money that you found in waste, fraud, and abuse that we directed you to go find in waste, fraud, and abuse. Instead, you have taken it upon yourself to take that money and not lower the cell phone bill for that family of four in Louisiana making $35,000 a year. They would like to see their bill lowered. They are struggling in tough times, but for whatever reason, you decided as a bureaucrat that you are just going to go create a new program that you are not

even legally authorized to create to spend that money, instead of letting them have that money back in their pocket.

So I would hope when you are trying to think of what to do with the money that you are finally uncovering from waste, fraud, and abuse, you don't see it as some kind of honey pot that you can go and spend somewhere else. That is money that ought to be in those hardworking taxpayers' pockets, not the government to spend on something else, but finally give them a break. Give the folks that are paying the freight a break so that they don't have to pay as much, and maybe they can go out to eat one night with their family of four, instead of having to fund somebody's free broadband and free cell phones and all this other stuff that they are irritated about.

And the final thing is I would ask you to get us the list—because it has been asked before. Get us the list of the number of people that are in this in this Lifeline program that have free cell phones that actually pay out of their pocket to upgrade it. For whatever reason, they have got enough money to upgrade it, maybe they should be paying for their own phone and not having the government pay for it, not having that taxpayer pay for it. But will you get the committee the count of how many people that are in the program actually pay to upgrade their service? Can you get us that?

Ms. VEACH. We will work with your office to provide what we can, yes.

Mr. SCALISE. We would like you to get us that count of how many people actually do that.

I appreciate the chairman's discretion, and I yield back the balance of my time.

Mr. WALDEN. Gentleman yields back.

I believe all the members have had an opportunity to ask at least the first round of questions. We are not going to do a second round, but there may be other questions for the record we would like you to address, and we may need to probe deeper into this issue from different angles, perhaps at a future hearing.

Yes, I would recognize the gentlelady from California.

Ms. ESHOO. Thank you, Mr. Chairman. I would like unanimous consent to place into the record the following. It is a listing of the 2012 Top 10 High Cost Disbursements by States, and it also lists out the 2012 top 10 Lifetime Disbursements by States, and just——

Mr. WALDEN. Without objection.

[The information appears at the conclusion of the hearing.]

Ms. ESHOO. I just wanted to point out to the gentleman that in Louisiana, there is 110,927—now these are—110,927,000 and that is an overage—is that an overage? That is how much more the state gets. But I think this is instructive, so thank you for allowing us to place——

Mr. WALDEN. Without objection.

Ms. ESHOO [continuing]. It in the record.

Mr. WALDEN. And Mr. Long has returned, so we will turn to 5 minutes of questioning from Mr. Long.

Mr. LONG. Thank you, Mr. Chairman, and thank you all for being here today.

Start with Billy Jack Gregg, if I can. On the slide that you showed earlier, the red line going across on Maryland, was that at the poverty line?

Mr. GREGG. That was the number of low income households, households at 135 percent of the federal poverty guidelines or below.

Mr. LONG. So that was at the 135 percent level?

Mr. GREGG. Right.

Mr. LONG. And your graph showed that there is a considerable number of people that are getting these phones that are above that income level, correct?

Mr. GREGG. Right. Currently, for the most recent data, the total number of low income households in Maryland was about 304,000. The number of Lifeline subscribers was 654,000, so over double.

Mr. LONG. And my understanding—go to Ms. Veach now. My understanding is that the FCC does not use that data, is that correct, or were you aware of that figure that so many more people above that should be not qualified to get this phone are actually getting it?

Ms. VEACH. Congressman, I have seen the information that Mr. Gregg provided, and we have also taken actions to ensure that only customers who are eligible to sign up and only one customer per household will be able to sign up. And we have, in fact, notified consumers when we have identified that they have duplicate phones that they are in violation of the rules and next time could be fined by the FCC for that violation.

We are also standing up a database to prevent that from happening again, and in the meantime, will continue to scrub the roles.

Mr. LONG. Staying with you, Ms. Veach, what percentage of users go over their free 200 minutes on their phones?

Ms. VEACH. I don't have that, Mr. Congressman.

Mr. LONG. Could you get that and get back to us with that?

Ms. VEACH. We will work with your office to provide what we can, absolutely.

Mr. LONG. OK, thank you. That takes out the second part of my question. Ms. Veach, again, what percentage of the eligible population are Lifeline recipients?

Ms. VEACH. It is a complex estimate because we—you can be eligible either based on your income or by participation in another federal program. We estimate that is it about ⅓ of households.

Mr. LONG. About ⅓ of the eligible households——

Ms. VEACH. That is right.

Mr. LONG [continuing]. Are receiving this phone? What—on this 200 minutes that they get, if someone has their own personal cell phone and they have one of these phones we are talking about here today, and they forward their personal phone to their whatever you want to call it, Lifeline phone we will call it, and first use up their minutes there, do you know—have you looked into that or heard of any of that happening?

Ms. VEACH. I have not, but we take all allegations about abuse in the program very seriously and I would be happy to check with my team and get back to you on that.

Mr. LONG. If you would I would appreciate that, because I have heard of that very thing. A congresswoman related to me yesterday that one of her constituents related to her that that is what she was doing with her phone was forwarding, and I am trying to check with some of the providers to see if that would even save money or not. Would that not use the minutes on their personal phone, anyone on the panel?

Mr. JONES. Congressman, I would suggest each state does this differently. I know that when we designated ETCs, some were at 200, 250, 300 minutes. We had the 800-number issue to deal with, if that would count. When you call an 800-number, does that count toward the minutes? We decided no. I would urge you to talk to Chairman Kinney of your Missouri Public Service Commission, because they have designated these ETCs and Chairman Kinney and the staff of the Missouri commission can share with you the terms and conditions of all these ETCs.

Mr. LONG. OK.

Ms. Gonzalez, going to you, you said, I believe, that 15,000 people of 15,000 per year and under make up ⅓ of the users of these phones, is that correct?

Ms. GONZALEZ. Under $15,000 a year make up the majority, I think about 80 percent, according to one provider. All the providers provide different——

Mr. LONG. What I had in my notes here that I wrote down as you were speaking earlier, I thought you said ⅓ were under 15, ⅓ were over 65, and ⅓ were disabled.

Ms. GONZALEZ. No, please let me clarify. Nearly 80 percent, according to one provider, make under $15,000 a year, nearly ⅓ are over the age of 55, and over ⅓ are disabled.

Mr. LONG. OK. Mr. Guttman-McCabe, you said that these are not taxpayer funds that pay for these phones, so clarify again who is paying for these phones?

Mr. GUTTMAN-MCCABE. Sure. They come from the consumer and they go to USAC, so the carriers are given a percentage that they must pay, a number that they must pay, and that money——

Mr. LONG. And is that not passed on to their customers?

Mr. GUTTMAN-MCCABE. It is passed on but it is not a budget line for it, it is not a debt or deficit number. It doesn't touch the U.S. Treasury.

Mr. LONG. Oh, it doesn't show up in the 42 percent more that we are spending in this country right now than we take in every year? It is not in that figure?

Mr. GUTTMAN-MCCABE. It is not in that figure.

Mr. LONG. But it is taken out of the economy from the people that——

Mr. GUTTMAN-MCCABE. Although it is also put back into the economy——

Mr. LONG. I am sorry?

Mr. WALDEN. It is on your bill though?

Mr. GUTTMAN-MCCABE. It is on your bill. It is paid by the consumer but it is not a tax. It doesn't touch the Treasury——

Mr. LONG. Yes, but it is not a voluntary thing on your bill. The customer has to pay that if they want to keep their phone going.

Mr. GUTTMAN-MCCABE. They do.

Mr. LONG. So that money is coming out of the economy?

Mr. GUTTMAN-MCCABE. Yes, although arguably going back into the economy as part of the, you know, the companies that are hiring and paying employees, so it is almost circular, in a sense. But it is not a budget line, it is not a debt or deficit issue. It is not targeted to any budgetary implication.

Mr. LONG. OK, but I am very concerned to see Mr. Gregg's figures, for your benefit, Ms. Veach, where you have such a huge percentage of people in the State of Maryland right next door here that are—have these phones that unless these figures are inaccurate, are not eligible to receive the phones because they make way above the 135 percent above the poverty level, so I would hope that somehow you all could take what you are not doing now, take this information from Mr. Gregg and research that, and if you will get back to me with those questions that I asked you earlier that you said you would get to me, I would appreciate it.

And again, thank you all very much for being here, and Mr. Chairman, I yield back.

Mr. WALDEN. Gentleman yields back the balance of his time. I think that wraps up our hearing. We appreciate, again, the testimony you have given, the information you have shared with us, the answers to our questions. I am sure there will be additional questions that we may have back for you, maybe in a bipartisan way as well. So again, thank you for your participation today, and our hearing is adjourned.

[Whereupon, at 12:28 p.m., the subcommittee was adjourned.]

[Material submitted for inclusion in the record follows:]

PREPARED STATEMENT OF HON. LEONARD LANCE

Thank you Mr. Chairman,

I am pleased that the Subcommittee is holding this hearing today.I believe the federal Lifeline program, created during the Reagan Administration almost 30 years ago, provides an important public service, ensuring that all Americans, regardless of income, are able to take advantage of basic telecommunications services.

But even the most laudable programs must be scrutinized to make certain they are being conducted in a fiscally responsible manner consistent with using taxpayer dollars wisely and efficiently.

Like many of my colleagues I applauded the many reforms the FCC has enacted to the Lifeline program

Last year the FCC instituted new rules that required carriers that received Lifeline funds certify that their subscribers were eligible for the program, an effort to streamline the program and reduce waste.

But as a result, according to a recent report from the Wall Street Journal, 41 percent of the roughly 6 million subscribers in the Lifeline program "either couldn't demonstrate their eligibility or didn't respond to requests for certification."

And despite reforms by the FCC to address waste, fraud and abuse in the program, spending on Lifeline increased 26 percent last year—rising from $1.75 billion in 2011 to $2.2 billion in 2012.

I am optimistic that additional reforms scheduled to take effect this year—including annual recertification requirements, and independent audits—will provide greater oversight of the Lifeline program and possibly discourage those companies and individuals who have taken advantage of the program and jeopardizing its future for those who desperately need it.

I very much look forward to hearing the views of our panel today on ways we can work together to ensure that the federal Lifeline program is being conducted properly and efficiently in the spirit in which it was created under President Reagan almost 30 years ago.

Thank you Mr. Chairman, I yield back my time,

Wednesday, April 24, 2013

A Balanced Look at Lifeline and Its Reform - Part II

Posted by Randolph J. May at 8:30 PM

The House Energy& Commerce Committee' s Subcommittee on Communications and Technology is holding a hearing tomorrow entitled, "The Lifeline Fund: Money Well Spent?" For a long time I've maintained the Lifeline fund provides an important "safety net" for those low-income persons who otherwise might go without communications service. Most recently, I wrote about this in "A Balanced Look at Lifeline and Its Reform."

A balanced look at Lifeline means recognizing that it is important to root out fraud and abuse in the program, while also recognizing the positive role the program plays in today's society when being "connected" is more important than ever.

We know this intuitively, and the hard evidence abounds. But an article in today's Wall Street Journal online, "How Your Smartphone Could Get You a Job," drives the point home again, especially with regard to the value of wireless phones made available to low income persons through Lifeline's subsidies. The article details how job-hunting is rapidly moving to mobile devices. Indeed, it refers to the IDC study predicting "that mobile devices will overtake desktop and laptop computers as Americans preferred method for accessing the Internet by 2015."

Interestingly, there is now a lot of data available indicating that minorities are more likely than non-minorities to own smartphones, and this phenomenon has helped to close the so-called "digital divide." No doubt Lifeline's subsidies that allow low-income persons to obtain mobile devices has played a role in this regard.

My FSF colleague, former FCC Commissioner Deborah Taylor Tate, has been a steadfast supporter of Lifeline. With the hearing tomorrow, her earlier pieces, "A Vital Lifeline" and "FCC's Lifeline Reforms Should Keep Low-Income Consumers Connected," are worth reading again.

Like me, former Commissioner Tate recognizes the need for Lifeline reforms, such as implementation of a functioning, accessible, and accurate eligibility database, to prevent abuse of the program. But past problems regarding screening and enforcing eligibility requirements are not a reason to ignore the program's value.

Finally, like me, Commissioner Tate recognizes that the existence of a healthy Lifeline program means policymakers, if they are truly reform-minded, should focus on curtailing growth in other

parts of the program, such as the high-cost fund, where the subsidies to rural telcos are distributed on a more indiscriminate, less targeted basis.

As she put it in "A Vital Lifeline":

"And here's an important point about the Lifeline program that should be emphasized: The fact that the program exists, as a means of targeting subsidies to those truly in need, makes it easier to argue convincingly that those parts of the overall USF program which distribute subsidies in a much more indiscriminate fashion, such as the high-cost program, should be subject to hard caps and gradual reductions.

So, when the House subcommittee convenes tomorrow, I hope it takes a balanced look at the Lifeline program, which over many years now, has enjoyed bipartisan support.

The Washington Post

Back to previous page

'Obama phones' subsidy program draws new scrutiny on the Hill

By Karen Tumulty, Published: April 9

When someone in the Washington area begins to type the president's last name into the search box of Google's home page, the top three terms it suggests as the most popular selections are Obama, Obamacare and . . . Obama phone.

Obama phone? A hotline, maybe, to the Oval Office?

Hardly. "Obama phone" is the widely used — and misleading — nickname of a 28-year-old federal program known as Lifeline. It provides discounts, averaging $9.25 a month, on phone service for 13.3 million low-income subscribers.

In the 3 1/2 years after false rumors started that the Obama administration was giving free cellphones to poor people — and six months after a racially charged video about it went viral — a once-obscure phone service subsidy is getting renewed scrutiny on Capitol Hill.

There are growing calls in Congress to end or drastically cut back Lifeline; later this month, the House Energy and Commerce Committee will hold a hearing that could help determine its fate.

"The program has nearly tripled in size from $800 million in 2009 to $2.2 billion per year in 2012," the senior Republicans on the Energy and Commerce Committee wrote in a March 26 letter to the Democratic minority. "American taxpayers — and we as their elected representatives — need to know how much of this growth is because of waste, fraud and abuse."

Lifeline was begun not by President Obama but under Ronald Reagan. It expanded to include cellphone service during the presidency of another Republican, George W. Bush.

In Obama's first term, amid evidence of widespread fraud, the Federal Communications Commission moved to crack down on the program, saving what it predicts will be $400 million this year, on top of $214 million in 2012.

Never mind all that. "Obama phone" has stuck.

Republicans employ it as shorthand for the excesses of a welfare state. So prevalent is the catchphrase that some telecommunications companies even market the discounted service as an "Obama phone" — and often add a free phone for those who sign up.

Lifeline's intent was inarguable enough: Phone service is "crucial to full participation in our society and economy," the FCC noted in the order creating Lifeline on Jan. 8, 1985.

Expanding Lifeline to cellphone service reflected not only technology but also the reality of how poor people live. Last year, the Centers for Disease Control and Prevention found that slightly more than half of adults in poverty lived in households that had only wireless phone service.

But in the view of many conservatives, the "Obama phone" has become Exhibit A in the case against a liberal president who they believe is doling out goodies to make people more dependent on government. It is a version of the infamous "47 percent" argument that GOP presidential candidate Mitt Romney made last year, when he claimed at a surreptiously videotaped fundraiser that nearly half the population supports Obama because it wants government handouts.

Lifeline made its way onto the radar screens of the right with an anonymous e-mail, which began circulating in 2009. It warned that free "Obama phones" were being given to welfare recipients, along with 70 minutes of service a month. "The very foundations that this country was built on are being shaken," the e-mailer wrote.

From there, the conspiracy theories sprouted. Conservative talk radio last year was abuzz with speculation that "Obama phones" had become a means for the president's tech-savvy reelection campaign to get poor people and minorities to vote.

Some of it was fueled by a video of an Obama supporter that went viral about six weeks before the election and has been viewed almost 8 million times.

"Everybody in Cleveland, low minority got Obama phone," a woman yells on the video. "Keep Obama in president, you know? He gave us a phone."

That narrative has lived on for some Obama critics as an allegory that explains the president's worldview. "The president offers you free stuff, but his policies keep you poor," Sen. Rand Paul (R-Ky.) said in the tea party response to Obama's State of the Union address. "For those who are struggling, we want to you to have something infinitely more valuable than a free phone."

And it has become woven into the current fiscal arguments. House Speaker John A. Boehner (R-Ohio) tweeted on Feb. 19: "Nobody should be talking about tax hikes when govt is spending taxpayer dollars on free cell phones."

Lifeline, however, is not funded by taxes; it subsists on fees that are tacked on to most phone bills. That fund subsidizes a number of programs, which in addition to Lifeline include telecommunications service to rural and remote areas and to schools and libraries.

Some see a racial dimension to the opposition. "The syllogism is we all know — wink, wink — who is undeserving and who are the takers," said David Honig, co-founder of the Minority Media and Telecom Council, which promotes access to technology for the disadvantaged. "The president looks like them, and he gives things away to them."

The more substantive problem that has plagued Lifeline has little to do with either side's political philosophy. When it was expanded to cover cellphone service in 2008, regulators included few safeguards against fraud.

As a result, there have been widespread reports that cellular providers, eager to collect a subsidy for each low-income subscriber, signed people up without verifying their eligibility. Some recipients also snapped up mobile phones in violation of a one-per-household rule.

Republicans are not the only ones complaining.

After Sen. Claire McCaskill (D-Mo.) received a solicitation for a free phone in the mail at her home in 2011, she joined the chorus of critics. As the Senate deliberated on its budget in late March, McCaskill was the only Democrat to join Republicans in voting for a nonbinding amendment by Sen. David Vitter (R-La.) that called for ending the "mobile phone welfare program."

The FCC implemented a set of regulations last year that required detailed audits every two years of companies that receive more than $5 million from Lifeline and imposed new requirements on subscribers to prove their eligibility and recertify it each year.

The agency has also reviewed 12.5 million subscriber records, eliminating what it says were 1.1 million duplicate subscriptions. And it is developing a national database of Lifeline subscribers to prevent fraud.

That, however, does not satisfy lawmakers such as Rep. Tim Griffin (R-Ark.), who has written a House bill to restrict the program to land lines.

Beyond the potential for waste and fraud, Griffin said, the program raises other questions.

"Should the federal government be giving people cellphones?" he said. "What about iPads? Where do we draw the line on this stuff?"

Alice R. Crites contributed to this report.

Discuss this topic and other political issues in the politics discussion forums.

Sponsored Links

LifeLock® Official Site
Protect your Identity with LifeLock Ultimate™ Today.
LifeLock.com

Looking for a new Home?
Use CNNMoney's free Home Search tool to find thousands of listings
http://realestate.money.cnn.com

Map Your Flood Risk
Find Floodplan Maps, Facts, FAQs, Your Flood Risk Profile and More!
www.floodsmart.gov

Buy a link here

© The Washington Post Company

3075 Adeline, Suite 220, Berkeley, CA 94703
510-841-3224 (Voice)
510-841-7956 (Fax)
http://cforat.org

April 23, 2013

Chairman Greg Walden
Subcommittee on Communications and Technology
Committee on Energy and Commerce

Ranking Member Anna Eshoo
Subcommittee on Communications and Technology
Committee on Energy and Commerce

RE: The Importance of Lifeline Phones to Individuals with Disabilities

Dear Chairman Walden, Ranking Member Eshoo, Members of the Subcommittee on Communications and Technology:

The Center for Accessible Technology (CforAT), the Helen Keller National Center (HKNC), and the National Disability Rights Network (NDRN) jointly send this letter to stress the importance of the Lifeline program to low-income people with disabilities.

CforAT is the nation's oldest center on assistive technology for use by people with disabilities. We work directly with people with disabilities to provide access to computers and the network, work as an intervenor on telecommunications issues at the California Public Utilities Commission on behalf of the disability community, and provide online services to enable people outside our local community to have access to technology information relevant to people with disabilities. We are particularly focused on how technology is used to access the network and the Internet.

HKNC serves people who are deaf and blind, and its mission is to enable each person who is deaf-blind to live and work in their community of choice. Many individuals who are deaf-blind are unemployed and underserved. They are also just now signing up with the National Deaf Blind Equipment Program and some can benefit from the Lifeline program for support with the cost of telecommunications.

NDRN is the national membership association for the Protection and Advocacy (P&A) and Client Assistance Program (CAP) agencies, the nationwide network of congressionally-mandated agencies that advocate on behalf of persons with disabilities in every state and territory. NDRN, the P&As, and CAPs promote a society where people

with disabilities enjoy equality of opportunity and are able to participate fully in community life by exercising informed choice and self-determination. Since the use of technology and telecommunications is an important way people with disabilities achieve full community integration, NDRN, the P&As and CAPs are continually working to ensure that people with disabilities have access to these important technologies and devices.

CforAT, HKNC and NDRN are writing to you today in support of the Lifeline program. The Lifeline program provides affordable essential phone service to households with very low income, including many households containing a person with a disability. Phone connectivity is essential for reaching emergency services in a timely manner, and for maintaining connectivity to friends, family, employers, providers of social services, medical professionals, teachers, and for engaging in day to day activities such as refilling a prescription or finding out how much value remains on a prepaid card. We note that the standard wireless Lifeline product provides 250 minutes a month, which is a little over 4 hours a month. We consider this to be a very modest amount of minutes.

The Lifeline program is particularly important for individuals with disabilities. People with disabilities are the community with the highest levels of unemployment and under-employment. The disability community is also a community that is highly dependent on the network: people with disabilities use the network for health care issues, to decrease social isolation, and as a way of handling emergency issues. Without this connectivity, many people with disabilities may be unable to live independently, and may be forced into restrictive institutional care. For many people with disabilities, the network is not just a convenience – it is a critical life need, a true "lifeline" in every meaning of the word.

The Lifeline program was recently reformed to prevent fraud, waste and abuse. The reforms affect both the consumer and the carriers. Lifeline applicants must now provide documentation to certify eligibility for the program before being able to receive Lifeline (proof of income or participation in a qualifying program such as SNAP). Lifeline consumers must also verify annually that they are still eligible for the program and if they fail to do so, they are disenrolled. Consumers must also certify, among other things, that their household has only one Lifeline account. Carriers, too, must now disclose if a phone service is part of the Lifeline program and that an eligible household is only allowed to have one Lifeline service. The Lifeline reforms also require an officer of the company to certify every month they seek reimbursement for providing discounted service that they are in compliance with the program rules and certify, under penalty of perjury, that the information on the claim forms is true, accurate and complete. These reforms went into place last year and should be given a chance to roll-out before disrupting this vital public safety program.

The Lifeline Program is one that is important to providing equal access to people with disabilities, and we urge you to support this valuable program. Thank you for your careful review of this input.

Sincerely,

/S/
Dmitri Belser
Executive Director
Center for Accessible Technology

/S/
Dorothy L. Walt, M.A.
Regional Representative, Northwest Region
Helen Keller National Center

/S/
Curt Decker
Executive Director
National Disability Rights Network

April 24, 2013

Chairman Greg Walden
Subcommittee on Communications and Technology
Committee on Energy and Commerce
2125 Rayburn HOB
Washington, DC 20515

Ranking Member Anna Eshoo
Subcommittee on Communications and Technology
Committee on Energy and Commerce
2125 Rayburn HOB
Washington, DC 20515

Re.: Importance and Value of the Lifeline Program

Dear Chairman Walden and Ranking Member Eshoo:

On behalf Asian American Justice Center (AAJC), member of Asian American Center for Advancing Justice, and Self-Help for the Elderly, we write to express our strong support for the Lifeline program.

AAJC is dedicated to promoting a fair and equitable society for all by working for civil and human rights and empowering Asian Americans and other underserved communities. We provide the growing Asian American communities with multilingual support and culturally appropriate legal services, community education, and public policy and civil rights advocacy. In the communications field, AAJC works to promote universal access and reduce barriers to critical technology, services, and the media.

Established in 1966 to serve seniors in San Francisco's Chinatown community, Self-Help for the Elderly's mission is to promote the independence, dignity and self-worth of seniors by empowering seniors to help themselves and by providing a comprehensive range of multicultural and multilingual services. Self-Help for the Elderly serves over 35,000 seniors each year in San Francisco, San Mateo, Santa Clara and Alameda counties. AAJC and Self-Help for the Elderly recently partnered to administer Broadband Technology Opportunity Programs (BTOP) to increase broadband adoption in the Asian American community.

The Lifeline program helps approximately 16 million low-income households gain access to critical phone services that provide them an invaluable connection to employment opportunities, emergency services, medical and social care, friends, and family. As the subcommittee considers major modifications to the Lifeline program, we urge the subcommittee to carefully weigh the benefits of the program and potential disruption of phone service to vulnerable populations.

Significant Subgroups of Asian Americans Benefit from Lifeline

Created by President Reagan in 1984, the Lifeline program currently supports low-income households gain access to wireline or wireless telephone service. Households at or below 135% of the federal poverty line or who participate in certain government assistance programs qualify for the program.

ASIAN AMERICAN JUSTICE CENTER
1140 Connecticut Ave., N.W., Suite 1200, Washington, D.C. 20036
T (202) 296-2300 F (202) 296-2318
www.aajc.advancingjustice.org
Member Affiliates: Asian American Institute in Chicago, Asian Law Caucus in San Francisco and Asian Pacific American Legal Center in Los Angeles

While some members of the Asian American community are faring well, others—particularly those in the Southeast Asian community—continue to face socioeconomic challenges specific to their subgroup that likely make eligible for the Lifeline program. For example, Laotian, Cambodian and Hmong Americans are more likely than any racial group to access cash public assistance.[1] Bangladeshi, Laotian, and Hmong Americans all have average per capita incomes of under $20,000 and Korean, Hmong, Laotian, Cambodian, Chinese, Vietnamese, and Bangladeshi seniors have above average poverty rates.[2]

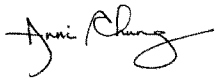
Communication services are literally a "lifeline" for many Asian Americans because approximately one-third of Asian Americans are limited-English proficient (LEP).[3] All of the ethnic groups listed above also have LEP rates above 40% and many live in linguistically isolated households.[4] For example, Self-Help for the Elderly serves over 25,000 low-income monolingual (non-English) Asian Americans in San Francisco's Chinatown who are enrolled or are eligible for Lifeline benefits. Having telephone service is critical for these individuals to stay in contact and communicate in their native language with medical professionals, social workers, family, friends, and emergency services. Without the Lifeline program LEP communities we serve would be further isolated by from critical social services and their communities by having their sole means of communications cut off.

The FCC has made great efforts prevent waste, fraud, and abuse in the Lifeline program. Applicants must provide proof of eligibility and phone companies must certify they are providing services to eligible consumers. These major reforms have strengthened the Lifeline program and the FCC should have the opportunity to monitor the efficacy of these reforms before further changes are made to the programs.

Thank you for your consideration on this very important topic. Please do not hesitate to contact Jason T. Lagria, AAJC Senior Staff Attorney, at 202-296-2300 ext. 122 if you have any questions or comments.

Sincerely,

Jason T. Lagria
Senior Staff Attorney
Media and Telecommunications
Asian American Justice Center



Anni Chung
President and CEO
Self-Help for the Elderly

---

[1] Asian Pacific American Legal Center & Asian American Justice Center, *A Community of Contrasts: Asian Americans in the United States 2011* 38 (2011). In 2007-2009 approximately 13% of Hmong, 7% of Cambodian, and 6% of Laotian American households accessed cash public assistance, compared to 5% of African American and 4% of Latino households.
[2] *Id.* at 36-37.
[3] *Id.* at 27.
[4] *Id.* at 28-29.

April 23, 2013

Chairman Greg Walden
Subcommittee on Communications and Technology
Committee on Energy and Commerce

Ranking Member Anna Eshoo
Subcommittee on Communications and Technology
Committee on Energy and Commerce

RE: The Importance of Lifeline Phones to Individuals with Disabilities

Dear Chairman Walden, Ranking Member Eshoo, Members of the Subcommittee on Communications and Technology:

The National Disability Rights Network (NDRN) is the nonprofit membership organization for the federally mandated Protection and Advocacy (P&A) and Client Advocacy Program (CAP) agencies for individuals with disabilities. The P&As and CAPs were established by the United States Congress through eight separate programs to protect the rights of people with disabilities and their families through legal support, advocacy, referral, and education. The P&A and CAP network advocates for people with disabilities to receive appropriate services to allow them to live and work independently and fully integrated into the community.

We are writing to express our support for the Lifeline program. The Lifeline program provides affordable essential phone service to households with very low incomes. Phone connectivity is essential for these households to reach emergency services in a timely manner, and to maintain connectivity to friends, family, employers, providers of social services, medical professionals, teachers, and for engaging in day to day activities such as refilling a prescription or finding out how much value remains on a prepaid card. The standard wireless Lifeline product provides 250 minutes a month, which is a little over 4 hours a month – a very modest amount.

The Lifeline program is particularly important for individuals with disabilities. People with disabilities have nearly twice the level of unemployment and one third the labor force participation as individuals without a disability. People with

900 SECOND STREET NE, SUITE 211 • WASHINGTON, DC 20002-3560
TEL: 202.408.9514 • FAX: 202.408.9520 • TTY: 202.408.9521
WEBSITE: WWW.NDRN.ORG • E-MAIL: INFO@NDRN.ORG

disabilities are highly dependent on telecommunications to take care of their health, to decrease social isolation, to handle emergencies, and find employment. Without the connectivity afforded by Lifeline, many people with disabilities would have difficulty living independently, and would have to resort to restrictive institutional care. For many people with disabilities, the Lifeline program is not just a convenience – it is a critical life need.

The Lifeline program was recently reformed to prevent fraud, waste and abuse. The reforms affect both the consumer and the carriers. These reforms went into place last year and should be given a chance to roll-out before disrupting this vital public safety program.

The Lifeline Program is one that is important to providing equal access to people with disabilities, and I urge you to support this valuable program. If you would like more information, please contact Patrick Wojahn at 202-408-9514, x102, or patrick.wojahn@ndrn.org. Thank you for your careful review of this input.

Sincerely,

Curt Decker
Executive Director

Medical Legal Partnership | Boston
BRINGING THE LAW TO HEALTH

Boston Medical Center
88 East Newton Street, Vose 5
Boston, MA 02118
T 617 414 6393
F 617 414 3629
www.mlpboston.org

April 24, 2013

Chairman Greg Walden
Subcommittee on Communications and Technology
Committee on Energy and Commerce

Ranking Member Anna Eshoo
Subcommittee on Communications and Technology
Committee on Energy and Commerce

RE: Lifeline Phones are Essential for the Delivery of Health Care

Dear Chairman Walden, Ranking Member Eshoo, Members of the Subcommittee on Communications and Technology:

My name is Dr. Genevieve Preer; I am a pediatrician at Boston Medical Center, a safety-net hospital for the urban poor in the Boston metropolitan area. Many of my patients live in poverty, which exposes them to social factors – such as housing and utility instability – that are detrimental to health. Some of these social factors relate to legal rights and remedies, and thus part of my practice involves collaborating with Medical-Legal Partnership | Boston to assure that my patients get the legal care they need to get and stay healthy. As I explain through real case studies detailed below, reliable phone service through the Lifeline program, is one of those social factors that has a direct to connection to whether my patients get adequate healthcare. This is especially the case for my homeless patients.

Homelessness is a permanent part of the landscape here in the Boston area, with its extremely high cost of living; it is very common for my patients to be marginally housed, meaning that they are doubled up with family members or friends, sleeping on couches or floors. Others are homeless and are living in shelter, in vehicles, in abandoned buildings, or outdoors. Landline phones are not a feasible option for these families, and because they cannot afford the price of a full cellular plan **all of these families depend upon Lifeline cellphones for communication – especially with their doctors. Lifeline cellphones are the ONLY way for them to be in touch with me and vice versa.**

I cannot overemphasize how important it is for my patients and families to have reliable, consistent phone access to me and to their other medical providers. Lack of access to phone service can have an immediate and deleterious impact on my patients' health. This is true for healthy children, whose parents may need to contact our clinic for routine medical advice regarding fever, injury, or other illness. Yet phone access is even more critically important for my most medically complex patients who require intense coordination of care with multiple subspecialties, including frequent phone calls to arrange appointments, studies, and procedures. In the absence of a reliable mode of contact, these patients miss essential care and suffer unacceptable health repercussions.

Medical Legal Partnership | Boston
RAISING THE BAR FOR HEALTH

Boston Medical Center
88 East Newton Street, Vose 5
Boston, MA 02118
T 617 414 6993
F 617 414 3629
www.mlpboston.org

For example, a medically complex two year old with congenital heart disease, developmental delay and failure to thrive needs phone service to enable her parents to arrange for medical transport, delivery of special formula, and communicate with the pharmacy about medications. Furthermore, I need to be able to contact her family to be able to monitor her symptoms and to ensure medications are being taken as prescribed. When I cannot reliably contact vulnerable fragile patients like this one, medications are administered incorrectly, significant symptoms are missed, and serious, avoidable complications result.

As another example, I often prescribe medications that are critically important to treat serious conditions such as pneumonia, urinary tract infection, and cellulitis, to name a few. If my patient's family is unable to contact me about side effects, how to administer the medication, or to inform me that the pharmacy has failed to fill their prescription, potentially life threatening conditions go untreated, jeopardizing my patients' health and leading to preventable emergency room visits and hospitalizations. If a five year old patient with a developing pneumonia is sent home from the emergency department with a prescription for a specialized antibiotic, but is unable to fill his prescription due to lack of insurance coverage, his family may have no way to contact my office to inform me that he has not received appropriate treatment. The next time I hear of this patient will be when he is hospitalized in our pediatric intensive care unit with severe respiratory distress due to untreated pneumonia.

I can tell you that there is no clinical scenario more frustrating or concerning than when I am not able to reach the family of a patient with ongoing medical needs. If I see a three year old in clinic who has refractory asthma and symptoms of a worsening flare, I will treat him and send him home with a plan for one of our clinical staff to call the next day to evaluate his status. If that family is homeless, there may be no other way to reach them than a cell phone.

Whenever I discharge a fragile patient with complex medical problems, I worry that if that family is without cellphone access they will be unable to contact me, nor I them, and putting that patient at risk for preventable medical complications.

These homeless and marginally housed families deserve access to Lifeline phone service regardless of where they live. Many of these families do not have sufficient money for food and public transportation, let alone bank accounts to manage monthly phone bills payments. Having a reliable phone number to reach a patient facilitates more efficient delivery of care.

The recently reformed Lifeline program is essential for protecting the health and safety of some of the most vulnerable populations in our society and it has a positive, and potentially life-saving, impact on my pediatric patients. Access to the program is <u>improved</u> rather than restricted.

Medical Legal Partnership | Boston

Boston Medical Center
88 East Newton Street, Vose 5
Boston, MA 02118
T 617 414 6393
F 617 414 3629
www.MLPBoston.org

For this reason, on behalf of Medical-Legal Partnership | Boston and my vulnerable patients who depend on Lifeline cellphone service to access health care, I urge this committee to ensure that the Lifeline program continues to fill its vitally important role in protecting my patients' health and safety.

Genevieve Preer, MD

cc: JoHanna Flacks, Legal Director

NCLC
NATIONAL CONSUMER LAW CENTER

www.NCLC.org

Boston Headquarters:
7 Winthrop Square
Boston, MA 02110-1245
Phone: 617/542-8010
Fax: 617/542-8028

Washington Office:
1001 Connecticut Ave. NW
Ste. 510
Washington, DC 20036-5528
Phone: 202/452-6252
Fax: 202/463-9462

April 23, 2013

Chairman Greg Walden
Subcommittee on Communications and Technology
Committee on Energy and Commerce

Ranking Member Anna Eshoo
Subcommittee on Communications and Technology
Committee on Energy and Commerce

RE: The Importance of Lifeline Phones to Consumers with Limited Means

Dear Chairman Walden, Ranking Member Eshoo, Members of the Subcommittee on Communications and Technology:

The Lifeline program provides modest, affordable, essential phone service to low-income households and is literally a "lifeline" to jobs, emergency service, medical care, childcare, the school system, social services, family and community. The following organizations urge you to allow the recent round of reforms to take hold before precipitously altering this program:

The **National Consumer Law Center® (NCLC®)** is a nonprofit that works for economic justice for low-income and other disadvantaged people in the U.S. through policy analysis and advocacy, publications, litigation, and training. NCLC has long been involved in the policy issues around the design of the Lifeline program as part of its work to ensure affordable, reliable access to essential utility service for consumers with limited means.

Advocates for Basic Legal Equality, Inc. (ABLE) is a regional non-profit law firm in Ohio that provides a full range of free, high quality legal services to low-income individuals and groups to help them achieve self-reliance, economic opportunity, and equal justice. ABLE serves clients in thirty-two counties in Northwest and Western Ohio as well as migrant farmworkers and immigrant workers statewide. Established in 1969, ABLE has a long history of representing low-income clients in all types of administrative advocacy and complex civil litigation, including consumer protection and utilities matters. Since 1995, ABLE attorneys have actively worked on behalf of community organizations to expand access and ensure affordability of telecommunications services.

The **Benton Foundation**[1] works to ensure that media and telecommunications serve the public interest and enhance our democracy.

[1] The Benton Foundation is a nonprofit organization dedicated to promoting communication in the public interest. These comments reflect the institutional view of the

Benton pursues this mission by seeking policy solutions that support the values of access, diversity and equity, and by demonstrating the value of media and telecommunications for improving the quality of life for all. Benton has long advocated for the ubiquitous telecommunications access for all Americans.

The **Center of Media Justice** is a non-profit whose mission is to create media and cultural conditions that strengthen movements for racial justice, economic equity and human rights.

Connecticut Legal Services is a nonprofit law firm that provides advice and representation to low income households and pursues policies to protect and enforce their legal rights.

The **Greenlining Institute** is a research, advocacy, and leadership development organization working for racial and economic justice. We believe that everyone, regardless of race or income, should have a fair chance to achieve the American Dream.

The **Low Income Utility Advocacy Project (LIUAP)** engages in administrative and legislative advocacy in Illinois in the utility/energy area on behalf of low income households and not-for-profits. It is a project of the Shriver Poverty Law Center, Voices for Illinois Children and Heartland Alliance for Human Needs and Human Justice

The **Legal Services Advocacy Project**, is a division of Mid-Minnesota Legal Aid, providing legislative and administrative advocacy on behalf of the seven regional legal services programs and on behalf of low-income Minnesotans statewide.

New Jersey SHARES, Inc. is a statewide non-profit corporation primarily providing assistance to individuals and families in need of help meeting their energy and utility burden. Through assistance, advocacy, community outreach, education, information and referral, we connect low and moderate income households with available resources.

The **Ohio Poverty Law Center** is a nonprofit law office that pursues statewide policy and systemic advocacy to expand, protect, and enforce the legal rights of low-income Ohioans.

Open Access Connections facilitate communications services to encourage self-determination and stronger community connections for low-income and homeless people. We do this by advocating for and providing free communication tools for people in need.

Pro Seniors is a non-profit organization that provides free legal and long-term care help to older adults. Pro Seniors offers Ohio residents age 60 and older the advice and information they need to solve their legal and nursing home, adult care facility, and home health care problems.

Springwire (www.springwire.us) is a national non-profit organization that provides communication technologies and information services to more than 50,000 people living in poverty in the United States and Canada, through a network of more than 1,400 social service agencies in 320 communities. Using these tools and services, Springwire enables those facing poverty and homelessness to directly connect to critical resources to secure employment, housing, health care, social services and other forms of support.

Lifeline Provides Affordable No-Frills Voice Service: The Lifeline program has been in existence since 1985 and evolved to include wireless service in 2005. The current Lifeline

---

Foundation and, unless obvious from the text, are not intended to reflect the views of individual Foundation officers, directors, or advisors.

program provides a discount on voice service via traditional landline local service or wireless service. Carriers are approved by states or the FCC to participate in the Lifeline program. The wireline Lifeline phone service provides a discounted rate on traditional phone service to the home. Wireless Lifeline is an evolving product in terms of number of minutes covered by the $9.25 per month covered by the Lifeline program. Typically it is a modest prepaid service requiring no deposit, often including a free handset and 250 minutes a month (a little over 4 hours of phone service a month for incoming and outgoing calls). Lifeline households can purchase additional minutes to add to their plan. The current Lifeline program does not cover data, but there is a small Lifeline broadband pilot that was part of the recent reform decision and is rolling out now.

Lifeline Enhances the Network Effect: The communications network has more value the more people are connected to it and access is increasingly important. Expectation of instantaneous connection has become the societal norm for those who can readily afford smart phones and broadband connectivity via multiple devices. It is increasingly an expectation of employers to readily reach employees or perspective employees. Yet, having reliable access to a wireline and wireless connection is not readily affordable for households of modest means and the Lifeline program only covers one phone service per household. Even with its limitations, Lifeline plays an important and unique role in the provision of basic essential voice connectivity for low-income households.

The Importance of the Lifeline Program: The Lifeline program provides no-frills basic phone service to households at or below 135% of poverty (around $26,400 a year for a family of 3) and households participating in needs-based assistance programs such as Medicaid, SNAP SSI, Public Housing Assistance, LIHEAP, TANF or the National School Lunch Free Lunch Program. Recent surveys of wireless Lifeline customers show:

- Around half are over 45 to 50 years of age, with a substantial percent over sixty.[2]
- Veterans participate.[3]
- Consumers with disabilities participate.[4]
- A large percent are unemployed or underemployed and use their Lifeline service to find work.[5]
- Lifeline service provides access to healthcare.[6]

---

[2] *See* Sprint, Ex Parte Presentation, FCC WC Docket 11-42, April 10, 2013 ("Sprint April 10, 2013 ex parte")("60% of customers are over the age of 45, nearly a third of customers are over 55 years old."); TracFone Ex Parte Presentation, FCC WC Docket 11-42, WC Docket 03-109, April 5, 2013 ("TracFone April 5, 2013 ex parte")("43% are older than age 56 (nearly 20% are older than 66"); TAG Mobile, Ex Parte Presentation, WC Docket 11-43, April 17, 2013 ("TAG ex parte April 17, 2013")("Over 47% of repondents are 50 or older and nearly 16% are 60 or older.")

[3] *See* TAG ex parte April 17, 2013 (nearly 13% of their customers are veterans); and TracFone April 5, 2013 ex parte (10% of their Lifeline customers are veterans).

[4] *See* Sprint April 10, 2013 ex parte (36% have disabilities)

[5] *See* Sprint April 10, 2013 ex parte (32% report they are temporarily unemployed and over half their customers use their Lifeline service to stay in touch with their current employer or to seek employment); TracFone April 5, 2013 ex parte (26% are employed, but only 13% of those are full-time; 70% use their Lifeline service to look for work or remain employed); TAG ex parte April 17, 2013 (less than 26% are employed and over half of those employed are only employed part-time; 86% use their Lifeline service to look for work or remain employed)

- Lifeline service provides an introduction to wireless service.[7]

Low-Income households move more often than non-low–income households: It is vital that Lifeline remain technology neutral and include wireless service, particularly because of the high levels of geographic mobility. Certain populations move more frequently than others. According to the US Census, over half of households below poverty moved and almost two-thirds of renters moved within a 5-year period. African-American, Asian and Hispanic or Latino households move more often than white households. The unemployed move more often than the employed. Over half of separated households and 40% of divorced households move within a 5-year period compared to 18% for married households.[8]

Low-income households resort to doubling-up and using shelters for housing: scenarios where more than one eligible household can live at the same postal address: A sad reality for households with limited means is an inability to afford housing. The bleak economic effects of the recession resulted in an11.4% increase in the number of people doubling up between 2007 and 2010 (affecting 22 million households).[9] There are also group housing situations, such as single-room occupancies (SROs), nursing homes, group homes for those with disabilities, domestic violence shelters, where the dwelling units may not have their own US Postal service address[10] although the occupants are separate households. These are amongst the most fragile of low-income households and a group most in need of wireless Lifeline service to achieve self-sufficiency or independence.

Lifeline service is a lifeline for the working poor and the unemployed: A substantial number of Lifeline participants are unemployed or underemployed. A stable phone number is essential for a low-wage worker to pick up extra shifts or jobs. Phone service is also important to coordinate transportation to and from work and to notify an employer if work will be missed due to an emergency, thus helping to maintain employment. If the worker has young children, the phone is important for coordinating childcare logistics and to remain in contact in case the child is sick or in an emergency.[11]

Lifeline enhances the efficient operation of other assistance programs: Increasingly social services supports are accessed electronically, through centralized call centers and internet sites. While Lifeline program is limited to voice service, this provides access to critical programs, allowing checking on the status of benefits, re-certification of program eligibility, obtaining notice of trainings, interviews, work assignments, etc. It is worthy of investigation to determine whether the currently offered 250 minutes (a little over 4 hours a month) is adequate, given this trend in program delivery, especially where wait times can be long and call backs are common.

---

[6] Sprint April 10, 2013 ex parte (54% use their Lifeline service to stay in touch with doctors and for other health care-related purposes).
[7] Sprint April 10, 2013 ex parte (nearly 50% are new to wireless service).
[8] David K. Ihrke and Carol S. Faber, Geographical Mobility: 2005 to 2010, U.S. Census (Dec. 2012) at pp. 4-5.
[9] Michael Fletcher, *Census Bureau: Millions more Americans shared households in face of recession*, Washington Post (June 20, 2012).
[10] We note that in this time of extreme budget challenges, it is unlikely the US Postal service would be able to accommodate the creation of more mailing addresses to accommodate the Lifeline program.
[11] *See* David Super, Professor, Georgetown University, FCC Ex Parte in WC Docket No. 11-42; WC Docket No. 03-109; CC Docket No. 96-45 (Nov. 7, 2011).

Other agencies see the value of the Lifeline program in their administration of services. The Department of Veterans Affairs, Homeless Veterans Initiative Office asked the FCC to consider establishing automatic eligibility for Lifeline for veterans participating in the Department of Veterans Affairs Homeless Veterans Program. The arguments are applicable to a range of existing assistance programs:

> Lifeline Telephone services will allow the Department of Veteran Affairs and its community partners to expand outreach access and coordinate essential services for Veterans and Veteran Families. It will assist in overcoming many of the Veteran unique barriers to preventing and eliminating Veteran homelessness such as receiving appropriate healthcare and surmounting the disproportionately high unemployment rate among Veterans in a very competitive, economy driven market. In addition, such services provide more ready access to other supportive services, as well as preventative and emergency services. In addition, it permits case workers to provide more frequent contact with this most vulnerable population and therefore, eliminate the isolation that places them at increased risk for homelessness.[12]

Lifeline also helps the medical community provide care: Health care providers treating low-income patients can find it difficult to follow-up with their patients without reliable phone service. A pediatrician who practices in the inner-city and whose patients are very young and fragile described why the Lifeline service is so important. When she treats a 2-year old with a congenital heart condition, developmental delay and a failure to thrive, she needs to be able to reach the parents to arrange for medical transport and delivery of special formula, and ensure that medications are taken as prescribed to avoid serious complications. The ability of parents of medically fragile young children to reach her immediately when there is a problem can mean the difference between treating a developing pneumonia with medication or treating the child in the pediatric intensive care unit with severe respiratory distress.[13]

Lifeline is essential in emergency situations: The no-frills Lifeline voice service is important for protecting public health and safety. This includes the ability to call 911 for help in an emergency as well as the ability to be contacted (e.g., the ability of the school to contact a parent or guardian when a child is sick or injured).[14] Increasingly communities are relying on reverse 911 to warn residents in emergencies.

The Lifeline Program has Undergone Serious Reforms That Should be Allowed to Play Out: The recent Lifeline reform has put the program on more secure footing and made it more

---

[12] *See* Peter Dougherty, Assistant Executive Director, Homeless Veterans Initiative Office, Department of Veteran Affairs, FCC Notice of ex parte communication (Aug. 23, 2011).

[13] *See* Health Perspective: Dr. Genevieve Preer, pediatric medical director for the Medical-Legal Partnership – Boston at Boston Medical Center, pp. 18-20 attached to the Reply Comments of Consumer Groups in Response to the Notice of Proposed Rulemaking on the Lifeline and Link-Up Reforms and Modernization, in the FCC WC Docket No. 11-42, CC Docket No. 96-45, and WC Docket No. 03-109 (May 25, 2011).

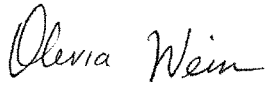
[14] *See* Tiffany L. Craig, The Lifeline Phone Program: When answering a cry for help requires a phone call, Washington Post letter to the editor (April 15, 2013)(mental health therapist in Baltimore says that Lifeline would have helped secure timely care an reduced trauma when a 3rd grader tried to commit suicide and the mother did not have phone service).

uniform between states. The FCC eliminated the Link Up program and ramped down toll limitation service. The Link Up program was created to help cover the cost of establishing a wireline connection in a home and toll limitation was designed to avoid expensive long distance charges that could make the phone bill unaffordable. The FCC tightened enrollment procedures for consumers. Obtaining and retaining Lifeline service has become more burdensome for consumers which may well account for enrollment drop-off. Lifeline applicants must provide documentation of eligibility (e.g., proof of SNAP participation) before being approved for Lifeline service. Consumers must also re-certify eligibility annually or they will be de-enrolled from the program. Applicants must also provide their date of birth, partial social security number in addition to their address for a duplicates check. If the address has other Lifeline households, then the applicant must fill out a Household worksheet to determine eligibility. There are a number of certifications made under penalty of perjury under these new reforms.

Carriers also have new requirements to prevent waste, fraud and abuse. They must now clearly disclose if a particular service is a Lifeline service. It was not always clear in the past whether a particular product was part of the Lifeline program. Carriers must disclose that there is only one Lifeline phone per household permitted under the program rules. An officer of the company must certify under penalty of perjury that the company is in compliance with the Lifeline rules, has obtained valid certifications from the applicants, and that the information in the monthly reimbursement request from the universal services fund is true, accurate and complete. The carrier must also de-enroll a customer from Lifeline if a prepaid wireless phone is unused for 60 days, if the Lifeline customer fails to re-certify eligibility, and in the case of duplicate service. The reform also includes the creation of a national duplicates database that is expected to be constructed sometime this year.

These reforms are dramatic and drastic and targeted to address the pre-reform Lifeline program weaknesses. Lifeline is a vital program that protects health and safety and helps struggling households achieve independence. These reforms should be given a chance to operate before subjecting this vital program to disruption.

Sincerely,



Olivia Wein,
Staff Attorney
National Consumer Law Center

On behalf of its low-income clients and the Joint Consumers listed above.

April 22, 2013

Chairman Greg Walden
Subcommittee on Communications and Technology
Committee on Energy and Commerce

Ranking Member Anna Eshoo
Subcommittee on Communications and Technology
Committee on Energy and Commerce

RE: *Lifeline Telephones are Essential for the Public Safety, Economy and the Health and Well-being of all Members of our Society*

Dear Chairman Walden, Ranking Member Eshoo, Members of the Subcommittee on Communications and Technology:

The undersigned organizations, representing communities of color, low-income customers and rural communities, are writing to express our support for the federal Lifeline Telephone program. Lifeline telephone service is an essential element of the national, statutory goal of promoting universal phone service so that "Consumers in all regions of the Nation, including low-income consumers...." have access to modern telecommunications service.[1] Lifeline is vital to ensuring that low income families can communicate with employers and potential employers, health care, schools, social services, veterans' support providers and public safety resources.
The Lifeline program is not perfect and needs to be improved. But the notion portrayed in some press reports that the Lifeline program primarily exists to promote fraud and wasteful use of funds is inaccurate, misleading and directs attention away from legitimate problems that must be addressed to improve the effectiveness of the program by ensuring that eligible consumers are able to enroll.

It is true that the size of the Lifeline fund has risen significantly, largely due to the growth in pre-paid wireless. There are good reasons for this. Pre-paid wireless is an important option for households that require a cell phone to secure and retain employment, or that must relocate periodically. There have been well documented cases of pre-paid wireless companies collecting Lifeline surcharges for phones in the possession of households that also subscribe to another Lifeline service. But what the press reports fail to mention is that while there are a handful of customers that flout their possession of multiple Lifeline phones, relatively speaking these

[1] Telecommunications Act of 1996, 47 U.S.C. 254(b)(3)

situations are few and far between. By far, the biggest impact on the fund is caused by unethical business practices on the part of pre-paid wireless providers, practices that the Federal Communications Commission (FCC) has already taken steps to eliminate.

In a competitive market, a customer should be able to stop using a pre-paid service and switch to another service. That is a perfectly legitimate practice for all customers, including those on Lifeline. The over-draws on the Lifeline fund have primarily resulted from the original carrier continuing to collect a subsidy from customers who have discontinued the service and from unscrupulous free phone give-a-ways by pre-paid wireless companies. These companies are treating Lifeline as a profit center, to the detriment of all customers. The FCC has taken steps to prevent this in its recent 2012 Lifeline Reform Order, creating a national database to allow carriers to determine whether a customer is already receiving Lifeline service.[2] Several states have taken action to clamp down on unscrupulous providers.[3] More time is needed before Congress should conclude that these reforms are insufficient.

We, the undersigned organizations applaud the efforts to stop unscrupulous telecom companies from milking the fund. All customers pay to support the Lifeline fund, including the working poor, those on low incomes who are not quite poor enough to be eligible for Lifeline. But the reforms should not impede the ability of households that qualify for Lifeline to receive the service.

Lost in the discussion is the fact that the major problems with Lifeline fraud are largely limited to a handful of states. The FCC and state regulators have moved forcefully to crack down on the companies involved.

---

[2] In the Matter of Lifeline and Link Up Reform and Modernization, WC Docket No.11-42; Lifeline and Link Up, WC Docket No. 03-109; Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Advancing Broadband Availability Through Digital Literacy Training, WC Docket No. 12-23, Report and Order and Further Notice of Proposed Rulemaking, Adopted January 31, 2012.

[3] See, for example, Indiana Regulatory Commission, *In the Matter of the Indiana Utility Regulatory Commission's Investigation of TerraCom, Inc. and its Compliance with the Orders of this Commission*, Cause No. 4423, April 17, 2013; *Oklahoma Corporation Commission staff begins review of low-income phone subsidy program*, NewsOK (The Oklahoman), February 21, 2013, NewsOK Oklahoma show cause orders; *Public Service Commission bans phone company, investigates reports of fraud*, Wisconsin State Journal, December 1, 2011, http://host.madison.com/news/local/public-service-commission-bans-phone-company-investigates-reports-of-fraud/article_365f3388-1c7d-11e1-b8eb-001871e3ce6c.html

More importantly, the most recent publicly available data on Lifeline subscribership prepared by the Universal Service Administrative Committee (USAC), shows that in 44 states, **50% or fewer households who are eligible for Lifeline actually receive the service. And in 17 states, 20% or fewer eligible households receive Lifeline service.** Millions of people who are eligible for Lifeline - seniors, veterans, disabled people, low-income families - do not receive the service.[4]

While the FCC's reforms are no doubt well intentioned, they have had the unfortunate effect of bumping many eligible customers off of the Lifeline program. This is partially due to confusion while the database is being put together and partially due to new requirements that make it difficult or impossible for those who are Lifeline eligible to receive the service.

A key factor is the requirement that Lifeline customers re-certify and the failure to accept automatic enrollment of households in other low income programs. This has frustrated the efforts of states to increase the numbers of low income households receiving Lifeline. Low income households are, by definition, already under a great deal of stress as they struggle to survive in a difficult economy. Many Lifeline customers must move frequently. Being bumped unceremoniously off of Lifeline and failing to recertify is portrayed by some as an indication of fraud, but in reality it is the result of having to cope with yet another hurdle to receiving an essential service.

Moreover, many eligible households do not receive Lifeline due to the new requirement that Lifeline customers provide Social Security Numbers (SSNs). Lifeline should be available to all eligible households, including those who do not have SSNs. The Congress is in the process of crafting immigration legislation that will provide a path to citizenship for immigrants who are not in the country legally. There are many low income households in this country who cannot provide SSNs, who contribute greatly to our society and economy, who cannot receive Lifeline even though they are eligible.

Lifeline telephone service is vital to the ability of all people to participate effectively in our society. We support the efforts of the FCC and states to enact reforms for preventing unscrupulous companies from taking undue advantage of Lifeline subsidy funds. But the program needs to be fixed. The FCC needs to work with states and with low-income consumer advocates to ensure that the millions of Americans who need affordable communication services can use the Lifeline

---

[4] Universal Service Administrative Committee, 2010 Participation Rates by State, USAC 2010 Participation Rates by State

program. Above all, Congress should recognize that Lifeline is a vital program that benefits not only those who need Lifeline, but all of society.

Sincerely,

Center for Media Justice

The Utility Reform Network

Additional signers:

1. Media Action Grassroots Network
2. Art Is Change
3. Center for Rural Strategies
4. The Center for Social Inclusion
5. Central City Single Residence Only Collaborative
6. Centro La Familia Advocacy Services Inc.
7. Chicago Media Action
8. Community Media Services
9. Community Media Workshop
10. Congregation Organized for Prophetic Engagement - COPE
11. Global Action Project
12. Generation Justice
13. Institute for Local Self-Reliance
14. Instituto de Educación Popular del Sur de California
15. Main Street Project
16. Media Alliance
17. Media Literacy Project
18. Open Access Connections
19. The Praxis Project
20. Southwest Workers Union
21. Rural Broadband Policy Group
22. Urbana-Champaign Independent Media Center
23. Working Narratives

consumer action

Education and advocacy since 1971

Why Lifeline Works

What the Advocates are Saying

These comments were compiled from a Consumer Action petition sent out to communities across the country. More than 1,000 advocates and individuals have signed the petition as of close of business April 23, 2013. The full petition is provided as a separate document. We have selected some of the comments to provide a brief overview of why the Wireless Lifeline Program works and of the difference the service is making across the nation.

- "As a community action agency, in providing various resources to the poor, a telephone is the "lifeline" to important services (medical, school, job search, and other daily emergencies.) Many of these individuals are in hard-to-reach areas of services and their only means of contact for many services is via "affordable" telephone services." –Community Action Partnership

- "I work with veterans and find they need this service to stay in touch. They often lose their cell phone service because they can't pay their bill. It is vital for us to stay in touch with our vets to make sure they get their services."
  -Eden Information & Referral

- "We serve the working poor community whose lives are dependent on wireless phones. Due to difficult circumstances, many of our families live in slum conditions, have to move often to follow job possibilities and their lifestyle is not conducive to land lines. Yet, it is critical that they be able to stay connected to loved ones. Mobile phones are the vehicle for this - do not remove this critical benefit." –Centro Latino de Education Popular

- "As a case manager I assist numerous clients who are very low income. We need this program. Our families need this program. Without this program our families would really be lacking the connection with the school and their children. I support this program." –Norwood St. Healthy Start Program

- "The Lifeline Program is a vital support for vulnerable people in our community. As a physician at the county hospital, I treat many patients whose access to communication services is vital for their health and need services like this." –Nicholas N.

- "It is essential for low-income individuals to have a cell phone for safety and to pursue employment and housing. As a Social Worker I have seen the value of these phones time and time again to help people move towards independence." –Lindsay C.

- "We have 32 frail seniors using this valuable system. Please do not cut these services." –Cecilia M.

- "Wireless is becoming necessary for everyone in this country but many are excluded because they are low income or live in a rural area." –Carol P.

- "Wireless helps low-income families to find employment, stay in contact with schools, contact healthcare providers and seek help in an emergency. Low-incomes families should have the same opportunities as everyone else." –Audrey P.

- "It has been vital for my clients to keep up appointments, follow up with their case managers, find and keep jobs, check on their children, etc. There are no other alternatives such as pay phones anymore. Do not cut this important and life saving device!" –Isabel K.

- "This has been one of the most successful antipoverty programs developed. With fairly low administrative overhead, in a revenue neutral way, it provides millions of people with the essential tool of communication for economic and social engagement -- the phone." –Harold F.

- "I have an 85 year old mother who lives on $1,100 a month. I want her to be safe. The Lifeline phone program can make that happen for her and others like her." –Marma M.

- "Without Lifeline, I wouldn't have been able to call my sons' school. I wouldn't have been able to schedule doctor's appointments. Their father, who was active duty military, wouldn't have been able to call them. Their grandparents wouldn't have been able to call them. Two years after my divorce was granted, I returned to college full time. Without Lifeline, I wouldn't have been able to call my professors, or pick up extra hours at my part-time, on-campus jobs."- Donnarae M.

- "This truly is a lifeline for so many people who may live in rural areas, like Idaho, where there are long distances to medical facilities. NOT paid for with tax payer money, it is one of the real benefits of technology for those in need." –Liz C.

- "I work in human services and have seen how having a telephone number where an employer can reach you will have an impact on obtaining a job. If they can't reach you, you don't get offered the job!" –Victoria N.

- "I work with domestic violence clients who often use these phones as a true 'lifeline.'" –Lisa M.

- "For many low-income families and to many battered women in shelters, this is the only thing that maintains their contact with their loved ones and authorities." –Yussuf I.

- "Low income individuals in rural America require access through telecommunications largely because that is often the only means of connectivity. They cannot access public transportation for face-to-face connectivity because it does not exist." –Maria W.

- "Because communication is a basic right. Lifeline provides an opportunity for the neediest Americans to access jobs and education and to communicate with their families." –Jessica G.

Individuals from the Following Organizations Signed On to Consumer Action's Wireless Lifeline Petition:

- Latino Economic Development Corp. (DC)
- National Consumers League (DC)
- Arizona Consumers Council (AZ)
- City of Phoenix Family Services Center (AZ)
- Asian Law Alliance (CA)
- California Capital Financial Dev. Corp.
- Catholic Charities of the East Bay (CA)
- Center for Aging Resources (CFAR)
- Centro Latino de Education Popular (CA)
- Chinatown Child Development Center (CA)
- Chinatown Services Center (CA)
- ClearPoint Credit Counseling Solutions (CA)
- Community Action Partnership (CA)
- Community Legal Research (CA)
- Community Technology Network (CA)
- Community Union (CA)
- Consumer Credit Counseling Service, Kern and Tulare Counties (CA)
- Eden Information and Referral (CA)
- Enhancing Forward Action Inc. (CA)
- Haven Neighborhood Services (CA)
- High Desert Multi-Cultural Coalition (CA)
- Independent Living Resource Center, San Francisco (CA)
- Norwood Street Healthy Start Program (CA)

- Oakland Lao Family Community (CA)
- Pacific Beach Taylor Branch Library (CA)
- San Joaquin Country Aging & Community Services (CA)
- Solomon and Brenner, LLP (CA)
- Temple Community Outreach Church (CA)
- Watts Century Latino Organization (CA)
- Consumer Credit Counseling Service of West Florida (FL)
- Consumer Credit Counseling Service of Savannah (GA)
- Chinese American Service League (IL)
- Helen M. Plum Memorial Library (IL)
- Maryland CASH (Creating Assets, Savings and Hope) Campaign (MD)
- Family and Community Development Center (MI)
- Goodwill of Greater Grand Rapids (MI)
- Jewish Vocational Services (Southfield Office), (MI)
- University of Minnesota Extension Services (MN)
- R.A.A!- Ready, Aim, Advocate! Committee (MO)
- Newark Now (NJ)
- Airman & Family Readiness Center (NM)
- Fair Housing Council of CNY (NY)
- Community Link (NC)
- North Carolina Fair Housing Center (NC)
- Erie County Human Relations Commission (PA)
- Binghampton Development Corp. (TN)
- Georgetown Housing Authority (TX)
- Goodwill Industries of Central East Texas (TX)
- Path Mark Ministries Inc. (TX)
- Sheltering Arms Senior Services (TX)
- South Texas Civil Rights Project (TX)
- Cornerstone Financial Education (UT)
- Arlington Employment Center (VA)
- TACID (Tacoma Area Coalition of Individuals with Disabilities (WA)
- Community Action Coalition for South Central Wisconsin, Inc. (WI)

For more information about this document or the Save Wireless Lifeline Petition, contact:

Linda Sherry
Director, National Priorities
Consumer Action
linda.sherry@consumer-action.org
202-544-3088

Petition to "Save Wireless Lifeline!" The petition was created by Consumer Action (www.consumer-action.org)

First Name	Last Name	Zip	State	Organization	Comments	Date of signature
Kathy	Li	94105	CA		I know many people especially seniors who depend on this service in SF Bay Area.	4/12/13 11:10
Linda	Sherry	20003	DC	Consumer Action		4/12/13 11:18
isabel	Mercado	78596	TX		Because people should have a cell phone for all emergencies.	4/12/13 11:28
Linda	Roberts	60148	IL	Helen M. Plum Memorial Library		4/12/13 11:29
Bernard	Salzman	45761			We ALL need a lifeline.	4/12/13 11:30
Kristelyn	Berry	20011	DC		I support the Lifeline program because low income should have the same access as others.	4/12/13 11:30
Alma	Palencia	92084	CA		Very needed people use it temporarily to be able to set appointments for job interviews...wich eventually will give them financial stability and don't need anymore that service (or be able to qualify for it)	4/12/13 11:31
Jacquelyn	Gibson	33172	FL			4/12/13 11:32
judy	hunter	95825	CA		Connection through phone is vital especially now that most pay phones are history	4/12/13 11:34
Gwenyth	Urrutia-Peterson	98112				4/12/13 11:35
Maria A	Rodriguez	93727	CA	ClearPoint Credit Counseling Solutions (Fresno)	I support the low income wireless lifeline program because this allows families to have access to communication at an affordable cost. This is especially valuable in rural areas where line phones are no longer available. Seniors living on fix income also benefit.	4/12/13 11:35
Ben	Lau	60616	IL	Chinese American Service League	Many low-income individuals rely on the program to stay contact with important resources.	4/12/13 11:37

Erica	Cook	75904	TX	Goodwill Industries of Central East Texas	We provide referrals and applications for our low income clients with disabilities and other barriers in order for them to have a phone number to put on job applications when going through our job placement program. This is an essential part of getting a job, so having our clients not have the ability to get a phone through this program can really inhibit their ability to work.	4/12/13 11:38
Carol	Dunlap	23229	VA		I work with many low-income individuals who depend on Lifeline to live safely in thier homes. It allows them to search for jobs and conduct day to day business.	4/12/13 11:40
Al	Alvarez	07104	NJ	Newark Now	As a client advocate, I see the need for this program. It's needed by low income folks for job search and related reasons.	4/12/13 11:41
Yussuf	Issa	37217			To many families with low income and to many battered women in sheltters this is the only thing that maintains their contact with their loved ones and authorities.	4/12/13 11:42
David	Hill	61761	IL			4/12/13 11:42
Kuanyin	Lin	91754	CA	Chinatown Services Center / Monterey Park		4/12/13 11:43
Edith	Gooden-Thompson	33324	FL		Without it many seniors and disabled adults would be shut off from communication in case of emergencies	4/12/13 11:45
Tammy	Byrnes	99205	WA		Low income people need support in finding work, ability to call phyiscans, having contact with child providers whether it is school or child care. And more important I like to see the mentally ill who are on disabliltiy the right to have low income phones. Many it is the only way for them to have contact with family.	4/12/13 11:46
Irene	Moore	49037	MI		My 84 year old mother use this phone, she would not otherwise have a phone, because she can't afford one on her own	4/12/13 11:46

Irene	Moore	49037	MI		My 84 year old mother use this phone, she would not otherwise have a phone, because she can't afford one on her own	4/12/13 11:46
Chi	Cheng	95815	CA		So employers can contact them and for emergency purposes.	4/12/13 11:48
Angie	Chan	60616	IL		Help low-income people	4/12/13 11:49
Reggie	Dunbar li	30343	GA		Make and receive life affective and event calls.	4/12/13 11:50
Andrea D	Wieland	80634	CO			4/12/13 11:51
Harold	Feld	20036	DC		This has been one of the most successful antipoverty programs developed. With fairly low administrative overhead, in a revenue neutral way, it provides millions of people with the essential tool of communication for economic and social engagement -- the phone.	4/12/13 11:53
Jessica	Gonzalez	22306			Because communication is a basic right. Lifeline provides an opportunity for the neediest Americans to access jobs and education and to communicate with their families.	4/12/13 11:54
Monica	Payne	34434	FL		People need these cell phones to stay connected as well as to get help in an emergency.	4/12/13 11:54
KIM	RICHARDSON	07104	NJ			4/12/13 11:55
Venus	Kong	94116	CA	Kai Ming, Inc.		4/12/13 11:55
Deborah	Lowe Muramoto	95812	CA	California Capital Financial Dev. Corp.		4/12/13 11:57
Hoang	Ho	94607	CA	Catholic Charities of the East Bay (Oakland - Main Office)	Yes. Request limit for Family plan up to 10 lines not limit only 5 lines. Also In family plan, internet for whole plan, not for each phone. Thanks, HH	4/12/13 12:02
Holly	Duong	95122	CA	Asian Law Alliance (Santa Clara County)	stay connected to schools and seek help in an emergency.	4/12/13 12:03
John	Breyault	20006	DC	National Consumers League		4/12/13 12:03
Jan	Simpson	20009			Working with the social service sector, I have repeatedly heard what a crucial service Lifeline is. It supports not just emergency communications, but also job hunting, banking, counseling services, etc.	4/12/13 12:03
jeff	kirin	94133				4/12/13 12:04

Sylvia	Watford	23666	VA			4/12/13 12:06
Shani	Nelson	94606				4/12/13 12:09
Victoria	Nystrom	49503	MI	Goodwill of Greater Grand Rapids	Serving inidividual with barriers to employment, this is the only contact method available by which potential employers can contact them.	4/12/13 12:10
Nathan	Salazar	49519	MI		I work in human services and have seen how having a telephone number where an employer can reach you will have an impact on obtaining a job. If they can't reach you, you don't get offered the job!	4/12/13 12:13
Alia	Atlas	02474	MA			4/12/13 12:15
Chuck	Sherwood	02660	MA			4/12/13 12:16
Patricia	Sturdevant	95818	CA		It is often seniors' and other low income people's only cway to connect with the outside world.	4/12/13 12:21
Monica	Agerton	32504	FL	CCCS / West Florida (Pensacola)	It is a necessary tool that could save lives for a majority of our population	4/12/13 12:21
Paula	Blumm	49503	MI		I work with low income people who are trying to become employed. A phone number is absolutely necessary for a job seeker, so a prospective employer may contact them. However, until a person is working, they cannot afford a cell phone and usually would not even qualify for a cell phone plan because they are not working. The Lifeline phones close this gap and help people get back to work.	4/12/13 12:23
Margarita	Chavez	92707	CA		Having phone is not a luxury is a need for emergencies. Specially for low income families with all the budget cuts.	4/12/13 12:24
Marsha	Doman-Masters	98466	WA	TACID		4/12/13 12:27
Rita	Acueto-Colton	92415	CA	Community Action Partnership (San Bernardino Co.)	As a community action agency, in providing various resources to the poor, a telephone is the "lifeline" to important services (medical, school, job search, and other daily emergencies). Many of these individuals are in hard-to-reach areas of services and their only means of contact to many services is via "affordable" telephone services.	4/12/13 12:28

Patricia	Walker	06095	CT			4/12/13 12:30
Sean	McLaughlin	95502	CA		Save the Reagan/Bush phones from the Obama clampdown! Preserve, protect and expand the Lifeline program!	4/12/13 12:30
Alex	Pere	90013	CA		Elderly and college students can benefit from this service.	4/12/13 12:31
Kenneth	Reed	49534	MI		There are those in the community that absolutely need help and it is our mandated obligation to provide what help we can.	4/12/13 12:32
Pamela	Glassoff	94541	CA	Eden Information & Referral	I work with veterans and find they need this service to stay in touch. They often lose their cell phone service because they can't pay their bill. It is vital for us to stay in touch with our vets to make sure they get their services.	4/12/13 12:35
Christopher	Mitchell	55406	MN		We all benefit by being in communication with each other.	4/12/13 12:44
David	Mandel	95811	CA			4/12/13 12:47
Steven	Chernoff	22182			Wireless mobility is a crucial tool in providing low-income individuals with the means to look for work and participate in the economy.	4/12/13 12:53
ADRIANNE	BARRETT	13203	NY	Fair Housing Council of CNY	FOR ALL THE REASONS STATED ABOVE.	4/12/13 13:00
Phyllis	Rowe	85014	AZ	Arizona Consumers Council	Communication is most important for low income seniors who need the availability to contact help when needed.	4/12/13 13:04
Mari	Riddle	90056	CA	Centro Latino de Education Popular	We serve the working poor community whose lives are dependent on wireless phones. Due to difficult circumstances, many of our families live in slum conditions, have to move often to follow job possibilities and their lifestyle is not conducive to land lines. Yet, it is critical that they be able to stay connected to loved ones. Mobile phones are the vehicle for this - do not remove this critical benefit.	4/12/13 13:05
Hana	Toma	94607	CA		It helps many low-income families get access to telephones at a reasonable fee.	4/12/13 13:13
E.T.	Davidoff	02148				4/12/13 13:20

Kerry	Freeman	85007	AZ	City of Phoenix (Family Services Center)	It has been very beneficial to some of my clients who are low-income.	4/12/13 13:21
judith	hellerstein	20008	DC			4/12/13 13:22
Lynette	Mills	49507			I work as an Employment Specialist for those diagnosed with mental illness. Many of those individuals are on fixed incomes, and benefit greatly from the lifeline phones. The loss of access to these phones could be disastrous for them, as well as others who need this mode of communication.	4/12/13 13:23
Laura	Acevedo	85051			As a caseworker I see the need for this program.	4/12/13 13:27
carmin	bonilla	93291			People living in poverty are living in a state of extreme vulnerability--having a phone means accessing medical care, employment, a support system and even emergency assistance. We must continue this basic service as a means of not only helping these people--but to also keep a lid on the extreme cost of their care medical and otherwise--being even a higher cost to taxpayers when situations get out of control.	4/12/13 13:39
Francisca	Silva	85007	AZ		We housed low income residents. The phone wireless lifeline program is intstrumental for them to be able to call physicians, pharmacy, 911 and love ones when available.	4/12/13 13:53
Cecilia	Maislin	93513	CA		We have 32 frail seniors using this valuable system. Please do not cut these services.	4/12/13 13:53
Lindsay	Capel	49505	MI		It is essential for low-income individuals to have a cell phone for safety and to pursue employment and housing. As a Social Worker I have seen the value of these phones time and time again to help people move towards independence.	4/12/13 13:54
Ken	McElDowney	94105	CA	Consumer Action	It's a vital part of the safety net for low income consumers and enables them to get help in emergencies and access jobs.	4/12/13 13:57

Joan	Ellison	91101	CA	Center for Aging Resources (CFAR)	I work with well-meaning folk who are homeless or who have a residence, but with very limited income. Telephone connection is critical so that individuals can keep in contact with medical necessities and to maintain and to support community integration.	4/12/13 14:02
Willie Ruth	Gibson	38112	TN	Binghampton Development Corp.		4/12/13 14:09
Carol	Pierson	94702	CA		Wireless is becoming necessary for everyone in this country but many are excluded because they are low income or live in a rural area.	4/12/13 14:14
Kimmy	DeVries	64110				4/12/13 14:23
Barbara	Grantland	80015 4034	CO		Simply because IT IS what it says IT IS. IT IS A LIFELINE	4/12/13 14:30
Jackie	Maruhashi	95112	CA	Asian Law Alliance (Santa Clara County)	Many low-income persons have unstable housing and do not have access to land telephone lines. As a result, they need wireless phones to keep in contact with others or to call 911 in case of an emergency. Without wireless Lifeline, these persons will become isolated and are at risk of more serious problems should an emergency arise.	4/12/13 14:31
T.S	Wu	94040	CA		It's vital for senior and low-income people.	4/12/13 14:32
Dana	Leslie	02906	RI			4/12/13 14:33
Barbara	Brown	07042	NJ		It is needed, especial for seniors	4/12/13 14:35
Jessica	Williams	07043	NJ		I support the low-income wireless lifeline program because it gives the less fortunate an opportunity to afford wireless services without putting their funds in jeopardy, this is important especially for seniors who could were previously not allowed this advantage and need to stay in touch with their love ones.	4/12/13 14:38
Nancy	Lim-Yee	94108	CA		Wireless Lifeline program provides affordable connections to low-income individuals who could not otherwise afford this.	4/12/13 14:49
Susan	Bock	84108	UT			4/12/13 14:53

Gwen	Battle	07042	NJ		They need help.	4/12/13 15:00
Beverly	Chan	94133			It is the only way for low income individuals to access communications.	4/12/13 15:17
Lisa	McFarren	16335	PA		I work with domestic violence clients who often use these phones as a true "lifeline."	4/12/13 15:17
Lenora	Rand	60304	IL		Low income folks need to be able to connect with services and schools and jobs. This is an important aid to their survival. Please do not remove it because of "politics."	4/12/13 15:55
Kathi	Ashmore	53711	WI			4/12/13 16:04
Richard	Reeve	31406	GA	CCCS (The Savannah Area)		4/12/13 16:09
Erika	Toriz	90041	CA	Haven Neighborhood Services		4/12/13 16:39
Jean	Harris	92108	CA		Closing the 'digital divide' is imperative... when we reach out to help others we all become stronger. Therefore providing this service empowers all of us and enhances our technological ability as a nation!!	4/12/13 17:36
Donna	Moss	22213			This crucial subsidy keeps low-income families.connected to schools and job opportunities and to E-911 - all important connections for everyone.	4/12/13 17:54
Pam	Latham	80121				4/12/13 18:13
Sharene	Davis	92109	CA	Pacific Beach Taylor Branch Library		4/12/13 18:35
Deanna	Cater	80127	CO		All disabled and low income people deserve to have access to wireless lifeline.	4/12/13 19:01
Leticia	Lee	90007	CA	Norwood St. Healthy Start Prog.	As a Case Manager I assist numerous clients that are very low income. This program would really benefit all the familie that I assist. We need this program. Our families need this program and with out this program our families would really be lacking the connection with the school and their children. I support this program.	4/12/13 19:28
Betty	Yu	11201	NY			4/12/13 21:05

Edward	Arnold	80304	CO		I am the parent of a child with developmental disabilities. Thus, I understand how important lifeline is to people with disabilities, who are usually quite isolated.	4/13/13 9:25
Wendy	Lee	94542	CA		If we are compassionate and care other other people, we need to provide the very basic, minimum essentials for them. It could be a matter of life and death, not a luxury.	4/13/13 10:11
Marma	McIntee	53095	WI		I have a 85 year old mother who lives on $1100 a month. I want her to be safe. the Lifeline phone program can make that happen for her and others like her.	4/13/13 10:50
Sidney	Elkin	33140	FL		This provides low-income families the opportunity to have phone connection for emergencies. Many only use wireless phones since they cannot affrd both land and wireless.	4/13/13 11:51
Jane	Purtle	72701			I support Wireless Lifeline because I work with low-income people who need this kind of service. Some are trying to find jobs and others have children they need to communicate with.	4/13/13 14:22
mike	chattom	90222	CA	Community Legal Research	Well, it gives mobile and communication access to the poor and low income people to the communities that need the service most.	4/13/13 15:10
Janet	Tom	94115	CA		Help low-income people have access to a phone so they call for information, help, keep in touch with their loved oens.	4/13/13 18:37
Stella	Adams	27707	NC	North Carolina Fair Housing Centre	I have seen the positive impact this has had on low income communities, with wireless lifeline there is no need to go to dangerous payphone outlets for emergency services. Children and low wealth families in need of emergency and basic services can access those services immediately. This is a vital service and should be continued.	4/13/13 19:12
Paula	Bock	98117			It helps people in emergencies and it helps them find work, communicate with their children's teachers and connect with resources and the community.	4/13/13 19:45

ROSEZETTA	EICHELBERGER	63136	MO	R.A.A! - Ready, Aim, Advocate! Committee	It helps low-income families have access to one another in case of an emergency. It also keeps one from missing important calls such as job offers or employer inquiries.	4/14/13 22:29
Audrey	Perrott	94105	CA	Consumer Action	Wireless helps low-income families to find employment, stay in contact with schools, contact healthcare providers and seek help in an emergency. Low-incomes families should have the same opportunities as everyone else.	4/15/13 1:25
Grace	Chan McKibben	60615				4/15/13 7:15
Thea	Crouch-Santos	11216	NY		I think it is a valuable program for all in emergency situations	4/15/13 8:07
Harold	Feld	20036	DC			4/15/13 8:43
Nicole	Thornton	23063			not everyone can afford to pay outrageous phone bills whether it's cell or house phone low income people need options.	4/15/13 8:48
Eric	Geist	20901	MD		Phone service is critical for families.	4/15/13 9:05
Debbie	Goldman	20016				4/15/13 9:19
Nikki	Roberts	75904	TX	Goodwill Industries of Central East Texas		4/15/13 9:24
Linda	Stallworth	43203	OH		Because I am aware of many people -whose only connection to business, schools, medical, etc. affairs is through the use of these phones.	4/15/13 9:50
Curtis	Mack	70805	LA		I see the benefit directly that low income disabled and/or homeless individuals receive by having a phone for contact purposes. Financially, they can't afford a phone and are forced to rely on others.	4/15/13 9:51
William	Prettyman	72774	AR		Provides emergency contact for the poor. Cut off may very well cost lives.	4/15/13 9:57
Lihong	Mei	60616	IL		My grandfather is currently using the low-income wireless for daily communication with his family. He is living by himself with little of money; it is so important that he has a cell phone that we can keep in touch in case of emergency. Please do not cut the low-income wireless lifeline program when people need it. Thanks!	4/15/13 10:11

Andrea	Quijada	87108	NM		People in my family and in my community use the Wireless Lifeline program. Without it, they would be unable to schedule doctor appointments, take work calls, or stay connected to their loved ones.	4/15/13 10:18
TiAnna	Walker	49505			It's hard to stay connected and look for work if a person doesn't having a working phone. A lot of people depend on these phones.	4/15/13 10:33
Luz	Santiago	08344	NJ		This program is so important to many different populations. For seniors, this may be the only way they could contact local authorities and ambulance in case of emergencies. For low-income unemployed individuals this is a vital tool in securing employment by not only contacting them but by being accessible to employers when they are needed.	4/15/13 10:48
Pingjing	Zou	60616	IL			4/15/13 11:01
Lorena	Martin	90045	CA			4/15/13 11:44
Masiki	Akwei	20910	MD	MUUST		4/15/13 11:45
Blythe	Raphael	94618	CA		Alameda County has a high number of impoverished people who are marginally housed or homeless.Lifeline keeps families connected to employment offers (without a reliable phone the employer simply will not hire you). Lifeline enables poor families to communicate with employers, their children's schools, and vital services such as health care or 911 and to cut it would be disastrous for individuals and families already on the margin.	4/15/13 12:06
Amy	Holloway	94618	CA		Because it provides access to phone service for people who cannot afford it.	4/15/13 12:16

Claribel	Baca	90061	CA	Haven Neighborhood Services	Being a housing counselor in Los Angeles and assessing many client's household budgets I found majority have low income. It is necessary to have affordable programs that can help assist these individuals/families. Taking away necessary programs will create financial hardship due to high costs in phone services which is a necessity.	4/15/13 12:31
Charles	Jackson	94110			The wireless lifeline program is a life savior without which low income eaners will not be able to communicate even in time of emergencies. Low income earners cannot afford the mounting phone bills. The program should be sustained.	4/15/13 12:44
Rose	Hilliard	16335	PA		It helps my DV Clients.	4/15/13 12:52
Meemee	Khine	94601	CA	Oakland Lao Family Community	This program will help me with unlimited call and text to my client with the job lead.	4/15/13 12:54
Melissa	Belfay	94611	CA		Everyone should have access to 911 and other resources that low-income people will need. Many do not have access to computers let alone wireless connections. No one should be left out of the most basic of communication tools.	4/15/13 13:27
Patricia	Goodin	73402	OK		This is exactly what it's named - a lifeline for people on fixed incomes with limited means of communicating with essential people in their lives like doctors, emergency medical personnel, pharmacies and public transportation. No matter where you are you can reach out to someone in an emergency. Of all the programs up for a cut, this is one that is truly a lifeline.	4/15/13 13:37
elizabeth	tanner	94610	CA		Eliminating this service would be a very short-sighted decision, harming the U.S. as a whole in the long run.	4/15/13 13:44
Beatriz	Velazquez	90404	CA		This is the only way low income families can keep contact with agencies such as schools, doctor, employer,etc.	4/15/13 13:51

Katherine	Meyer	94501	CA		I work with recently-arrived refugees from Burma who can't afford a cell phone. This prevents them from getting important communications in a timely way from their children, their children's school, their case worker and healthcare providers, and from possible employers. These people are an asset to California and to the US: they are courageous, hard-working, and determined to contribute to their new country. I strongly oppose any cuts to the Lifeline program..	4/15/13 14:23
nicholas	nelson	94609	CA		The Lifeline Program is a vital support for vulnerable people in our community. As a physician at the county hospital, I treat many patients whose access to communication services is vital for their health and need services like this.	4/15/13 14:59
Bridget	Glidden	94805				4/15/13 15:07
olga	saucedo	90405	CA		People are overwhelmed with the increase of food and gas .They need the lifeline program .	4/15/13 16:14
isabel	kang	94606	CA		Without you, too many people would become even more vulnerable. It has been vital for my clients to keep up appointments, follow up with their case managers, find and keep jobs, check on their children etc. There is no other alternatives, such as pay phones anymore. Do not cut this important and life saving device!	4/15/13 16:15
Betsy	Hicks	80303	CO		This is the only communication method that works for my 19 year old daughter on the autism spectrum.	4/15/13 17:16
Joan	Jeung	94502	CA		I'm a physician with many refugee patients. They need their phones to maintain contact with our clinic for important medical information, as well as with their employers, children's schools, and for emergencies. this is a necessity, not a luxury.	4/16/13 0:26

Joan	Jeung	94502	CA		i'm a physician with many refugee patients. They need their phones to maintain contact with our clinic for important medical information, as well as with their employers, children's schools, and for emergencies. this is a necessity, not a luxury.	4/16/13 0:26
Alegra	Howard	95125	CA			4/16/13 7:58
Donnarae	Morrison	16335	PA		I see everyday the need for the service	4/16/13 8:06
Maria	Lacey	83501	ID		I support the low-income "Lifeline" program because I used it for several years. People who characterize the Lifeline program as another "Obama" give-away are showing their ignorance...about the Lifeline program and what it's really like to live in poverty in America. Following my divorce, the Lifeline program helped me continue phone service for my family. Without Lifeline, I wouldn't have been able to call my sons' school (or vice-a-verse-a). I wouldn't have been able to schedule doctor's appointments. Their father, who was active duty military, wouldn't have been able to call them. Their grandparents wouldn't have been able to call them. Two years after my divorce was granted, I returned to college full time. Without Lifeline, I wouldn't have been able to call my professors, or pick up extra hours at my part-time, on-campus jobs. We wouldn't have been able to call 911 if we'd needed to. The Lifeline program has been around for more than 20 years. It doesn't cover "frills" like 3 way calling; it keeps the land-line connected and covers provides local calling capabilities only. Wireless carriers who participate in the Lifeline program provide 500 minutes per month--no texting, no data, just 2 hours and 5 minutes a week of "talk time"...which is crucial to keeping jobs, scheduling medical and other appointments, and communicating with schools.	4/16/13 11:03

KIM	LANG	83815	ID		This is a vital service for people who are low income! They must make every dollar count. Many times cell phones are much less expensive than land lines. Please don't take this service away!	4/16/13 11:07
Richard	Kremer	83501	ID		This is a low cost way to provide a means for the very poor and elderly to make emergency calls, without dipping into taxpayer funding to do it.	4/16/13 11:08
Ruth	McQuinn	83501	ID		*safety for seniors *community connection for low-income; necessary to finding a job *emergency contact for vulnerable	4/16/13 11:21
Shelly	Wiemer	83501	ID		Because many low-income individuals are elderly or families with young children that need phones for emergency situations. In the past I had to utilize this service and was extremely grateful. Now my husband and myself are self-sufficient, however I know there are many others out there struggling to make ends meet. I would not want them to have to chooses a phone or food!	4/16/13 11:35
Robin	McKinney	21202	MD	Maryland Cash Campaign	It provides allows individuals to stay in touch about potential jobs, receive assistance during emergencies, and gives connects with other critical need services.	4/16/13 11:48
James	McNeal	95841				4/16/13 12:03
Lisa	Cox	83501	ID		They are truly a life line to those who may struggle with covering the cost of a phone and an ability to call out for help if needed.	4/16/13 12:10
Lynette	Schlader	83543	ID		Low-income individuals need phone service to assist in employment searches and also for emergencies for elderly and disabled.	4/16/13 12:10
Mollynnae	Sherpa	83501	ID		I work with people with disabilities and this is their only chance for a phone.	4/16/13 12:12
Maria	Ward	83544			Low income individuals in rural America require access through telecommunications largely because that is often the only means of connectivity. They cannot access public transportatin for face-to-face connectivity because it does not exist.	4/16/13 12:15

Liz	Chavez	83501	ID		This truly is a lifeline for so many people who may live in rural areas, like Idaho, where there are long distances to medical facilities. NOT paid for with tax payer money, it is one of the real benefits of technology for those in need.	4/16/13 12:17
Charles	Benton	60201	IL			4/16/13 12:24
Kipton	Roderick	60626	IL			4/16/13 12:25
Judith	Rooney	99403	WA		People with low incomes need this service to stay connected - especially in rural areas where the options for assistance and support are limited. They do not have money for technology!	4/16/13 13:04
Darlene	Larson	00403	WA		My 94 year old mother relies on this emergency phone connection	4/16/13 14:53
Mary	Amidei	83501	ID		It's a tool to use for elders and disabled to be able to stay in there own home and be safe.	4/16/13 15:11
Carolyn	frei	83501	ID		We are supposed to be a Christian nation. Those of us who have enough can spare something for those who are not so fortunate.	4/16/13 15:49
Rebecca	Lupinacci	83501	ID		Being a nurse and a service coordinator I have seen many times that a lifeline saved someone from laying on the floor for hours waiting for help to show up when no one knows they are hurt	4/16/13 15:56
cleo	stamatos	21212	MD	Consultant	The program helps millions of Americans - veterans, military families, seniors - find and keep work, get information and keep in touch. It makes a difference and is a real "lifeline" for many!	4/16/13 16:19
Maria	Timoney	24382	VA		My clients who are victims of domestic violence depend on the Lifeline as an important resource.	4/16/13 17:22
Marsha	Wilson	83501	ID		Without it low-income people are isolated.	4/16/13 20:20
Don	Rounds	20816	MD		Wireless is an actual lifeline for many low-income people. We owe it to our society to make sure that everyone has the opportunity to be affordably connected.	4/16/13 20:48
Janeth and Gary	Mallory	83501	ID			4/16/13 22:52
Lovetta	Tugbeh	94565			I too have benefited immensely from the service.	4/16/13 22:59

Dede	Carney	27834	NC		Much needed communications program for low income families - helps bridge the gap & connects them to community.	4/16/13 23:08
Jamie	Shropshire	83501	ID		This is an essential service for seniors and doesn't cost any taxpayer dollars.	4/17/13 0:09
Ann	Mattoon	83501	ID			4/17/13 1:55
bradley	burdette	33901	FL		People with low income or without a job need a way to communicate	4/17/13 9:16
Daniel	VanderMolen	49503			Because I have seen first hand the positive impact this program has for low-income job seekers.	4/17/13 11:53
Sandra	McNamara	22443	VA		It provides a literal lifeline to those who otherwise would not be able to afford a phone.	4/17/13 13:44
Hanna	Mark	94612	CA		As a social worker, I have referred many clients to this program and seen the infinite benefit it can bring to the most marginalized members of our society. Without these phones accessing social support, medical care, emergency help, or securing employment can be significantly more difficult. It is important to consider the range of costs to society that are alleviated by this free cell phone service.	4/17/13 15:07
Kerri	Lowe	91326	CA			4/17/13 15:11
Loistine	Outreach	92411	CA	Temple Community Outreach Church	So many families are without phone service and move around a lot some live with other people and are not allowed to use the phones	4/17/13 16:29
Katherine	Damato	22182	VA		I've seen how important it is for low-income seniors and other people who are struggling financially.	4/17/13 16:33
Mary	Schmidt	99403	WA		I work withy low income families. They need a phone in order to find work and for medical emergencies.	4/17/13 16:44
Ruth	McFarlane	94116	CA		It's essential.	4/17/13 20:44
Wallace	Cheryl	22204	VA	Arlington Employment Center (Arlington)	Low-income individuals need the phones. Many of them cannot afford the cost of phone services.	4/17/13 21:15
Radomir	Avila	94703	CA			4/17/13 22:12
Susan	Hunsicker	94705				4/17/13 23:12

Kathleen	Gaines	83501	ID		People who are elderly, ill, poor deserve help. Why are Republicans so uncaring about those in need? Taking this away is just petty and mean.	4/17/13 23:40
Bridget	Colpits	83705	ID		The lifeline program is extremely important to many, especially the elderly. This is in some situations the only way that people have to communicate with others, as well as call someone in case of emergency. Without lifeline some elderly would not be able to have access to life alert since a phone line is required to have this service.	4/18/13 10:14
Monica	Steinisch	94131	CA		It makes sense to ensure that everyone has access to basic telephone service. The repercussions of being "cut off" would be significant (not being able to call 911, not being able to be contacted for work opportunities, and having an isolated elderly population). The consequences of discontinuing Lifeline are not worth it.	4/18/13 18:25
Heather	Hersh	72762	AR		to help victims of domestic violence	4/19/13 14:19
Lindsey	Rinehart	99163	WA		I have worked as a case manager with low income and homeless people and this is critical for helping people to stay connected to medical care, apply for jobs and housing.	4/22/13 12:20
Laurie	Neighbors	94117	CA			4/22/13 14:36
Peter	Weiss	94612	CA			4/22/13 14:39
Lori	Hendrickson	55744	MN	Univ. of MN Ext. Svcs. (Grand Rapids Reg. Ctr.)	I work with low-income families and very often a cell phone is the only phone they have.	4/22/13 16:14
Jennifer	Nadler	94601	CA			4/22/13 16:14
HEather	Hadry	19047	PA			4/22/13 16:15
Dan	Thompson	50322	IA		Too much Greed by Wireless companies now, as Usual too!!!	4/22/13 16:15
Cynthia	Braus	60008	IL		My lifeline phone gives me the security of being able to get help in an emergency. It also keeps me connected. Please keep this valuable program.	4/22/13 16:15

Susan	Taylor	52003	IA		This subsidy will help low-income, seniors, veterans and minorities Americans to be in touch with work, schools and emergency needs.	4/22/13 16:16
Bridgett	Brown	94105	CA	Independent Living Resource Center/ S.F.	Wireless is needed by all sometimes it is used as Home phone & is all a person on limited income has....	4/22/13 16:16
Kathi	Anderson	92193	CA			4/22/13 16:16
Anne	Sparks	45766			As a professor of social work and a volunteer in my rural community, I am very aware of many people who are elderly or disabled who live in isolated areas without nearby neighbors and cannot afford the full cost of telephone service. This program is a necessity, not a luxury, which Republican presidents who began and expanded it understood.	4/22/13 16:17
Ronald	Krinock	19350	PA			4/22/13 16:17
Paul	Blanke	93420	CA		Because I am a low income senior	4/22/13 16:18
John	Murray	34275	FL		Insures we will have some means of communicating even in severe cases like superstorm Sandy. DON'T LET THE LIFELINE GO, PLEASE!	4/22/13 16:19
Lisa	McFarren	16335	PA			4/22/13 16:19
Charlotte	Scalise	16501	PA	Erie County Human Relations Commission		4/22/13 16:19
Anita	Wills	94577	CA		My family and I have utilized this program. This is the only way we can afford cell phones.	4/22/13 16:19
MONTE	ROY	70503	LA			4/22/13 16:20

C.L.	Page	94610	CA		Hola: I support the low-income Wireless Lifeline program due to my family's experience with it. There were some months that my elderly parents, living in separate homes, wouldn't have been able to pay any kind of phone bill, w/out the low-income Wireless Lifeline program. One lived in a senior community and other residents also had income limits that forced them to apply for the Lifeline program. I know of many seniors who wear their cell phones around dtheir neck in case they need 911 help (some have physically abusive relatives, others are in fragile health and fall or are afraid of falling). I know that my personal landline includes a Lifeline surcharge and I don't mind paying the fee in support of those who would have NO phone w/out the Lifeline program. When you're a shut-in, a telephone call a day from someone calling in to check on you is the difference between a life of no interaction and one that shows someone cares for you, which helps with mental health and physical well being. Gracias for listening...keep Lifeline in place, por favors.	4/22/13 16:20
James	Wolcott	47715	IN			4/22/13 16:21
Laura	Arellano	91784	CA		Some seniors cannot afford a basic $50 cell package and need a phone for emergencies.	4/22/13 16:21
John	Tam	94014	CA		For some of the low-income elderly, it's the only way they can afford to have a telephone for emergencies & keep in touch with their loved ones.	4/22/13 16:21
janet	lucero	81101	CO		Because it is needed buy many people	4/22/13 16:22
Judith	Clark	33426			This program is a tremendous help to low income families and particularly the elderly. Beside, if Ronald Regan though of it, it must be a good idea!	4/22/13 16:22
Graciela	Barajas	92102	CA			4/22/13 16:23

Mai	Yang	93611	CA		I support the low-income Wireless Lifeline program because it keeps my home-bound grandmother who is a primary caregiver to 4 children ages 0-5, connected to their working parents and support networks she needs throughout the day. She cannot drive due to her age and speaks limited English. Having a Lifeline telephone in her home gives her a sense of security and support to provide a positive and healthy home environment for her grandchildren.	4/22/13 16:24
Jean	Harris	92108	CA		When we care for each other we lift all of us up!	4/22/13 16:24
Laura	Sutherland	78504	TX	South Texas Civil Right Project	It's import for families to have access to 911 in case of an emergency. If they are low income families it's important for them to have a phone in case they are applying for a job. A child might get sick or hurt at school, the parent should find out as soon as possible not until they go to school to pick up the child. It could be something very serious where the doctors might need their permission to do a procedure.	4/22/13 16:24
Marion	Battles	77025	TX	Sheltering Arms Senior Services	Because i work with seniors 60 yrs and older and some of them depend on this service.	4/22/13 16:26
Courtney	Clerico	93301	CA	CCCS (Kern & Tulare Counties)		4/22/13 16:27
Kathleen	Shada	92672	CA	Triangle Terrace / Wycliffe Casa	It enables the people who are disabled and who are older to have affordable telephone access to emergency services wherever they may be.	4/22/13 16:27

Claudette	Almaraz	67401	KS		This program is vital to those in the lower income bracket. Cell phone and even home phone service in many instances is so expensive that they are unable to pay for it. This leaves them without a line of communication for parents with school-aged children, for individuals seeking employment, for emergency calls to doctors and/or hospitals as well as just a line of communication to the world itself. To take away this program is to once again tell those who don't have the means that they simply do not matter.	4/22/13 16:29
Amanda	Gormley	94122	CA			4/22/13 16:29
Jerry	Gahan	92277	CA			4/22/13 16:29
Bronwyn	Howlett	94102	CA		I'm a service coordinator for a low income subsidized senior community in San Francisco. Many of my residents are formerly homeless, and many of them are living only on meager SSA/SSI benefits. They simply cannot afford phone service without LifeLine, because it comes down to "do i eat this month, or do I pay a phone bill?" LifeLine helps my residents stay connected to their doctors, case managers, and their support network of family and friends, who all contribute to their wellbeing. To lose LifeLine would be a devastating blow to my seniors.	4/22/13 16:31
Arnaud	Delorme	94954	CA		Phone service for poor old people is important in case of emergency.	4/22/13 16:31
Greta	Hansen	53704	WI	CAC for S. Central WI (Dane Co.)	Because low-income people need access to services.	4/22/13 16:32
Mercedes	Munoz	11375	NY		I support it because even though I don't need it there are a lot of people that do need it.	4/22/13 16:33
Eva	Mihalyo	97504	OR		I work with low income persons, and having this available can be a lifesaver for them in an emergency.	4/22/13 16:34

Jan	Edwards	77498			Only the poorest of these elders even qualify to the Lifeline service. This resource critical to low-income elderly, who are have a number of critical and chronic medical conditions and need to communicate with their health care team, with vital resource agencies such as home-delivered meals and food stamps, they are also dependent on this phone service to maintain their emergency response systems! They are at high risk for falls and other life-threatening emergencies. And, the social isolation they would experience at the loss of phone service would increase their risk for memory impairment, depression and other poor physical and mental health outcomes. Preserving their well-being and independence is cost-effective for the tax payor, when these frail elders can remain in their own homes for as long as possible compared to the cost of premature and/or otherwise unnecessary institutionlization!	4/22/13 16:35
Hector	Guzman Lopez	78541	TX		access to communication is a right we all deserve and should not be deprived of this due to poverty.	4/22/13 16:35
Christopher	Lewis	22304	VA			4/22/13 16:36
KATHLEEN	CANFIELD	06708	CT			4/22/13 16:38
a	d	33483	FL			4/22/13 16:39
Steve	Solomon	95172	CA	Solomon and Brenner, LLP	Life is tough enough for those scraping by to make ends meet. A lifeline cell phone helps struggling people stay in touch, provides emergency access-- a bare minimum of a virtual safety net.	4/22/13 16:39
mark	ohashi	43606	OH		Every individual has a need to be connected to family, friends and to other resources, all of which require phone communication. These phones provide a means to allow low income families to seek necessary assistance and ultimately, to help themselves either survive or move up in their situations.	4/22/13 16:40

Pamala	Cain	35772	AL		I live alone and I am physically disabled resulting from a stroke 26 years ago.I depend on the low income Wireless Lifeline program because I cannot afford a cell phone and the service.This low income Wireless Lifeline program is vital.It does not need to be taken away like the many other needs many of us have.Granted,there are some who receive this service who do not deserve it.Why not weed these people out and leave the legitimate alone?	4/22/13 16:50
m	stonr	59807	MT			4/22/13 16:53
Carolina	Shaper	94115	CA		Because it is a huge help to people most in need!	4/22/13 16:54
NORMA	PERALES	78626	TX	Georgetown Housing Authority	SENIORS AND DISABLED ADULTS AS WELL AS LOW INCOME FAMILIES NEED A MEANS OF COMMUNICATION FOR DOCTORS; EMERGENCIES; ETC.	4/22/13 16:54
Ines	Galarza	85378	AZ		I work as a housing counselor for a HUD approved non-profit agency. These phones are sometimes the only way I have to communicate with the homeowners we help. The families I see with this phones cannot afford a land line nor to pay for cell phones on their own.	4/22/13 16:55
Bryan	Addams	90403			Eliminating LIFELINE would, in essence, close a window to the world for those that need it most. Please don't eliminate this essential and valuable means of communication and connection.	4/22/13 16:58
Steven	Hammond	77530	TX	Path Mark Ministries Inc.	It is expedient for the low-income, welfare-to-work, and ex-offenders attempting to reconnect with the workforce.	4/22/13 16:59
Hillary	Yosowitz	44122	OH			4/22/13 16:59
Nicholas	stamatos	21212				4/22/13 17:00
Richard	Bridgman	66204				4/22/13 17:01
Vickie	Allen	74878	OK		This program helps so many disadvantaged people - the disabled, seniors, single mothers with children at home. Please don't allow this program to be taken from them.	4/22/13 17:03

Saveria and Bernard	Garcia	11003	NY		We are seniors with low-income, and having a cell phone wireless lifeline program is necessary for life and death, especially that the universal fee charged to all, and all persons are supporting this program for those in need!	4/22/13 17:03
Harold	Rice	28202	NC	Community Link (Charlotte, NC)		4/22/13 17:03
saddie	elliott	77033	TX		this life line help so many people who can not get help . for school and jobs this help low income people.	4/22/13 17:12
michelle	puckett	94611				4/22/13 17:15
Stewart	Sheehy	85705	AZ		Please don't take from the poor. Tax the rich.	4/22/13 17:16
john	Martin	84098	UT		Do not support...unless the massive waste that has occurred in this program can be significantly reduced, i believe it should be ended. I do not support this program as currently conceived.	4/22/13 17:17
Josefina	Enriquez	95776	CA		it's a life saver for the homeless population and all the low income individuals.	4/22/13 17:17
Ethel	Tilley	87185	NM	Airman & Family Readiness Ctr	becasue there are many seniors that can not afford emerency equirpments and this is away to support helping them to stay in touch.	4/22/13 17:18
James	Suthers	91505	CA		Though I know there are members of Congress that would like to see certain classes of people as "disposable," in truth, all human beings have value, even if not fully realized. Can we please stop this laser-like focus on policy that only benefits corporations, real people be damned? It's disgusting and immoral.	4/22/13 17:23
Walda	Yon	20009	DC	Latino Economic Development Corp.		4/22/13 17:28
DENNIS	ZATLOKOWICZ	92082	CA		we are on a fixed income	4/22/13 17:34
Donna	Hansel	91351	CA		Helps A LOT!	4/22/13 17:34
Michael	Hansel	91351	CA		Helps a lot	4/22/13 17:35
DENNIS	ZATLOKOWICZ	92082	CA		We are retired and on a fixed income.	4/22/13 17:35
Cindy	Zatlokowicz	92082	CA		fixed income	4/22/13 17:38
William	Richardson	03079	NH			4/22/13 17:40

Reggie	Bachus	60607	IL		This is a Republican sponsored initiative started under Reagan, expanded by Bush and simply because you have a group of Obama Haters who happen to be Republicans like Reagan and Bush who started the program and suddenly it should be eliminated? Partisan politics and racism!	4/22/13 17:41
n	w	33444	FL			4/22/13 17:44
Carol	Pierson	94702	CA			4/22/13 17:49
Dave	Church	28612	NC			4/22/13 17:50
dinda	evans	92117	CA		It saves lives..and misery. I had an aunt that didnt have it..It was over a week before they found her...she had a broke leg and after a week she was confused, dazed and suffering from dehydration, etc. if the legislators plan to kill off our elderly and disabled they should at least man up and do the johonstown kool aid thing..its quicker and more humane thatn all the cuts to medical, caregivers, lifelines, aid, etc., etc.	4/22/13 17:51
Cindy	Bubolz	54220			Because it is exactly that LIFE!!!!!	4/22/13 17:52
Veronica	Chavez	95695	CA		I support Lifeline because it provides access means of communication and upward mobility to those who are very low-income.	4/22/13 17:54
Kristin	Johnson	84403	UT	Cornerstone Financial Education	Needed for those that live in poverty!	4/22/13 17:56
Tammy	Ransdell	84101	UT		Without the program, low income individuals and families would not otherwise have access to their own personal phone. It would make it more difficult to call for help during an emergency.	4/22/13 18:04
Vernon	glenn	92392	CA	High Desert Multi-Cultural Coalition	I have used It and know it helps low income people	4/22/13 18:05
norma	hollis	90241	CA		Because it helps so many of who need the extra help	4/22/13 18:10
Rose	Rimler	97459				4/22/13 18:12

larry	ortega	90063	CA	Community Union	Because it just makes good economic sense. The tragic things that could occur without it, are simply to high of a cost for our country to bare. Lifeline is just good economic sense.	4/22/13 18:15
Loren	England	92101	CA		I am employed with a non-profit that operates employment programs. Without cell phones our clients have no way of communicating with potential employers	4/22/13 18:22
Mary	Slater	65349	MO		Everyone should be able to get help in an emergency.	4/22/13 18:27
Ana	Lopez	96050	CA	Watts Century Latino Organization	I support the low-income wireless lifeline program because it offers Seniors the possibility to carry a wireless phone at a low and affordable cost. In somecases the devise is a life savings tool!	4/22/13 18:28
Gloria	Musyoki	79912	TX		It is a needed service	4/22/13 18:28
Amy	Szmania	43230	OH			4/22/13 18:32
Malini	Sodha	91791				4/22/13 18:38
Geraldine	Sturgis	30824 4124	GA		It assist the economical disadvantage citizens whom can not afford modern technology and have access to 911 in case they encounter an emergency!!!	4/22/13 18:40
Karen	Nevis	95010			I am using this program and it helps my household budget as I do not use, nor do I want a cell phone due to the exposure to microwave radiation.	4/22/13 18:43
Diane	Whitmire	95404	CA		I support wireless AND LANDLINE Lifelines. No one should have to choose, or go out to buy another phone they can't afford in order to call an Emergency number. More stupidity & greed from corporations!	4/22/13 18:43
Malinda	Funk	48910	MI			4/22/13 18:46
Nancy	Lim-Yee	94108	CA	Chinatown Child Development Center	It makes wireless access available to low-income individuals and is handy, especially in event of emergencies.	4/22/13 18:49

rebecca	cohen	54302			many low income people have no other access to a phone, which is often the only means of communication for them. This program is needed for our low income citizens who cannot otherwise afford to have a telephone.	4/22/13 18:49
Adrienne	Owens	43230	OH		For people who are struggling to pay rent and put food on the table, a phone is often not a number one priority. But in these times, nobody should be without access to a phone for medical and safety emergencies, and for keeping in contact with family/support network, at least on a limited basis.	4/22/13 18:51
terry	vanderbush	55420	MN			4/22/13 18:58
Tammie	Johnson-Lozolla	92376	CA	Enhancing Forward Action, Inc.	Low income need access. They are already separated from knowing and involvement in the community for their needs. The most vulnerable should be protected.	4/22/13 19:07
Scott	Weikart	94301	CA		It's very difficult to get then keep a job if you don't have a phone.	4/22/13 19:13
Garril	Page	94960			I support LANDLINE, wired programs. Telecoms are trying to take out landlines which leave those of us dependent on wired connections with no service alternative. This is 100% wrong!!! I favor service for people: live, human customers instead profits to greedy corporations.	4/22/13 19:13
christine	treadwell	94553	CA		it is very much necessary	4/22/13 19:20
william	treadwell	94553	CA		because I qualify	4/22/13 19:22
Maxine	Henry	87121	NM			4/22/13 19:27
Lourdes	Herrera	93638	CA		Because we promote the Lifeline and the most people has this service are senior they can paid for the regular cell phone.	4/22/13 19:34
gabriel	griego	94112			Because I qualify for it.	4/22/13 19:36
donna	hoopes	83544	ID		This Program allows the most vulnerable of our citizens to have access to EMS and other important services that they would otherwise not be able to do. As most of these can not afford a home phone.	4/22/13 19:37

mary	ellis	78701	TX		Low income seniors need this for medical emergencies	4/22/13 19:37
Tania	Perez	92405	CA		They assist the low-income population and is a service that benefits people!	4/22/13 19:45
Susan	Galante	27526	NC			4/22/13 19:49
Moe	Dein	92806	CA		The poor and especially the elderly needs to have this service; with these people it is a question of life or death.	4/22/13 19:56
Richard	Sanabia	37385	TN		Easily lives could be saved here.	4/22/13 20:03
Marie	Conroy-Salbi	94121			Important. Thanks.	4/22/13 20:10
Shari	Waldron	54914	WI		Everyone needs a phone if only to call for help. In the high tech world a phone is a necessity.	4/22/13 20:17
Greg	Hill	02143	MA			4/22/13 20:22
Annette	DePauli	95201	CA	San Joaquin Co. - Aging & Community Services	This programs helps many low and medium income seniors who have had their incomes cut by up to $60.00 a month afford a phone which is critical for their safety.	4/22/13 20:23
Shawn	Delmar	19037	PA		For protection all US Citizens (but that's it)!!!!	4/22/13 20:24
Bill	Kleiber	77340	TX		Lifeline program is important for helping individuals get jobs, receive emergency medical care and stay in touch with their support groups. There are not pay phones on every block anymore and we know from running a toll free crisis hotline that impoverished individuals cannot even afford 50 cents for a phone call.	4/22/13 20:27
lyndale	linkous	76707	TX		Not everyone has wealthy grandparents. Most of the elderly are on a set budget. They deserve a cell phone to carry with them in case of illness or danger.	4/22/13 20:31
Leo	Martinez	92692	CA		Many senior citizens are on tight budgets and they need the support.	4/22/13 20:32
Roger	Levin	94118	CA		Communication for the low-income is CRITICAL to their well-being!	4/22/13 20:33
Jean	Rishel	48176	MI			4/22/13 20:40
Frank	Pitz	19006	PA		It is my only phone service. As a 75 year old on social security I need - and rely - on this service.	4/22/13 20:41

John	Paul	32086	FL			4/22/13 20:42
Judy	Passon	49629				4/22/13 20:44
Corry	Dastur	94954	CA			4/22/13 20:45
Lynda	Galligan	20122	VA		It is a life line for the low income for employment, medical, etc., who would not otherwise be able to afford this service.	4/22/13 20:48
David	Karchem	91311	CA			4/22/13 20:50
Kathleen	Shea-Barber	48178	MI		When Presidents Reagan & Bush recognized the value of non-tax supported life line, why would anyone not? Please preserve this necessary program.	4/22/13 20:54
Mary	Detrick	33755	FL			4/22/13 21:11
LuRetta	Fairman	95819	CA		Very low income persons also have very limited options and resources to meet basic human needs. Simple communication is vital to maintenance of self-sufficiency, family and community relationships, access to education and employment, and the ability to seek emergency help. LifeLine phone service enables those with very limited resources to sustain themselves, their loved ones, and their community responsibilities.	4/22/13 21:13
VALERIE	WOODS-COLLINS	92551	CA		EVERYONE SHOULD HAVE ACCESS TO PHONE SERVICE	4/22/13 21:39
Robin	McMillon	30126	GA		Because there are many Senior citizens who depend on this program to have a phone.	4/22/13 21:43
Robin	McMillon	30126	GA		Because there are many Senior citizens who depend on this program to have a phone.	4/22/13 21:43
Robin	McMillon	30126	GA		Because there are many Senior citizens who depend on this program to have a phone.	4/22/13 21:43
Robin	McMillon	30126	GA		Because there are many Senior citizens who depend on this program to have a phone.	4/22/13 21:44
Joe	LaRocco	07036	NJ			4/22/13 21:45
Judy	Shutes	95461	CA		I want the LANDLINE Lifeline saved	4/22/13 21:47
vinu	arumugham	95111	CA			4/22/13 21:48
David	Sullivan	95765	CA		I am in a position to where I may be needing thjis soon...	4/22/13 21:51

Wilburn	Runnels	77320	TX		Because I am leagally blind and would not be able to have a phone to contact anyone for help when needed. I, along with MANY other persons who do not have funds, due to unfortunate circumstances, to own a phone. Please support continuing the lifeline program.	4/22/13 21:54
hal	evans	90038	CA			4/22/13 21:56
Fred	Schwacke	05340	VT			4/22/13 22:15
hal	evans	90038	CA		Every dollar helps when you're poor.	4/22/13 22:18
Teresa	Sweet	92504	CA		I have it,need it, and use it. I'm very thankful for the assistance! Thank you for your help in keeping programs afloat for those who struggle to nake ends meet!	4/22/13 22:19
Deborah	Fexis	03062	NH			4/22/13 22:27
Gladys	Nockin	85139	AZ		That program saves lives in poor communities.	4/22/13 22:28
TtOM	HAMPTON	10023	NY			4/22/13 22:29
Don	Purcell	77346	TX		Best opportunity for low income to find work-communication.	4/22/13 22:38
Cathy	Banks	60409	IL		for unemployed job seekers and low income seniors	4/22/13 22:39
Edward	January	71203	LA	Pilgrim Missionary CDO		4/22/13 22:56
Richard	Ferraro	02481	MA		safety,communication with friends, loved ones,support groups/agencies/medical care-givers,dignity	4/22/13 22:58
linda	chance	84102	UT			4/22/13 23:07
Jolene	Davidson	46322	IN			4/22/13 23:14
Pamela	Taylor	90043	CA		Because it saves low-income families money.	4/22/13 23:14
S	Smith	11789	NY		Everyone should have access to the Internet!	4/22/13 23:30
Cynthia	Hall	65803	MO		Wireless lifeline benefit particularly senior citizens who have no family and very few friends to check on their well being. This provides a means for a senior individual to call for help should they need it in the event of an emergency.	4/22/13 23:31

Mary Ann	Dangman	83541	ID		If you are applying for jobs, I think it would be essential for potential employers to be able to contact applicants. Also may need a phone for emergency contacts.	4/22/13 23:51
charlene	campbell	33991	FL		Young families are usually taking classes to better themselves and working full time, they need this to better themselves and add to our economy.	4/23/13 0:02
ROBERT L	HOOKS Sr	27405	NC		A HOUSE PHONE IS OVER $60.00 FOR LOCAL CALLS PER MONTH, THE CELL IS A BIG HELP WITH NONE LOCAL CALLS	4/23/13 0:07
Martha	Mattes	74114	OK			4/23/13 0:15
Charles L.	Krugman	93721	CA		As a person who has been low income at times and as a socialworker I am aware of many people who benefit from this service.	4/23/13 0:21
Celina	Castillo Velázquez	92702	CO		Yes, I support low income wireless lifeline program	4/23/13 0:33
Steve	Landrum	94043	CA			4/23/13 1:02
Mary	Lyda	97523	OR			4/23/13 1:09
Cheryl	Clayton	95502	CA		40 years ago, as a young single parent, lifeline service was all I could afford in order to have access to telephone service. I am now a senior, soon to be on a fixed income, and will most likely once again need this program in order to access emergency services. I do not own a cell phone, and cannot afford this costly service. Discontinuing this valuable program will cause immeasurable harm to seniors and other people living on a limited income. Please continue lifeline service for LAND LINES as well as cell phones.	4/23/13 1:11
Claude	Everett	94611	CA		without the lifeline program I could not afford to have a land line and they are necessary in any natural emergency.	4/23/13 1:16
Alexander	Binik	94930	CA		We particularly want to ensure that the Lifeline program subsidies continue for LANDLINE phones, which many lower-income families continue to depend on for essential communications.	4/23/13 1:37
Teigh	Hashmi	31750	GA			4/23/13 1:40

panda	behr	94116	CA		This is a crucial subsidy that keeps low-income families connected. Otherwise they would not be able to afford this service. I strongly oppose any cuts to Lifeline.	4/23/13 2:02
Scott	Sanders	60645	IL		make it more efficient - don't drop it. there's a reason it's called lifeline.	4/23/13 2:03
sandrea	ealey	0700s	NJ		IT"s a necessity for seniors!	4/23/13 2:07
Gary	Surgeon	28077	NC		I support low income wireless lifeline one reason is because Ronald Regan created and George Bush renewed. I think it's a good program for those in need.	4/23/13 2:35
Julie	Lovins	94039	CA		Having phone connectivity is absolutely necessary for any decent sort of survival in our society. I think that people suggesting otherwise should have their phones taken away from them, so they can see what it's like not to have them.	4/23/13 3:01
Joseph	Ricci	80904	CO			4/23/13 3:19
Walt	Esch	30529	GA		It's the only way prospective employers have to contact me!	4/23/13 3:56
William	Gruhlke	95060	CA		I know people it helps	4/23/13 5:56
Melissa	Hungerbuhler	95060			I need it!	4/23/13 5:57
pat	tomasula	27127	NC			4/23/13 7:11
Amelia	Pickering	41858	KY		This is an essential program that lets low income people in our eastern Kentucky region afford access to basic phone service. Without phone service their opportunities for improving their economic situation will be severely limited. This program also does not use taxpayer funds. There is no good reason to oppose it.	4/23/13 7:57
Marsha	Anderson	64131	MO		This program is a gigantic help to low income persons. It enables them to look for employment, keep in contact with the schools where their children attend and obtain emergency services. Since it is not tax payer funded, there is no reason to cut it. If President Reagan approved it, his adorers should continue to support it.	4/23/13 8:01

Tony	Thomas	46805	IN		I am an attorney working primarily with lower income persons. Many of my clients, especially low income, disabled clients, would not have phone service but for the "Obama phone" program. The phone is an important link to family & friends, police and government, and business services. It makes my clients less isolated.	4/23/13 8:18
Alan	Gurvitz	08050	NJ			4/23/13 8:29
Shelita	Richmond	48234	MI	Family & Cmty. Dev. Ctr.	I work for a nonprofit and I assist low income individuals with finding resources and employment. Without the phone assistance some of them will have no way of staying in touch with perspective employers.	4/23/13 8:36
Theresa	Gordon	20724	MD		I support it for our seniors, prices for everything is high for them to hardly get by, what else will they take away? Our seniors deserve better care as do our veterans, everyone cant have an Iphone or whatever. This program has helped people I know with keeping in communciation with doctors for their kids, and school emergencies. Come on people, what next have us pay for the air we breathe. Keep this program alive.	4/23/13 8:37
Brenda	Konkel	53703	WI		I have many homeless friends who sleep all over the city in parks, on public lands, under bridges, at churches, in bushes, etc and this is often the only for them to reach out to others when in danger or sick. Also, they need these phones to stay in touch with doctors, potential employers, mental health providers and their support network. This would be a disaster if the program were to end.	4/23/13 8:55
Beth	Martinez	48076	MI	Jewish Vocational Services (Southfield Office)	I work with low income clients who depend on this phone to keep in contact with doctors and family. They are primarily on fixed incomes and couldn't afford a phone, especially the elderly clients.	4/23/13 8:56
Kami	Griffiths	94103	CA	Community Technology Network	People shouldn't be disconnected because they are low income.	4/23/13 8:59

Brenda	Konkel	53703	WI		I have many homeless friends who sleep all over the city in parks, on public lands, under bridges, at churches, in bushes, etc and this is often the only for them to reach out to others when in danger or sick. Also, they need these phones to stay in touch with doctors, potential employers, mental health providers and their support network. This would be a disaster if the program were to end.	4/23/13 9:02
Julie	Harris	53532	WI			4/23/13 9:05
Myrna	Ulrich	53590	WI		Because I am currently on it !	4/23/13 9:06
Duane	Dahl Jr.	53713	WI		I believe it's a good program for low income people or no income.	4/23/13 9:07
Satori	Bailey	02139	MA		Because it's crucial for low-income mothers to have a cell phone so that can be contacted in case of emergencies about their children.	4/23/13 9:08
Sasha	Kowalski	53719	WI		This is not a play games and google yourself phone, this is simply giving people a number. A way for schools, doctors, jobs, etc. to contact them.	4/23/13 9:10
Cody	Williamson	53703				4/23/13 9:14
Rex	Thomas	92555	CA		Please give the old and helpless a break!	4/23/13 9:17
Jess	Anderson	53705			Government exists to support citizens in need.	4/23/13 9:17
Elsy	Castillo	07060	NJ		Because I work for a non-profit and it allows many of the parents in the program to benefit from the program.	4/23/13 9:18
Renee	Nordeen	53963	WI			4/23/13 9:19
Pete	Frierson	38401	TN		It saves lives and there are folks that would be lost without lifeline. Please keep lifeline and continue to save lives.	4/23/13 9:24
Joe	Washington	23693				4/23/13 9:31
Jean	Shultz	24012	VA		I have seen first hand how these phones have helped low income families. They are especially helpful to low income elderly and disabled, who would have no way to contact doctors, family, emergency help without them. Please do not do away with this program.	4/23/13 9:36

Shannon	Frey	53703			Helps many individuals accomplish what they need to do.	4/23/13 9:37
Sharron	St.John	53715	WI		because EVERYONE needs some bit of security and connection in these hard hard times.	4/23/13 9:37
Tamora	Peters-Miller	53508	WI		It is SO necessary for people who are homeless or low income to get and maintain employment, contact medical personnel in emergencies and to maintain health and also for safety reason that many face as they live in dangerous circumstances in bad areas of the city. Please do not do budget balancing on the backs of the most poor among us! Basic human needs should be met first!	4/23/13 9:43
Gerald	Bertholl	71353	LA			4/23/13 9:44
Samuel	Phillips	53703			Some things shouldn't be a luxury.	4/23/13 9:54
Dolores	Negrete	90014	CA		We need all the fiscal breaks available; While these wealthy fat cat politicians are callously prolonging the trend to unilaterally slash at programs and fiscal assistance meant to help military vets, the elderly, poor, and disabled. That is, brutal disregard for the most vulnerable of society.	4/23/13 9:59
Marla	Boyd	77591	TX		Most of my clients with low or no income helps them keep in contact, especially for emergency	4/23/13 10:07
Erica	Kuffler	53701	WI		cause it is cheaper for people who have less and less fortune	4/23/13 10:07
Marla	Boyd	77015	TX		Low/no income people need it to stay connected	4/23/13 10:10
charity	hohlstein	53704				4/23/13 10:13
JORDAN	B	33334	FL		NEEDED TO HELP PEOPLE WHO NEED IT...	4/23/13 10:17
Emmett	Solomon	77340	TX		There very few public telephones any more. Without lifeline a significant number of citizens will be cut of from one of our primary forms of communication, which will further denigrate them and separate them from our society.	4/23/13 10:18
Charles	Dollins	78641	TX		I might need it myself someday.	4/23/13 10:21
Marcia	Hazen	53597				4/23/13 10:30
Norm	Littlejohn	53703				4/23/13 10:33

John	Petrack	15090	PA			4/23/13 10:39
Rita	Charles	15206	PA		This is not a taxpayer expense and has assisted in many emergencies. Government has really gotten out of hand. Do we need to become a third world country while the rich get richer? Save the PHONES! It's not easy being a senior in this country.	4/23/13 10:42
shirley	boyd	62002	IL		Older people need it	4/23/13 10:43
Claudia	Hawkins	50314	IA		Because of the customers we serve at ISED and the need for low income clients to have available to them low to no cost communication	4/23/13 10:47
Jenn	Cunningham	03103				4/23/13 10:54
Barbara	Quatrano	28607	NC			4/23/13 10:55
Betty	Walker	38562	TN		I have a sister that uses the low income program because she has a heart condition	4/23/13 10:57
BRUCE	BURGESON	10552	NY		Will help low-income citizens.	4/23/13 10:57
Cindy	Lane	67401	KS		This is very important, living in a rural area!	4/23/13 10:57
Mary	Klein	44514	OH		Everyone should be able to call an ambulance in an emergency, get call backs from their Doctors about treatment etc.	4/23/13 10:58
Edith	wilsonHill	15201	PA			4/23/13 10:58
jan	sloan	30047	GA			4/23/13 10:58
Dinah	Miner	65439	MO		It is a big help to the sick, elderly and those with low-incomes.	4/23/13 10:58
kemesha	clarke	33161			because i am a part of that percentage of low inxone family and this phone helps me alot to communicate witj my family because i cant afford a cell phone..so to take it away would be horrible to the family who is using this program.	4/23/13 10:58
Kurt	Neiswanger	55422	MN			4/23/13 10:58
Jane	Dzubak	10512	NY			4/23/13 10:58
George	Eget	20109	VA		With incomes decreasing and phone bills increasing, it is becoming very hard to have contact with the outside in case of emergency or looking for work.	4/23/13 10:59

Marie	Edwards	89012	NV		These people need to have a phone for emergency use -- be it to call for assistance or for a potential employer to call them.	4/23/13 11:00
Kevin	Reid	20005	DC		Phones are important for safety and for helping people stay connected who need a support structure.	4/23/13 11:00
Edward	Nushardt	37042	TN		Provides a needed service for low income people who need a dependable way to communicate in emergencies, or to contact family members.	4/23/13 11:00
carolann	tracy	14425	NY		I think everyone should have a phone in case of an emergency	4/23/13 11:01
Felicia	Allen	37091				4/23/13 11:01
Sharon	Mylott	03603	NH			4/23/13 11:01
Kathleen	Krawczyk	16511	PA		I may need it some day.	4/23/13 11:01
Tom	Burson	17055	PA		I support this program as long as it is not abused and the people receiving wireless service need it versus a land line.	4/23/13 11:01
Al	Krause	10025	NY			4/23/13 11:01
jim	gergat	19505	PA			4/23/13 11:02
Linda	Brackett	30572	GA		It is a great help to low incomebfamilies.	4/23/13 11:02
Michael	Norden	43512	OH			4/23/13 11:03
Michael	Subelka	89048	NV		No tax money is used, and helps poor people have a phone for calling fire, and police, as well other services.	4/23/13 11:03
Evelyn	FEGLER	69341	NE		The elderly and poor need this help. It is a low cost non -taxpayer way to help.	4/23/13 11:04
annastacia	belladonna	55117				4/23/13 11:04
Tanya	Ray	41011	KY		Because it can be a life and death issue if someone needs to call police or emergency response -for themselves or people near them. Also necessary for people looking for work who are working and need to call employer due to missing bus, or not able to come to work. Most employers require a working home for employment.	4/23/13 11:05

ANita	Katz	33434	FL		It is fair for those in need of the service and is a small charge on our phone bills, NOT a government expense or tax.	4/23/13 11:05
JamesM	Mangin	95129	CA		Especially needed for low income seniors and the homeless trying to find emplyment.	4/23/13 11:05
Roy	Major	30677	GA		Becauseit helps the poor without using tax fubds.	4/23/13 11:06
Lois	King	19977	DE		it helps seniors and low income families to stay connected with doctors and schools and for the job searches.	4/23/13 11:06
Barbara	Soule	96064			Phone communication is vital to all persons, and the elderly and low income especially need it to be cost-free.	4/23/13 11:07
FRANK	OROSZ	48146	MI		It is just the right thing to do. What has happened to the humanity of the people apposing this?	4/23/13 11:07
cesar	casillas	91744				4/23/13 11:07
Tina	Mikhael	01516	MA		When going outside my home, it helps to have a cell phone for safety and emergencies which I totally can not afford on limited income. Helps to keep a hard line in the home to, in case of emergencies, blizzards or power outages otherwise I would not have means of communication to others outside my home. BTW I live alone.	4/23/13 11:08
Adam	Solla	94518	CA		Low income is hard to live with, any help we can provide is something that we should give back.	4/23/13 11:09
Raymond	Kopaska	66061	KS		It was for a good purpose	4/23/13 11:09
Joseph	Olszewski	18447	PA			4/23/13 11:09
robert	chrysafis	80004	CO		I am low income and have made use of this program in the passed and could have a need again to do so in the future.	4/23/13 11:09
Ryland	Ross	19023	PA		I need it because I am retired and can not afford landline phone.	4/23/13 11:09
Todx	Bowerson	36322	AL		I used lifeline cell service now since unemploed	4/23/13 11:09
Phoenix	Vie	94706	CA			4/23/13 11:10
Deborah	Aylor-Polisoto	20855				4/23/13 11:10

Aracely	Solla	94518	CA		We should help everyone who needs help. We have been there and needed help and there was no one	4/23/13 11:10
John	Kufhta	13160	NY		It helps keep low income people connected to services that they cannot afford	4/23/13 11:10
Jessica	Reed	53704			I work with people with disabilities who are seeking paid employment. Many rely on these phones because they cannot afford a phone at all. For those who don't have any sort of phone, they miss calls for interviews and are virtually never hired because employers need to be able to contact employees.	4/23/13 11:10
ron	morrisette	34234				4/23/13 11:11
David	Nunley	72956	AR		I know several people that use it if they did not they would have a phone	4/23/13 11:11
george	johnson	20743			everyone can't afford wireless.	4/23/13 11:11
Albert	Dziennik	79543	TX		It helps people.	4/23/13 11:11
delores	healey	66603	KS			4/23/13 11:11
Douglas	Neumann	54488	Wi		it provides an essential service at a minimal cost.	4/23/13 11:12
Miriam	Vieni	11590	NY		It is important for all people, including poor people to be able to use our communications network.	4/23/13 11:12
Gennaro	Gargano	12118	NY		I know a few elderly women that depend on this program.	4/23/13 11:12
Donald	Braekevelt	48026	MI		This bill will protect low income families. Plus it is not taxpayer funded!	4/23/13 11:12
debra	swearingin	95207	CA		Too many of our seniors deserve and NEED this!!!	4/23/13 11:13
Mike	taylor	21703	MD		It is a way of helping people and besides at the rate our elected officials are going I just might need it myself.	4/23/13 11:13
Mary Ann	Brown	13039	NY		It has always benefitted so many people - it would be a shame to cut it now.	4/23/13 11:13
Robert	Gill	19522	PA		Everyone should have access to 911	4/23/13 11:13
Neil	Shaw	02703			it helps seniors and veterans stay connected.	4/23/13 11:13

Marcella	Jackson	60621	IL		I support the low-income Wireless Lifeline program allows people to stay connected. While looking for job it is imperative for a potential employer to be able to reach you to set up the interview and later offer a position. This position is important for parents and emergencies.	4/23/13 11:14
JIM	HENRY	16509	PA		TAX THE WEALTHY	4/23/13 11:14
Richard M	Vartanian	91116	CA			4/23/13 11:14
terry	cloyd	47331	IN		low income people need it	4/23/13 11:14
Yelena	Ryabenkiy	33351	FL		i am low income and disable	4/23/13 11:14
Paul	Haakonson	12303	NY		Great program for those who can't afford it...	4/23/13 11:14
janie	diaz	08260	TX		My elderly sister (79) disabled could not afford to have a cell phone making it impossible to communicate with anyone.	4/23/13 11:14
Karen	Levine	33158				4/23/13 11:14
Dena	Martinez	60060	IL		Im am a Low income Wireless recipient	4/23/13 11:15
Dan	Dugger	37219	TN		for folks who truly can't afford celluar service, this could be a life saver	4/23/13 11:15
Mark	Thompson	44052	OH		The Lifeline program is just that - a phone call to 911 can save a life.	4/23/13 11:16
Dennis	Cummins	72855	AR		I have friends who need the help and need a phone to be safe. They would not be able to have one if not for Lifeline	4/23/13 11:17
Gail	LaCroix-Strube	06498	CT		you never know when you may need help	4/23/13 11:17
geeta	chankasingh	10466	NY			4/23/13 11:17
Robert	Stehle	44820	OH		Because in 12 months I will be retiring and may need help. Keep up the good work.	4/23/13 11:17
Michael	Marino	03585	NH		Because the name Lifeline say's it all, It is a lifeline for those who can not afford this service on their own.	4/23/13 11:17
Jose	Montanez	12428	NY		Because my mother is senior, and my wife and I will soon be seniors too.	4/23/13 11:18
Richard	Rogers	96740	HI			4/23/13 11:18
Rebecca	Mills	77803	TX		This may be the only way for some people in need to start again and reenter the work force.	4/23/13 11:19

Barbara	Morin	04756	ME		Working in subsidized housing for the elderly/disabled, I have seen first hand how this program saves our residents money of telephone expenses. Residents use the extra money to pay other bills or to buy groceries. It is deinfintely a good program for the elderly and disabled population.	4/23/13 11:20
debbi	pratt	98199	WA			4/23/13 11:20
Brenda	Carter	28333	NC		There are those who really need this. If you want to do something do like Florida. Pass a law that will require Social Service recieptants to be drug free to receive benefits.	4/23/13 11:21
JOSEPH	WINCEK	18705	PA			4/23/13 11:21
Myrna	Sak	12866	NY			4/23/13 11:21
Adelina	Torres	79549	TX		Because sometimes I used...	4/23/13 11:21
Kevin	Crupi	49866	MI		Help these people to become productive citizens	4/23/13 11:21
Ione	Ishii	94102	CA		The reduced cost of communication services for the senior citizens I serve helps with their monthly expenses. The high cost of living in urban areas is a challenge for those limited income, having a reduced rate for phone services is very beneficial.	4/23/13 11:22
David	Shepherd	77084	TX		no tax dollars involved and it's the right thing to do.	4/23/13 11:22
Eunice	Payton	28405	NC			4/23/13 11:22
Dena	Martinez	60060	IL		I am a reciever	4/23/13 11:22
Marianna	Stewart	14870			In our technological society, telephone service is a right and a necessity, not a privilege reserved for those who can afford it. Basic voice-only cell service is both more useful and much more affordable than landline service, so Wireless Lifeline is even more worthy of support than conventional Lifeline.	4/23/13 11:22
Bernd	Deve	87110	NM		A worthwhile program that has minimal taxpayer impact. Yes my phone bill is probably a bit higher to support the USF, but worthwhile. It should be a basic needs cell phone - no text, no web.	4/23/13 11:22

Margaret L	Brode	18252	PA		Low income people need this extra help with phone bill.	4/23/13 11:22
Linda	Carlson	51535	IA			4/23/13 11:22
malisa	dantzler	30635	GA		just to be nice...I feel in away tho that it isn't to help people like me...the situation im stuck in I have tried hard to get a free fone and other help and all I got was food stamps!...but I sign this in hopes it will help other people	4/23/13 11:24
Noreen	Allen	06076	CT		Gives people access to 911	4/23/13 11:24
Scott	Andrews	46350	IN		It Helps those who Need it, and and helps those in need of services that are sometimes unavailable to low income families.	4/23/13 11:25
John	Darovec	34202	FL		I like to help people.	4/23/13 11:25
Vincent	Carney	21001	MD		Today, having access to a telephone is not a luxury, its a necessity.	4/23/13 11:25
John	Acker	71909	AR			4/23/13 11:25
ALFRED	FERNALD	06614	CT			4/23/13 11:26
Norma	Morrissey	04073	ME		safty first!	4/23/13 11:26
Ann	Whiting	89011	NV		I have a safelink phone, which keeps me in touch with my Dr, pharmacy and daughter.	4/23/13 11:26
Joseph	Troll	72205	AR		MAIN REASON: Shared responsibility for assisting those who are less fortunate. - Secondary Reason: Additionally if we terminate the program the carriers will most likely pocket the funds they are already collecting for this program. No cost savings to the rest of us. No benefit to participants.	4/23/13 11:26
Andrea	Mitchell	53534	WI		I work with women who are homeless and it is extremely difficult for them to look for employment or housing without a phone. It is also necessary for getting connected with other resources.	4/23/13 11:26
Larry	Heinlein	32162	FL			4/23/13 11:26
Richard	Hurst	95482	CA		I am a 100 percent disabled American. I have many friends like me who either rely or will need the savings and security the Lifeline program for years provided!	4/23/13 11:27

Serenity	Smile	24521				4/23/13 11:27
Mary	Vervan	17201	PA		it is essential to the safety of low-income individuals.	4/23/13 11:27
Mary	Eicher	44606	OH			4/23/13 11:28
charles	johnson	74565	OK		my mother is on it.	4/23/13 11:28
Kevin	Gorney	48708			To give low income, unemployed folks who want to work, an avenue for prospective employers to contact them.	4/23/13 11:28
Penelope	Garcia	66214	KS		It's cheap it helps people who can't afford to have a high price phone bill I think the life line service is wonderful	4/23/13 11:29
Rev. Max	Burg	60615	IL		Because I am a member.	4/23/13 11:29
Sherrykk	Sprunger	46711	IN		a phone call can save a life or lives	4/23/13 11:30
Antonio	Rofrano	06850	CT		Because it does provide a necessary need in our modern time, without which, people who can not afford phone service, would be alieneted from having contact with schools, job seeking, emergencies, family & friends connections and the like. Plus, it is very affordable to buy more minutes when they are needed. The service also gives the benefits of being, able to carry a cell phone anywhere and the basic use of calling and retrieving voice mails, just as a home phone. In addition the text messaging service is very convenient and saves voice minutes, whenever a short communication is needed. Thank You_	4/23/13 11:32
John	Kennedy	06405				4/23/13 11:33
Ramona	Carson	18980	PA		I think everyone should have access to wireless communication that they can use to stay connected & to seek help in emergencies.	4/23/13 11:33
James C	Langford	99354	WA		Because it allows low incomes to get good truthful unbiased news like other citizens	4/23/13 11:34
Jay	zarowitz	49441				4/23/13 11:35
James	Santini	29461	SC			4/23/13 11:36
Mary	Clements	04105	ME			4/23/13 11:36

Peter	Etu	14223			It makes good sense to provide low-income Americans with the ability, at the very least, to quickly summon 911 assistance in the event of an emergency. Since it is not funded from Federal taxes, Congress should leave it in place and not attempt to turn it into a partisan issue.	4/23/13 11:36
Greg	Schwalm	48506	MI		It gives people that dont have a mobile phone, to use in emergencies or just to place that quick call to let someone know they've let there desination or are on there way, that dont need to talk on it all day long, very handy to keep in your purse, pocket, or glove compartment. Thank you.	4/23/13 11:36
keith	merriman	43119	OH		how can you get job if you don't have a phone. you need a job to afford a phone.	4/23/13 11:36
Karen	Webb	34449	FL		You Need to keep this Going mostly for the People,Elderly,Families that Need it..	4/23/13 11:37
Pamela	Boston	08046	NJ		In our life time we all have storms or we haven't been afforded the opportunity that others might have therefore, lets help each other since we never know if one day we might need help from the ones that were at once less fortunate than we are.	4/23/13 11:38
Freeloading	Nigger	34902	LA		I needs my free services!	4/23/13 11:38
Mark	Rowntree	92707	CA		Help the underprivileged to gain employment.	4/23/13 11:39
Kristen	Schroeder	19103			People need access to phones, especially in emergencies. Pay phones are disappearing, so what will be left if this program is also cut?	4/23/13 11:39
Eric	Siler	45103	OH		The Wireless Lifeline Program helps low-income Americans to get a job and become a taxpayer.	4/23/13 11:39
Sandra	Cole	98685	WA		Many of these people are single mothers who have to live in bad neighborhoods.. When they take public transportation to their minimum wage job they are sitting ducks to, from and at the bus stop. A mobile phone is access to help.	4/23/13 11:39

gabriel	morrow	37323	TN		this program is essential to all who are disabled and low income who need to be able to call doctors etc	4/23/13 11:39
Kaysea	Johnson	65737				4/23/13 11:40
lisa	corbin	54494	WI		Everybody should have access to a phone in case of an emergency.	4/23/13 11:40
Jimmy	Cox	88030	NM		To assist the needy to have all the programs and access to help and rescue.	4/23/13 11:40
steve	coulson	92264	CO		Its a good thing for people, positive	4/23/13 11:41
Jennifer	Cunningham	60506				4/23/13 11:41
Linda	Mortensen	55403	MN		I have been homeless three times and know the importance of having a cellphone in crisis situations. It is so vital that we extend this service to all who need it. It can help a lot of people.	4/23/13 11:41
holly	walsh	13439	NY		I am fighting cancer and need the lifeline cell service	4/23/13 11:42
Tom	Nystel	79416	TX		I may need it soon. I am retired and dealing with a greatly reduced income.	4/23/13 11:42
Anthony	Lillich	34744	FL		The need is still apparent.	4/23/13 11:42
Robert	Woodruff	47201-	IN		It's a humanitarian endeavor.	4/23/13 11:44
Jeremiah	Cutajar	95350	CA			4/23/13 11:44
Richard	Han	48103	MI			4/23/13 11:45
Leo	Schott III	64506	MO		I feel it serves a specific useful service.	4/23/13 11:45
Stephen	Denson	24450	VA			4/23/13 11:46
Harry	Dossin	76116	TX		It's pratical	4/23/13 11:46
daphne	heath	20904	MD		because I'm on a monthly fixed income and without it I would have no telecomunication.	4/23/13 11:46
Peter M	Ferrulli	18853	PA		I support it for low income persons with necessity to have it only. Right now for what I hear and see this program is way over abused. There are way too many people getting these phones on my dime that absolutly do not deserve them. Straighten out this program then I will support it.	4/23/13 11:46
April	Bowers	79382	TX		Every single person in the nation should be able to call for help when needed!	4/23/13 11:47
Robert	Gartner	12419	NY			4/23/13 11:47

John	Eakins	52501	IA			4/23/13 11:47
John	Krizov	93550				4/23/13 11:47
Robin	Fulgham	14094	NY		Mostly for seniors who cannot afford service otherwise.	4/23/13 11:47
ed	flees	49345	MI		Because it a needed service	4/23/13 11:47
Joan	Quinn	13732	NY			4/23/13 11:48
Philip M.	Kober, JD, MD, PhD	53704	WI		This is another simple and cost-effective program to support vulnerable people in society. As I am disabled and retired and on a fixed income, I personally know what it means to be one of those vulnerable people. We have no right to ignore such people!	4/23/13 11:48
Patty	Harter	37217	TN		Hlep them get a job!!!!!!!!!!!	4/23/13 11:48
Larry	Sterner	80204			I'm the one paying for it on my monthly Bill	4/23/13 11:48
Rox	Petoskey	48858	MI			4/23/13 11:49
Tim	Willardson	84115	UT		Telephone is an important tool for economic viability. Removing that service from people at the low end of the income scale will hurt those who need help the most.	4/23/13 11:49
Tammy	Dunn	34655				4/23/13 11:49
Jose	Santos	06001	CT		Low income people need all the help they can get and this is an important benefit.	4/23/13 11:50
MALLORY	KAELIN	32304	FL		BECAUSE EVERY ONE NEEDS TO BE ABLE TO CONTACT SOMEONE IN A TIME OF NEED. WOMEN IN ABUSIVE SITUATIONS, ELDERLY PEOPLE,PEOPLE WITH CHRONIC HEALTH PROBLEMS. OFTEN THESE ARE THE VERY FOLKS WHO CAN'T AFFORD CELL PHONES, OR ANY PHONE FOR THAT MATTER.	4/23/13 11:50
Roger	Hosfeld	61114			This is an effective way to keep low income families from slipping further from their ties to the community.	4/23/13 11:50
deborah	taylor	30753	GA		My grandmother has it and desperately needs it.	4/23/13 11:50
Marie	White	98625	WA		It has been my lifeline when I was seriously ill and needed immediate help. Do not cut this program as it does more GOOD than HARM!!!!	4/23/13 11:51
roland	veilleux	04901	ME		for us poor people thank you	4/23/13 11:51

EDWARD	HUTTO	33771			yes,i we,@you paid maw@pop bell paid for years.	4/23/13 11:51
Jere	Mcfadden	44310				4/23/13 11:52
CAROLYN	MILLICAN	38117	TN		I believe it has helped a number of low income people to connect with emergency services. I believe it should continue.	4/23/13 11:52
Amber	Thompson	03582				4/23/13 11:52
Edna	McIntyre	48601	MI		To help low income people have a telephone to communicate with.	4/23/13 11:52
Karen	Stone	14225	NY		I believe a cell phone might well save a life. It is a hardship to maintain one for seniors and people on a budget offered by social services, especially in a job hunt. Particularly in NYS, where the taxes and fees are at least 10 times the Federal taxes.	4/23/13 11:53
John	Bohn	92008	CA		the needs of the extremly poor can be met, and all can uitilize modern communications. Me inclided	4/23/13 11:54
Kurt	Marden	01720	MA			4/23/13 11:55
Ronald	Bogin	94530	CA			4/23/13 11:55
Ralph	Phelps	50058	IA			4/23/13 11:56
Melissa	Barnard	13144	NY		I am a Lifeline subscriber and rely on this service rely on this service to make all my doctors appts. as well as receive information from my doctors and hospital. I have worked my whole life and at 49 became declared disabled by SSA. Without this reduction in my phone bill I would be forced to reduce things like medicine, doctor appts., etc. Melissa	4/23/13 11:57
ALICE M	CLAY	23188	VA		USEFUL FOR LOW INCOME PEOPLE TO CALL FOR HELP IN AN EMERGENCY	4/23/13 11:57
Sharon	Alexander	76444				4/23/13 11:57
Roksana	Akter	91352	CA		Because I am using this wireless connection.	4/23/13 11:57
Gary	Rash	28147	NC		Is not taxpayer funded	4/23/13 11:57
Andrea	Williams	33064	FL		Its my only means of communication, as I am a low income earner and cannot afford a regular cell phone.	4/23/13 11:58
Joel	Vignere	59922	MT			4/23/13 11:59

William I.	Purdy	79930	TX		I am a member of the low income group and the Lifeline program has, financially, saved my money and kept in touch with emergency agencies and my family It's a good endeavor.	4/23/13 11:59
rita	meuer	53704	WI		I have family members who are in need of these phones. Do you?	4/23/13 12:01
Ernest	Watson	95006				4/23/13 12:01
Carl	Rosencrown	08527	NJ		Lifeline is a Necessity, not a luxury.	4/23/13 12:01
Laverne	Price	43215			There are many seniors and handicap people who can not afford a traditional phone line and this allows then to have access to their doctors, family and emergency services they may need.	4/23/13 12:01
Mark	Cappetta	92270	CA			4/23/13 12:02
priscilla	hatcher	35204	AL			4/23/13 12:02
Steven	Sotsky	11361	NY		It works for me	4/23/13 12:02
Adam	Stein	14622	NY			4/23/13 12:02
rex	hobbs	42303	KY		because as a below poverty person this is something i may need before long	4/23/13 12:03
Lorie	Tame	81083	CO		For low income recipients , in America . And there is a growing number of us who Need this,service.	4/23/13 12:03
Louis	Jones	40068	KY		These people need it for emergencies	4/23/13 12:03
Adam	Stein	14622	NY			4/23/13 12:04
Cindy	Ankney	45432	OH		I support this because all households in the United States need some form of telephone services to reach police and fire/rescue services. I do not care who provides these services (wireless vs land line), but they are needed as our population expands and ages. Thank You :)!	4/23/13 12:04
Marcy	Shapiro	55422	MN			4/23/13 12:04
lynn	duncan	75067	TX		It keeps a lot of low income people connected to various helpfull things and is not funded by taxpayer dollars..	4/23/13 12:04
John	Kavinsky	89012				4/23/13 12:05

Linda	Abla	68005	NE		I AM ONE OF MANY PEOPLE ON LOW INCOME AND SUCH PROGRAMS ALLOW PEOPLE TO RECIEVE THE HELP THEY NEED DUE TO LACK OF FUNDS THAT WE RECIEVE EVERY MONTH. WE FOR MOST PART DON'T HAVE FUNDS TO SURVIVE FROM MONTH TO MONTH TO BUY FOOD AFTER PAYING UTILITY BILLS AND MEDICAL BILLS, PLEASE DON'T TAKE THIS AWAY FROM THE AMERICAN PEOPLE AS WELL. YOU AT SOME POINT MAY BE IN THE SAME SITUATION LIKE MANY AMERICANS, SO PLEASE THINK LONG AND HARD WHAT YOU ARE SIGNING. GO BACK AND READ WHAT THIS ACTUALLY DOES BEFORE YOU JUST SIGNING SOMETHING JUST TO GET IT OUT OF THE WAY. THINK LONG AND HARD , BECAUSE IT COULD SOMEDAY EFFECT YOU, AND IF NOT YOU SOMEONE YOU CARE FOR.	4/23/13 12:05
Verda	Grabinski	54601	WI			4/23/13 12:05
Jill	Renner	83544	ID		I think this is important for senior safety	4/23/13 12:06
Stuart	Krivis	44141				4/23/13 12:07
Jessi	Grant	57747	SD		I am a senior citizen on a fixed income. I was a stay at home mom with little income. So I have little social security. I would be without phone services if I had to pay full price for my phone. Please leave this in place. I know I'm not the only person in this position.	4/23/13 12:07
Matthew	Hull	39503	MS		The program provides a way of communication to those who need it and are unable to afford the cost of the communication	4/23/13 12:08
Lorette	Theberge	32168	FL		Great program for seniors and other low-income people who can't afford other communication methods to reach emergency personnel	4/23/13 12:08
Albert	Miranda	77071	TX		I see this program as a link to employment for the unemployed and seniors citizens to stay in touch with their loved ones.	4/23/13 12:08

Jessica	Stone	07030	NJ		I believe that parents who can't afford cell phone contrats or house phones should be able to contact their childs school or doctors, same goes for seniors. This is a great service to the low income community, I really hope it can continue.	4/23/13 12:09
Ed	Simmons	33063	FL		So those who have lost a job may have the ability to communicate to get other employment. Also so seniors on limited income can afford to be able to communicate with health workers and family.	4/23/13 12:09
Robert	Ennis	24538	VA		You never know...I might need it my-self one day.	4/23/13 12:09
Michael	Rose	48113	MI		To provide necessary access to Seniors with health issues. Gives so peace of mind to Seniors and their families	4/23/13 12:09
carolyn	wheeler	98012			We need everyone in the US able to participate in the process of being citizens - not just those financially capable.	4/23/13 12:10
Carl	Moss	76311	TX		I'm A retired senior citizen	4/23/13 12:10
Dale	Homme	01376	MA		Lifeline helps me pay my phone bill every month. It makes a world of difference.	4/23/13 12:11
michael	sweeney	72764	AR		I am one that bebefits from the lifeine program. This allows me to stay in touch without paying high phone bills!	4/23/13 12:12
Leon	Easter	98101	WA		It works	4/23/13 12:12
michael	hinish	18974	PA		Its the right thing to do. To help the people in our country.	4/23/13 12:12
Dennis	Olson	57401	SD		This service is exactly what the name implies, "Lifeline'. For some this service is the difference between life and death!	4/23/13 12:12
Alfonso	Rosario	00754	PR			4/23/13 12:12
Charles	Baker	40741	KY		This is a life-saving program especially for senior citizens who otherwise could not afford phone service.	4/23/13 12:13
Holly	Slayback	11769	NY		To allow residents excess to phone calls and for saftey issues.	4/23/13 12:13

greg and leshia	rivers	44833	OH		seniors and those that are disabled need these phones, without them they may not be able to get help when needed.	4/23/13 12:14
Kurt	Leith	06066	CT		I am disabled & depend on this service.	4/23/13 12:14
Anita	Fox	53705	WI		The very poor need a way to keep in touch with doctors, employers, family and friends. Many cannot afford even the least expensive cell phones.	4/23/13 12:14
Thyra	Currie	28340			This is an important asset for those that might not other wise be able to afford a phone such as the elderly, the disabled, families with children and those that live in rural areas.	4/23/13 12:15
Sheila	Thompson	35645	AL		It helps alot of people that cannot afford a phone especially the disabled and elderly	4/23/13 12:15
marie	Johns	06066	CT		If not for this service I'd have no cell phone in an emergency.	4/23/13 12:16
Anastacia	Russell	46241	IN		Americans need cell phone service for emergencies, no matter their income.	4/23/13 12:16
James	Carpenter	02762				4/23/13 12:17
Doralee	Sandoe	44460	OH		Some people can not afford the high cost of cell phones. We lifeline cells we can have a phone if our car breaks down to we need to call some one for something important	4/23/13 12:17
Dennis	Basnett	26554	WV		Too often, the name says it all; 'Life' - line.	4/23/13 12:17
Louis	Willis	30032	GA			4/23/13 12:18
Phyllis	Main	13021	NY		I know many families that use and need this service. One single mother was thankful when she had to call 911	4/23/13 12:18

Aaron	Bird	01220	MA		I support this bills because it helps me to stay in touch with my loved one's. I have had major back surgery an have to work because I was told I was young enjoy to keep going. Even though my doctors said no. I need a phone in case something happens to me an I need to call my mom or sister or 911. An with the hard times now it makes it even harder. Please keep this going so people like me have peace of mind knowing that my government is there for me even if they say I will hurt my self more working an one day will not able to walk, or something worse. Thank you	4/23/13 12:19
Tom	Burns	93436	CA		it is democratic and needed.	4/23/13 12:19
MrMrs Charles Nithisa	Pantino	32034			it makes sense.	4/23/13 12:19
Jeffrey	Simon	54501	WI		I have no job and it's been almost 4 years . I need this phone as much as you need assault weapons . I've paid taxes for your other "programs" with you now refer to a "entitlements" for 40 years and I "entitled" to have this phone for emergency's and to look for that "job" I might "never" find due to your lack of support of the current administration . Take my phone away and ANY of our ENTITLEMENTS and I and others like me will "TAKE YOUR JOBS AWAY" by not voting for the "nays" on this and other entitlements next election . Mr. Simon	4/23/13 12:20
Freda	Burroughs	48504	MI		I am on the lifeline program and it has allowed me the ability to be ability to be contacted at work right away when my children are I'll. It also has allowed me to be able to get assistance	4/23/13 12:21
Freda	Burroughs	48504	MI		I am on the lifeline program and it has allowed me the ability to be ability to be contacted at work right away when my children are I'll. It also has allowed me to be able to get assistance	4/23/13 12:21

Doris	Karnila	01605	MA		My mother-in-law benefited from it for several years and now that I am a senior citizen I'm aware that I might soon need this vital service. I have also seen many other people in my social circle over the years who's lives have been saved by the ability to call 911 in an emergency.	4/23/13 12:21
John	Szalkowski	07032	NJ		Telecommunications is the lifeline for this country - no one should be denied this service.	4/23/13 12:22
Nancy	Strong	32708	FL			4/23/13 12:22
Barbara	Johnson	56714	MN			4/23/13 12:22
Anna	Martin	32137	FL		I am a senior on a fixed income and know of others that this is REALLY a Lifeline.	4/23/13 12:22
Thomas	Rutherford	48519	MI		My SafeLink cell phone is the only phone I have, and if I didn't have it, I'd have a tough time having to go back to a landline. Many people in the building where I live depend on it as well. If the FCC is already working on ways of cutting Lifeline fraud, let them do it. It's their job to take care of telecommunications!	4/23/13 12:22
Marsha	Cowen Hosfeld	61114	IL		We cannot be our best when the struggling in our society are left behind. We are all in this together.	4/23/13 12:24
Deborah	Donnison	32931			Thai was started by Republicans and George Bush, so the Repubs should be Enfavor of this great idea. KEEP LIFELINE and stop taking from to poor to give to the rich!	4/23/13 12:24
Howard	Luebke	43612	OH		Because low income people are NOT ALWAYS completely responsible for their income level OFTEN big bankers and big business just want to cut their jobs to fill their own greedy pockets. The lower income folks need our help.	4/23/13 12:25
Sebastian	Morell	10027			I support the lifeline program because Verizon has refused to provide this service to many eligible disabled, low-income and senior citizens.	4/23/13 12:25
Bonnie	Rabine	58436	ND		I have a mother that is 84 yrs. old & it helps her to live by herself as long as possible which in the long run helps us all is cheaper for the state also.	4/23/13 12:25

Herbert C.	Ziegler	92399	CA			4/23/13 12:26
Claudia	DeMello	47802	IN		I have friends and family who would be unable to call for assistance without this service. Please do not take this service away.	4/23/13 12:27
Bobby	FRENCH	76801	TX		Because it helps save so many lives and does not cost any money to the Because it saves so many lives and does not cost anything to our annual budget. Lot's of people can't afford this service so it is a great service. Please do not end this program.	4/23/13 12:28
Dan	Dampier	32725	FL		If someone is basically broke it helps them to possibly find work and talk to their relatives. And the best reason I can think of to have a land line,is in case the power goes out a land line is more dependable than cell phones. Cell phones are also not usually as clear so it is harder to understand people.	4/23/13 12:29
Ann	Hunt	98275	WA			4/23/13 12:29
Judy	Lowry	08550	NJ		because it's fair	4/23/13 12:30
Kenneth	Vasko	49920	MI			4/23/13 12:34
Timothy	Patnode	12180	NY		I support for the disabled community which my wife and I are part of. Thank you.	4/23/13 12:34
Tamara	Hedlund	54241	WI		I am a low income person, I have a family of 3 and I am trying to survive on the $720 I get each month from disability. I have a lifeline phone and I don't know what I would do without it. This phone helps me get in contact with different programs that are useful to me, it allows me to set up doctors appointments for my family and I, and it allows me to call 911 in case of an emergency. I have a 16 month old daughter and being without a phone is not an option, however I cannot afford an actual phone plan. Please do not get rid of the lifeline plan, my family depends on it.	4/23/13 12:34
J.	Reyes	78645	TX		It helps low income veterans (& others)!	4/23/13 12:36
Dave	Durham	45314				4/23/13 12:36

Darlene	Thomas	38654	MS		I think it's a wonderful idea to help low income and seniors. Helps for finding work, doctor appointments, emergency calls, and let's seniors keep in touch with family. They should up the free minutes too..Gave back government, since the government is suppose to be for the people by the people, but some how the 1% and Washington has forgotten that fact..	4/23/13 12:36
Dorothy	Thornton	39066				4/23/13 12:36
Bonnie	Rabine	58436	ND		My mother inlaw has one now & it takes a load off of our minds to know all she has to do is hit the button & she can be helped.Keep this good program for our seniors. Thank you	4/23/13 12:36
Lori	Riggs	43015	OH	Community Action of Organization Delaware	Many of our clients are low income and have no resources to afford a regular phone. With the lifeline phone, program, they are better able to connect with agencies, schedule Dr. Appointments, stay in contact with utilities, and follow up on referrals.	4/23/13 12:37
Dorothy	Thornton	39066				4/23/13 12:37
Trudy	Brooks	46208	IN		Because many people cannot afford a phone and need to access to a phone and it is wel needed program.	4/23/13 12:37
Karen	Leonardi	08807	NJ		Although I don't use it at this time, I may have to in the future, since I have a limited source of income. Not everyone is fortunate in this world to have a high salary at the expense of others. I feel it is necessary to help people in need.	4/23/13 12:38
Andrew	Cameron	32501	FL		Need to make doctor app and keep in touch with family	4/23/13 12:38
Carol	Hatfield	46227				4/23/13 12:38
William	Alemán	00926	PR		It supports low income families, they can focus more on getting jobs and money than telecommunications.	4/23/13 12:39

gloria	benak	91709	CA		Everyone should have contact with their family. This economy has taken its toll. No one should be alone	4/23/13 12:39
Jeff	Lowry	15905	PA			4/23/13 12:40
Bill	Britt	12282	NY		Have elder relitves this is there only phone they are able to afford!	4/23/13 12:40
Florence	Holmes	79930	TX			4/23/13 12:40
Linda	Fountaine	33903	FL		Lifeline is a very important and sometimes life saving tool for Seniors and disabled on a small fixed income.	4/23/13 12:41
Patty	Grogan	93901	CA			4/23/13 12:41
Larissa	Alioth	97383	OR			4/23/13 12:41
Shirley	Patterson	75103	TX			4/23/13 12:41
Lekeisha	Veasley	50701	IA		Because I believe that everyone should have access to emergency services. The lifeline program is a critical service to low-mod income families who can't afford to pay for phone service.	4/23/13 12:42
Harriet	Mathis	33308	FL		My son, diagnosed manic depressive, has benefited from this service when he could not manage owning a cell phone. I am grateful.	4/23/13 12:42
RODGER	PETERSON	34607	FL			4/23/13 12:42
Anna	Taaffe	77301	TX		It is exactly what it is called - a lifeline!	4/23/13 12:43
Beth	Hoff	53562	WI		First off because I am a participant in this program and I use it to call long distance to family and use it for emergencies while I am driving.	4/23/13 12:43
Kevin	Joyce	20832	MD			4/23/13 12:44
caressa	howard	98541	WA		i have a low income family and the lifeline service helps my family keep in contact through health issues and without it my family wont have a phone to contact anyone for a while if it gets cut from us.	4/23/13 12:44
Diane	Straka	53543	WI		Yes, please keep it.	4/23/13 12:45
Mimi	Winter	86326	AZ		I have a wireless lifeline and it is very important to me. I would not have communications with lifeline services when i am away from home without it. I cannot afford a cell phone.	4/23/13 12:45

hether	bailey	12182	NY		There is a definate neef for this service if taken away remember I VOTE.	4/23/13 12:46
NADINE	DAY	20019	DC		IMPORTANT THAT ALL PEOPLE HAVE THE ABILITY TO FAMILY AND EMERGENCY SERVICES VIA LIFELINE CELLPHONES.	4/23/13 12:46
Freda	Burroughs	48504	MI		It has afford me the ability to get help when my car broke down, and receive help quickly, as a woman that is very important to me.	4/23/13 12:46
Sharon	Norman	49837	MI		This is a good program for older adults and for disabled persons of lower income that would not have a phone	4/23/13 12:47
NADINE	DAY	20019	DC		IMPORTANT THAT ALL PEOPLE HAVE ACCESS TO FAMILY AND EMERGENCY SERVICES VIA THE LIFELINE CELLPHONE NETWORK.	4/23/13 12:48
James	Pilewski	44095	OH		Are we a caring republic or are we just a capitalist ultimate fighting competition?	4/23/13 12:48
George	Henretty	16335	PA		This is a great tool I myself am disabled and we disabled and elderly need everything we can get.	4/23/13 12:48
Vicki	Hawkins	65773	MO			4/23/13 12:49
Brennan	Pope	73162	OK		I believe every American should have access to phone service for emergency purposes, for participation in the labor market and really any other use. I believe this program should be expanded to basic internet service as well.	4/23/13 12:49
Andrea	Mullet	43040	OH		I am a Family Development Specialist for Community Action in Marysville, OH. This program allows phone access to clients, who would otherwise be unable to afford landlines or conventional cell phone service. This includes the elderly, single mothers and veterans. Cutting this program would drastically effect the quality of their lives. It would put them at risk of not having access to emergeny services and not having access to employment. Thank you for your consideration.	4/23/13 12:50

Elizabeth	Tucci	53716	WI		I have been an advocate for survivors of domestic abuse for over 6 years, and I have seen the Wireless Lifeline program serve an incredibly important purpose in helping keep survivors safe once they've left their abusive relationships.	4/23/13 12:50
Ruben	Sanchez	60641			Lifeline is such a simple idea and yet such a cost-effective way to keep low-income people - including seniors and veterans - connected to job opportunities, 911, and other services!	4/23/13 12:50
M	Leszczynski	48446	MI			4/23/13 12:51
jeff	Deaton	47353	IN			4/23/13 12:51
bob	Barker	94561	CA		Lifeline is a great tool to provide emergency services and basic phone service to help keep people connected and get a job.	4/23/13 12:52
Max	Haiflich	33823	FL		The Lifeline wireless Lifeline program helps millions of people stay connected to Family, Doctors, Medical and Emergency help.	4/23/13 12:53
joseph	wilkins	16143	PA		i do not support free phones.it is bull shit.	4/23/13 12:53
Susan	Preston	32658	FL			4/23/13 12:53
Raymond	Brown	76542	TX			4/23/13 12:53
Jeanette	Adams	88352	NM		If we truly care about supporting low-income people, then we should not be wiping out yet another resource previously available to them.	4/23/13 12:54
Susannah	Tahk	53715	WI			4/23/13 12:56
John	Singer	21230			because seniors and Vets take enough beating from our gov as it is, the poor people need all the help we can give!!!!!!!!!!!!!!!!!!!!!!!!	4/23/13 12:56
John	Carenco	95540	CA		Because you've hurt veterans enough already.	4/23/13 12:56
Jeanette	Gregory	71457	LA		It is designed to help less fortunate people.	4/23/13 12:58
Russell	Baer	02740	MA		Some people need this important source of communications	4/23/13 12:58
James	Smith	75839	TX		I think it is very vital and an excellent program.	4/23/13 12:58
Carolyn	McCarthy	13041	NY		This is a needed service for seniors and others for emergencies and other vital reasons. Thank you.	4/23/13 12:59
Kevin	Cohan	54839	WI		A Very Important Program for Low Income individuals...	4/23/13 12:59

Gary	Bodine	39402	MS		For family safety! ie-911	4/23/13 13:04
Roger	Carr	75801	TX			4/23/13 13:04
Tom	Williams	65251			This service is vital to low-income people.	4/23/13 13:04
Roberto J	Martinez Jr	78043	TX		For people with low income that can't afford telephone service. Also can save a life in case of an emergency.	4/23/13 13:05
DEborah	Charlow	34601	FL		WE are a compassionate and caring people. We all are our brother's keeper and we look out for one another. There is no room to look down on others in the name of efficiency or less government and those who do are hypocrites of which we seem to have a super abundance.	4/23/13 13:06
David	Coonan	12979	NY		This type of program saves lives because of the access to E 911	4/23/13 13:06
Sali	Vaughn	10990	NY		Because I have it !	4/23/13 13:06
Rick	Bolotin	22206	VA		Not everyone can afford Cell phones, Smart phones or other new technology! Especially those of us on Disability.	4/23/13 13:06
Shirley	Meier	63031	MO			4/23/13 13:07
Rosie	Johnson	39212	MS		I believe it's a great way for the less fortunate to means means of communication.	4/23/13 13:07
Richard	Hoffman	12057	NY		I think that it is important for all our citizens to be able to contact family members in any emergency	4/23/13 13:09
Eugene	Dinse	48734				4/23/13 13:10
kenneth	waldvogel	54761	WI		My income is very low and I can't afford to the high prices for wireless services from att and Verizon. I use this program to have service away from home.	4/23/13 13:10
barbara	hauver	28468	NC			4/23/13 13:10
Ruth	Warburton	18411 1861	PA			4/23/13 13:10
David	Kuehn	55033	MN			4/23/13 13:11

Sara	Spurgeon	85015	AZ		I was a homemaker for 20 years and then I worked outside my home for 23 years. I get $766. dollars from Social Security and that is all I have. I live in an apartment. My rent is more than half my income and that doesn't include utilities. Lifeline is my only phone. I depend on it to call for help, to call my doctor, etc. I can barely afford to live and there is no room in my budget for a phone bill.	4/23/13 13:11
Wanda	Moore	35208	AL		I might need it one day	4/23/13 13:11
Ralph	Drake	98277	WA		It allows families to stay in touch	4/23/13 13:14
Anne	Strader	75068			Begun under a Republican president and expanded under another Republican president, Lifeline is a crucial program for low income citizens, especially seniors and the disabled, for whom it can be a literal lifeline when emergency services are needed. Those now attacking the Lifeline program and calling it "Obama phones" are lying and they know it. This is just one more way Conservatives in Congress are attempting to require lower and middle-class to support the country disproportionately, while their wealthy contributors grow ever fatter at the expense of the rest of us. Do NOT let this happen!	4/23/13 13:16
Leo	Kuczynski	06410	CT		To help low-income Americans stay in touch with essential services.	4/23/13 13:17
Richaed	Porter	29130	SC			4/23/13 13:17
Mrs. Edwin	McVay	52213	IA		We have to stand together as seniors. Seems that they always look at senior things to cut first. How about their wages??? this is a necessery program.	4/23/13 13:17
GWENDOLYN	VENAY	15206	PA		I FEEL THAT IT IS TRULY NEEDED TO HELP LOW~INCOME FAMILIES...LOOKING TO FIND WORK OR BEING ABLE TO STAY CONNECTED WITH THEIR CHILDREN' SCHOOL...	4/23/13 13:17
Brian Todd	Mizuki	91001	CA		To support low income individual needs in cases of life emergencies.	4/23/13 13:17
Judith	McNea	48911	MI			4/23/13 13:18

Barron	Littlefield	37870			I have know several persons who could not have had a phone otherwise.	4/23/13 13:18
Samella	Olusoga	74128	OK		I am on Social Security as a lot of other senior citizens are and Lifeline is for most of us are the only way we have to communicate. You are trying to take Social Security away from us and now you want to take Lifeline; what is next putting all of us in concentration camps? We have worked many years and would like some peace in our senior years why don't you stop trying to kill us off with stress	4/23/13 13:19
Julia	Foster	93901	CA	YWCA	The Wireless Lifeline program gives low-income individuals the opportunity to connect to vital services that they would not have access to otherwise.	4/23/13 13:19
John H	Rudolph	48213	MI		IT'S VERY IMPORTANT TO LOW-INCOME PERSON'S!!	4/23/13 13:20
Amanda	Whaley	32210				4/23/13 13:20
sandy	mullins	43130	OH		I know many who use the service including my elderly disabled mother in law.That could not afford a wireless with out the program.	4/23/13 13:21
Melvin	Cottrell	20019	DC		It a needed program for those who need to stay in touch with other on the go,or in case of an emergency.	4/23/13 13:21
Kevin	Berry	27603	NC		I support the proposal to CUT this program and to also reduce the fees I pay to TELCO's for Universal Service Fund (USF). Since when did a cellphone become a necessity of life. Last time I check those items were food, shelter , heat and basic medical care.	4/23/13 13:22
Catherine	Ross	01236	MA			4/23/13 13:22
Deborah	Jacobson	58801			It is called Lifeline for a purpose so let us continue to make it a lifeline.	4/23/13 13:23
Elizabeth	Gokey	53704	WI		I work with veterans who rely on these phones.	4/23/13 13:23
Michael	Brogan	32696	FL		My wife is disabled, we live on fixed incomes, and depend on lifeline for communications.	4/23/13 13:24

Robert	Vroegh	52732	IA		Many seniors are dependent on this program.	4/23/13 13:24
Marianne	Brody	19090	PA			4/23/13 13:25
Diane	Kay	97015			I support because seniors and veterans deserve our support. Communication with cell phones should eventually become free to all in the future.	4/23/13 13:25
Evelyn	Kelly	90807	CA		I know people that having Lifeline means the difference between having or not having necessary home telephone service.	4/23/13 13:26
Florentino	Ruiz	78526	TX		It helps low income people stay in touch with what they need to get ahead in life; work, school, emergencies, etc...	4/23/13 13:26
Paul	Smith	12090	NY		Because it is a vital service that be available to those who would not otherwise be able to afford it. Lives and jobs depend on it.	4/23/13 13:26
Joann	Gallentine	47579			For parents of small children who may not afford cell service	4/23/13 13:26
Joann	Gallentine	47579			For parents of small children who may not afford cell service	4/23/13 13:26
Marian	Kozlowski	93436	CA		it helps those who can't afford it and really need it.	4/23/13 13:26
Iatonya	mckellar	75702			I receive a home phone through the wireless lifeline program and I appreciate the help with paying my phone bill.	4/23/13 13:27
Sharon	Riley	98801	WA			4/23/13 13:28
Emma	Young	47579			It helps	4/23/13 13:29
deb	kearns	86322			It's the least we can do to help our vulnerable low-income citiizens!	4/23/13 13:29
Paul	Dinu	97056	OR		A successful program - begun under the Reagan administration, facilitates minimal telephone access for low income consumers, no tax burden involved - a net benefit to the economy - unjustly, and inaccurately attacked by the likes of Rush Limbaugh	4/23/13 13:30
Jim	Miller	95633			no cost to consumers	4/23/13 13:31

Samuel	Jeffries	40152	KY		There are several reasons. One, what if a man or woman were in a halfway house. It would be easier to give a cell phone number to a perspective employer. Another is what if you didn't have a home. Some homeless do look for work. What phone number would they give? Also, what about safety. Low income people do drive. What if they have a second or third shift job. In an accident, they could call for help, given they were conscious.	4/23/13 13:31
June	Arnett	75211	TX		I am on lifeline for my home phone my average phone bill is $33.00 a month W/O any long distance I can't afford it..Lifeline pays about half of it, I have copd, Asthma, HBP, I am on Oxygen and breathing treatments from working with chemicals a lot of illnesses. Without help with my phone I could not survive I need this service to meet my bills. And to help me be able to buy groceries.	4/23/13 13:31

Linda	Light	85022	AZ		Because it helps low-income people to have a phone who could not normally afford a phone. Unemployed people cannot get jobs without a phone for the prospective employer to contact them at. Helping especially the unemployed or underemployed to get a job will help them to become more independent of government assistance. Taking away the this program would mean a lot of people will be without phones because they cannot afford them. A phone, whether landline or cell phone, is necessary, not a luxury to get a job, or for safety reasons. People who end up homeless on the streets because of financial issues would be better able to communicate with friends and family or find shelter if they have a cell phone. Having this cell phone from this program allowed my son to get a job by having a means for his prospective employer to contact him when he became unemployed and I did not have money from my school financial aid money to pay for a phone. I'm going to school because I lost my job and have been unable to get another job in my field. So I am getting education in another career field. But I did not have any savings to help us out, neither did my son when he lost his previous job. So having the free cell phone really helped us to improve our financial situation.	4/23/13 13:31
Sandra	Allen	97457	OR		So many people need this vital program	4/23/13 13:32
Ronald E	Dean	40475	KY			4/23/13 13:33
Jay	Miltner	70605			Being able to call for help is a life or death ability. It is the most important benefit anyone can offer their fellow human. More important than any other benefit. Change how it can be used but never drop it completely.	4/23/13 13:33
Sandra	Allen	97457	OR			4/23/13 13:34

John	Lininger	76082	TX		Because it is beneficial to the low income,elderly,handicapped,& disabled	4/23/13 13:35
Rick	Rodela	92551	CA		Because I no how important it is for the under privileged to have phones.	4/23/13 13:35
Nancy	Allen	53575	WI		so low income people can keep on using it.	4/23/13 13:35
Pamela	Kells	01364	MA		My mother had this service when my father died and it was comforting for me to know someone was checking in on my mother when I was unable being 300 miles away. This is a very important service for the elderly and folks in need. I would hate to see it go away. Please make a cut where it is not effecting the ones with the lowest income.	4/23/13 13:35
Jean	Barber	65536	MO		People Do Need This Service.	4/23/13 13:36
HAROLD	FRANCIS	32127			This program seems to be a simple and worthwhile effort to keep people safe and connected.	4/23/13 13:36
Nelson	Alvarez	90041	CA		people need it on special seniors,and dissably people. Don't cut it.	4/23/13 13:36
Colleen	Glaser	38460	TN		I use it myself, and don't know what I would do without it.	4/23/13 13:37
Jeff	Charpentier	54703	WI		Cellphones are one of the most important safety tools we have today. People now need them, more than ever. How long would the Boston Marathon Bombing investigation had taken without Vigilant Citizens and Smartphones? Don't screw this up.	4/23/13 13:37
Colleen	Glaser	38460	TN		I use it myself and don't know what I would do without it	4/23/13 13:38
Nancy	Woodwell-Freedman	06482	CT			4/23/13 13:38
Ronald	Hollis	95608	CA			4/23/13 13:38
Maria	Yxta	92324	CA		I am a retired person with a fixed income please do not stop this program	4/23/13 13:38
Maria	Yxta	92324	CA		I am a retired person with a fixed income please do not stop this program	4/23/13 13:39
Socorro	Bernal	93901	CA	Housing Resource Center	Its beneficial for those who have no other means of communication.	4/23/13 13:40

William	Nusbaum	55426	MN		I am one of the poor people who benefit from this program. We are barely making it as it is and this program is quite helpful to me and my family!	4/23/13 13:40
Cheryl	Heppner	22032	VA		I support this program because it is the right thing to do and because it is so very important for health, safety, and security.	4/23/13 13:40
MARTA	LIBONATI	92882	CA		IM LOW INCOME SENIOR AND THIS IS A REAL NEED.	4/23/13 13:40
Robert	Faden	74948	OK			4/23/13 13:40
Melissa	States	17372	PA		I feel it is important to help people that are unable to afford to do so theirselves. Especially considering the amount of money wasted overpaying government officials. Nothing against anyone, i just feel it is much needed. Melissa J States	4/23/13 13:41
Marc	Patterson	37804	TN			4/23/13 13:42
Steve	Menage	56187	MN			4/23/13 13:42
Maria	Buell	93940	CA		Provides access to basic services for people who can't afford ridiculous bills from telephone companies. It's a life-saving device that cannot be taken away.	4/23/13 13:42
Michael	Harcar	19533	PA			4/23/13 13:43
Francis	Lattanzi	20715	MD		It is good idea to help a lot of people remain connected.	4/23/13 13:43
Christopher	Bankston	94087	TN			4/23/13 13:43
Michelle	Yeung	94555	CA			4/23/13 13:43
Enoch	Fung	94111	CA		The low income people/senior/handicapped need this phone to keep in contact with their relatives and friends. They also need the phone to call 911	4/23/13 13:44
Lee	Rogers	03257	NH			4/23/13 13:44
Scott	Heigl	14206	NY		Essential in for those less fortunate in cost. Also for those with critical health and elderly!	4/23/13 13:45
Yvette	Baini	34482				4/23/13 13:45
Steve	Tyler	92865	CA			4/23/13 13:45
Anthony	Higa	90066	CA		With tough economic times. I may soon to become a participant of this great program.	4/23/13 13:46

mini	kaplan	33139	FL			4/23/13 13:46
OSCAR	SAENZ	78610	TX		ITS A MATTER OF LIFE OR DEATH FOR SENIORS WHO CANT AFFORD CELL SERVICE...THAT IS TOO HIGH COST.	4/23/13 13:47
Beverly	Youngs	13659	NY		We depend on these services.	4/23/13 13:47
Hannah	Washington	77066	TX		It helps during emergency	4/23/13 13:47
Hannah	Washington	77066	TX		It helps during emergency	4/23/13 13:47
Mercedes	Munoz	11375	NY			4/23/13 13:48
Jorge	De Nava	95357	CA		It helps low income residents, disabled people and senior citizens stay in touch with their families and their community.	4/23/13 13:48
tuong	trang	12209	NY		I support the low-income wireless Lifeline program because it safe life.	4/23/13 13:49
Alita	Bruce	35242	AL		Very good program provided to low-income families.	4/23/13 13:49
David	Summers	62010				4/23/13 13:51
Lee	Jahrsdoerfer	11542	NY		As a person who is on a fixed pension income any additional costs could be detrimental.	4/23/13 13:53
Laura	Campos	76513	TX	TX A&M Coop. Ext. (Bell Co.)	I serve these limited resources audiences and I understand the importance of having a way to communicate, especially when they also lack of transportation,	4/23/13 13:53
David	moross	49346	MI		BECAUSE IT'S NEEDED!	4/23/13 13:54
stephanie	bittner	08102	NJ		Because I see how many people are in desperate need for is as an employee of a non-profit organization who services those in need of financial assistance.	4/23/13 13:54
Monika	Wallace	85345	AZ	Labor's Community Service Agency	As a social worker I know how often families have to choose between using their money to pay for day care, transportation to and from work, etc. and spending money on phones. However, phone contact is necessary to improve and protect the lives of many families.	4/23/13 13:55
James	Beach	49341	MI		I'm low income and disabled and use one if they cut it I won't have a phone only internet contact.	4/23/13 13:55

Bonnie	Cohen	33401	FL	Legal Aid Soc. of Palm Beach Co.	I can see how impossible it is for frail, poor, elderly to live without a telephone. It improves their quality of life when they are able to get a telephone.	4/23/13 13:55
Ricky	Fedor	32140	FL		Because I am on it all these many year's and now a problem fix it so we don't loose this as well	4/23/13 13:56
John	Cornette	98516	WA		This only serves to hurt those least able to fend for themselves.	4/23/13 13:56
Vanessa	Porter	90291	CA	St. Joseph Family Center		4/23/13 13:57
zechariah	duffey	43119	OH		know many people in need	4/23/13 13:57
Stan	Arledge	92647	CA			4/23/13 13:57
Carroll	Towner	93274	CA		Seniors need all the help they can get in this economy. A telephone is a necessity and without lifeline can easily be unaffordable	4/23/13 13:58
Tim	CELASUN	92831			I do not feel it is a luxury. someone's life might depend on it. It is time for people we send to Washington to give up some of their perks to fund useful projects and we should be voting accordingly to keep them there or call them back home!	4/23/13 13:58
Diana	Rezac	50314				4/23/13 13:58
Ralph	Chianelli	06905	CT		For those who live under dangerous conditions should have a way of getting help.	4/23/13 14:00
Josephine	Henriksen	54927	WI		It definitelyhelps seniors in a matter of life & death.	4/23/13 14:01
Candice	Lowery	10553				4/23/13 14:02
Mark	Seveland	89429	NV			4/23/13 14:02
James	Kleinrath DDS	94070	CA			4/23/13 14:03
Fred	Schwacke	05340	VT		Our nation was built from the bottom up, not the rich downward. Lifeline is a must for many American's, a large percentage of which are in dire straights due to the predators at the top.	4/23/13 14:03
Dr. Alfred	Conger Thompson	20850	MD	City of Rockville Community Services	It is helpful to the helpless and consumers who are at risk and cannot fully provide for themselves.	4/23/13 14:03
John	East	95422	CA			4/23/13 14:04

Lucina	Herrera	95358	CA		Because it's a critial "life line" for those with very low incomes to have an affordable method of communication with their doctors, therapists, family and friends.	4/23/13 14:05
Mr. & Mrs. Dustin	Arnold	75497	TX		The Us Gov does not have any business doing this sort of thing	4/23/13 14:07
Carolyn	Harrison	33315			The Lifeline program for many is their only link with the outside world; for doctors, children, emergencies. Land lines are now unaffordable, cell phone companies require contracts in many cases, expensive phones or deposits -- precluding many seniors and low income parents from having any phones at all. It is an essential program also for those looking for work. Without a job, many cannot afford a phone for employers to reach them	4/23/13 14:08
Aubrey	Ball	76133	TX		It needs to continue for those who really need it. senior citizens and people disabled who live alone.	4/23/13 14:08
Robert	Soule	29844	SC		I think it is a big rip off, I don't care who is paying for it. I recently over heard a conversation between two of our nations finest, they were bragging about how many "FREE" cell phones they had and they were all in operation. No control on these "Free" programs, they stink and should be discontinued immediately.	4/23/13 14:11
Steven	Cinnamon	97216	OR		I have needed the help myself. Without a phone I could not contact anyone. Including my Dr. Pay phones are very difficult to find, especially one that works. Thank you life line.	4/23/13 14:11
Regina	Hamilton	94578				4/23/13 14:12
MYLLETTE	PUCKETT	30349	GA		I AM A DISABLED INDIVIDUAL WITH LOW INCOME	4/23/13 14:13
Shaya	Rodriguez	85501	AZ		It helps the low income.	4/23/13 14:13
Martha	Calleres	93654	CA		I have my father and other family members who has benifited from this program.	4/23/13 14:13
Paul	Findeis	12585	NY		Staying connected is essential for anyone and we should support this program	4/23/13 14:14

Joy	Rex	78613				4/23/13 14:14
Joel	Worthman	11230	NY		Poor people need phones	4/23/13 14:14
wade	curtis	53511	WI		Loss of employment this is a basic need in these times!	4/23/13 14:14
julie	noble	40206	KY		for safety reasons!!	4/23/13 14:15
Jeanette	Kolodziejczak	48446	MI			4/23/13 14:15
Joan	Williams-Jarreil	10035	NY			4/23/13 14:15
Robert	Last	54901	WI		I am disabled with a very low income. I need this program very much!	4/23/13 14:16
Ben	Lau	60616	IL	Chinese American Service League	The program does Help!	4/23/13 14:17
Juliana	Adams	77338	TX		It helps those with low income stay in communication with family.	4/23/13 14:17
James	Cava naugh	83864	ID		Poor people need this help	4/23/13 14:18
Ofelia	Aranda	90621	CA	Casa Santa Maria, Catholic Charities	I work with low-income elderly who are on this program and has given them a sense of security knowing that they can call their families during an emergency.	4/23/13 14:18
Dennis	Payne	62863	IL		With Phone providers not keeping landline cabling in useable shape in remote areas like ours. It is important that this program allow the low income people a phone line they can depend on for safety and staying in touch with their familes and community. Please keep this program in operation as phone service subscribers like myself pay the cost anyway. Thank You. Sincerely, Dennis Payne	4/23/13 14:18
Nancy	Borntreger	17603	PA		My husband and I don't bring in much money. We are on fixed incomes and everything keeps on going up.	4/23/13 14:18
Ken & Barbara	Smith	98661	WA		Because of the exorbitant cost of telephones (landline or cellphone) - People who are lookiing for jobs can't afford to have one!	4/23/13 14:19
Kim	Edmonds	23223	VA			4/23/13 14:20
John	McKeon	92024	CA		This program allows low income individuals essential access to services that they normally wouldn't have access to.	4/23/13 14:22

Geraldine	Guardado	46408	IN		I support the Lifeline program because I myself struggle to survive on a limited low income. In todays world, a phone is a must-have for most people to keep in contact with family, friends, business, ect. Not all are fortunate enough to have a computer and internet access.	4/23/13 14:22
Donee	Wyke	04843				4/23/13 14:22
Wayne	Oxford	22731	VA		I do not believe low income people are any less valueable than people who can afford a phone.	4/23/13 14:22
Claudia	Chuba	85365	AZ		To support our low income elderly. I may need this service at some point.	4/23/13 14:23
Samuel	Karanja	98030	WA		Simply to keep it serving as it has for all those years.	4/23/13 14:23
Joe	Greenwalt	43542				4/23/13 14:24
EUGENE	SULLIVAN	32195	FL		IT IS A NECESSARY PROGRAM AND NOT A WASTE OF MONEY.	4/23/13 14:24
Linda	Pichler	33579	FL		I work with very low income individuals and families. This phone service is truly a life line to reach out for potential job appointments, Dr. appointments, request for help. The program needs to be monitored to ensure only those low income persons receive the service but it is critical for them.	4/23/13 14:24
Toynette	Palmer	19602	PA		Everyone should have some means to access emergency personel and close contact to friends and family members.	4/23/13 14:24
Theresa	Giannotta	93635	CA		because I'm interested in using it.	4/23/13 14:26
ANTHONY	LEWIS	31208	GA			4/23/13 14:31
Thomas	Tuttle	53704			WHY NOT! The crooked individuals will divert the unused USF tax elsewhere and we won't have any say....AGAIN!!!	4/23/13 14:31
Judy	Cook	65613	MO			4/23/13 14:32
charia	jackson	38127	TN		The program helps families who need the help	4/23/13 14:33

Lorraine	East	33707	FL		My mother in law lives on 6800.00 per YEAR! To cut services like this is a true hardship not only for her but for ALL seniors. I would rather see our active AND retired elected officials cut their incomes by 5%. You can afford it-consider it your tithe if you must.	4/23/13 14:33
Ginny	Ade	53933	WI		There are so many people who can't keep up with the bills they have now. Why take away their lifeline to emergency, family, etc. What if it were you?	4/23/13 14:34
MARTIN	LIMON	60181	IL		I SUPPORT IT BECAUSE THERE ARE MANY AMERICANS THAT NEED THIS PROGRAM.	4/23/13 14:34
Jane	Webber	48442	MI		I use it	4/23/13 14:34
Paul	Brown	34996	FL			4/23/13 14:35
Henrietta	Li	60616	IL		keeps low-income individuals connected to job opportunities.	4/23/13 14:36
George	Wiegand	21613	MD			4/23/13 14:36
PAUL	VANDEMARK	46514	IN		ABSOLUTE NECESSITY FOR LOW OR NO INCOME, THE ELDERLY, & DISABLED.	4/23/13 14:37
George	Wiegand	21613	MD			4/23/13 14:37
Otto	Beindorf	43512	OH			4/23/13 14:37
Laurie	Miller	11716	NY			4/23/13 14:38
Khalid	Jadari	57717	SD		Because I am student who Has 2 kids and can not be able to pay for expensive Verizon and At&t bill	4/23/13 14:39
Donald	Wyatt	76114	TX		Because it is a help to low income people. They need this help.	4/23/13 14:39
Tyise	Blount	19119			This program is essential for persons without the means to get a phone on their own. It provides a basic connection to the outside world.	4/23/13 14:40
Aster	Truesdale	29718	SC		Because of disabled persons--and those with incomes at the poverty levels, etc.	4/23/13 14:40

Lorraine	Norton	48150	MI		In home phones are often too costly, public phones are too limited, the only way for many families to get help or contacts is by phone. It is a connection to services, to people, to emergency care and to jobs. Phones are a necessity, not a luxury. While there are many options, most are cost prohibitive. We need to provide basic necessities for families, mothers, veterans, and low income people.	4/23/13 14:40
RACHEL	CHEN	60616	IL	Chinese American Service League		4/23/13 14:42
ursula	gilmore	13041	NY		Lifeline provides seniors, veterans and other low income individuals with a vital a connection to emergency services via 911, job opportunities,etc.and costs the taxpayers nothing.	4/23/13 14:43
Nancy	Hummel	78734	TX			4/23/13 14:44
Carole	Berke	20815	MD			4/23/13 14:45
S	Welch	44052	OH			4/23/13 14:46
Michael	Gross	46506	IN		I happen to participate in it and believe helps a lot people who do indeed need help. However as with most programs of this nature there is probably a great deal of abuse and additionally I believe that there are great number of people who are eligible for this and are not participating. The life line program does a great deal of good, we just need to be able to keep those who don't belong in the program out along with those who abuse the program.	4/23/13 14:46
Orchid	Hubanks	93274	CA		It gives seniors, persons on a fixed income and low-income families accessibility to services. I'ts vital that all persons, especially the more vulnerable, have a voice and be included in areas that impact their lives.	4/23/13 14:46
maria	rosales	95350			its equal access to services for low income families.	4/23/13 14:48

Kimberly	Bolin	85117	AZ	Community Alliance Against Family Abuse	It allows women in domestic violence situations to be able to come into shelter and have access to a phone to be able to contact 911 in necessary times and to also have to ability to receive calls when searching for jobs.	4/23/13 14:49
Ardis	Shubin	90501	CA	H.E.L.P.	I work with seniors every day and as a former social worker know first hand how critical this service is to our seniors and disabled. These seniors have worked long and hard during their lives and are responsible upstanding citizens who have more than paid their dues to this country. They deserve some assistance in their later years to lift the heavy burden of a increasingly financially demanding economy which they cannot control. Please do not penalize those who can not defend against attack.	4/23/13 14:50
Jim	Ruble	26150	WV			4/23/13 14:50
ROchelle	Twining	45801	OH		It provides critical access to health care, jobs and other resources. Unlike comme4rcial phones it does not Require contract which locks people into plans they may someday not be able to afford.	4/23/13 14:50
Vern	Maresh	87108	NM			4/23/13 14:51
Linda	Halderman	34231			This program is not funded by tax dollars and serves the poor and needy with basic phone service.	4/23/13 14:51
Bill	Zemanek	94954	CA			4/23/13 14:51
Ming	Chang	94108	CA	Donaldina Cameron House	families need to stay contact with everything. No communication = no life!	4/23/13 14:53
michael	blazevich	15120	PA		please dont turn off these important phones forpoor people whom need them to possibly save their own life or sombody elses....	4/23/13 14:53
Lorraine	Smith	15102	PA		Our elderly relative lives alone and is living on social security. This was the only option for her to have.	4/23/13 14:54

kathleen	hussey	07035	NJ		My sister is on disability and it enables her to call doctors and transportation and help when her blood sugar falls	4/23/13 14:57
loretta	offord	49504	MI		I live in a low incomehouseing complex for seniors and many of us use this type of phone.	4/23/13 14:57
Sonya	Foster	35405				4/23/13 14:58
Patrick	Williamson	63648	MO		We need it for the help it does	4/23/13 15:01
art	davis	77086			is not taxpayer funded and gives support to those in need.	4/23/13 15:01
kathy	lapish	28689			its a GOOD thing	4/23/13 15:02
Glenda	Lang	28139	NC		Because it is needed. Simple! My mother needed it before it existed in our area.	4/23/13 15:02
Glenda	Lang	28139	NC		Because it is needed. Simple! My mother needed it before it existed in our area.	4/23/13 15:02
Jolene	Gardner	60604	IL			4/23/13 15:02
Kathleen	Cott-Johnson	43537	OH		It helps low-income Americans who need a way to be connected!	4/23/13 15:03
Kathy	Eanes	33610	FL		Because it's needed!!!	4/23/13 15:07
Sheronda	Watson	38305			Those with low-income have needs for cell phones just like you and your family members do.	4/23/13 15:09
Todd	Nelson	98103	WA			4/23/13 15:10
Merle	Hofmann	62301	IL			4/23/13 15:11
Scott	Stapf	22209	VA	The Hastings Group	More people connected to opportunities means more people who have a chance at the American Dream. This is a real helping hand situation -- not a handout!	4/23/13 15:11
Wendy	Mays	56068			The Lifeline Credit was graciously given to my parents due to their income, basically living on Social Security and a few pensions. It certainly helped them out and for that we are much appreciative. Thank you!!	4/23/13 15:13
daniel	better	90034	CA			4/23/13 15:13
Ray	Bupp	29414	SC		We ARE our brothers keeper.	4/23/13 15:15
Jim	Fattoruso	12414	NY		To support service to those who could not otherwise afford it.	4/23/13 15:15

Laura	Richarda	49442			Because there are so many low income familys and seniors that depend on the all the help that they can get from different places to help them with what they need. There are so many low income family and seniors that cant afford cell phone and with the program that is out there now it can allow those people to.get cell phones so they can stay in touch with there loved ones.	4/23/13 15:17
Laura	Brainin-Rodriguez	94530	CA		It allows low income individuals to have access to the way we increasingly use to communicate with each other.	4/23/13 15:17
Teresa	TEllez Giron	53719	WI		Because it helps victims of crime and DV and it helps us keep our community safe.	4/23/13 15:18
Michael	Coleman	60018			This program supports those in need that are unable to afford a cell phone intoday's cell phone world. Are you aware that there are no longer public telephones at the Daley Center in downtown Chicago?	4/23/13 15:20
Brent	Granberg	04955	ME		With all the taxes congress has screwed us with, and b/s grants and other subsities. Why shouldn't they keep this?	4/23/13 15:21
kam	hunt	33467	FL		because we do not need to subsidize with tax money !	4/23/13 15:22
Carol	Josephs	36502	AL		A lot of people need Lifeline program, so it is important that they do not cut this program. It will put a lot of people in jeopardy of not being able to communicate with others when they are in need of help.	4/23/13 15:25
michael	pellegrino	18428	PA		without a phone how are people going to communicate during a 911 emergency? a phone has become a basic tool for survival. Cutting this basic need would make us a third world country.	4/23/13 15:25
Martin	Hoelcle	14218			My parents used Lifeline for many years and it helped them get by since they were living only on social security.	4/23/13 15:25

west	smith	93024	CA		because it is part of our democracy and people who want it cut do not believe in democracy and should leave the United States emmiately.	4/23/13 15:26
Henry	Leno	02151			Someday I may need it.	4/23/13 15:26
Valsa	Alexander	20866	MD			4/23/13 15:28
pamela	morris	60617	IL			4/23/13 15:28
John	Zupansic	55808				4/23/13 15:29
Angela	Singletary	30030	GA		Telecommunications access is a life or death issue. Americans need the ability to call for help, even the Americans who can not afford phone service. In our current economy, many Americans have found themselves in this position through no fault of their own.	4/23/13 15:30
lori	hoppe	54901	WI		bec you are the road and u have flat tire and its dark it can be scarry out there now a days. or car breaks down if you have no way of commnication your in the the dark it scarry now a days	4/23/13 15:30
Barbara	Cooper	43221	OH		I work with Senior Citizens and this program is needed to help them live within the means of their budget!	4/23/13 15:30
Tina M.	Fuller	04736	ME		It helps keep the elderly, the disabled independent as long aas possible and people inwhich have no other way of comunication not to mention not being able to call the fire or police dept.	4/23/13 15:30
lee	russ	05201				4/23/13 15:32
Robert	Hix	80528	CO		Ease of access	4/23/13 15:32
travis	Barker	04330	ME		It is a very important service for low income people	4/23/13 :.5:34
Lourdes	Best	94303			It's important that low-income folks have access to a phone. It crucial to stay in contact with your place of employment and children school. Sometime families are forced to go with out food in order to keep services connected like the phone and internet. In these days and times it's important to have a phone.	4/23/13 15:34

CHRISTINE	MCHUGH	46220	IN		THIS PROGRAM GIVES LOW INCOME PEOPLE A WAY TO STAY COMMUNICATE AND RECEIVE INFO FROM SCHOOLS AND FAMILY, AND A WAY TO RECEIVE EMERGENCY HELP. AS TELEPHONE SUBSCRIBERS, WE ARE PAYING FOR THIS SERVICE ON OUR TELEPHONE BILL.	4/23/13 15:35
Clayton	Stapleton	78704	TX		Many low income families need this one phone to get job interviews and to get emergency services.	4/23/13 15:35
Cynthia	Kooi	49024			I am disabled and am a senior citizen. Lifeline helps me to stay connected and stay within my very limited budget. Without it, I would probably not be able to have the access I now have. Please do not hurt the vulnerable.	4/23/13 15:35
Michael G	Hazelett	80214	CO			4/23/13 15:36
Lois	Corrin	94611	CA		I am supported by land line life line program. It is so important. I would like to have wireless support as well.	4/23/13 15:37
Angela	Zarbano	78148	TX			4/23/13 15:39
Victoria	Nance	99202	WA		This is a life line for the low income. Don't make life any harder for them then it is. Remember they have a voice and a vote also.	4/23/13 15:41
Andrew	Liebing	53701	WI		As a Priest and Psychologist who deals with varied groups of age,background and income. This is one government program that many of my clients would not have ANY phone link to the outside world. Seniors are a specific group that could increase health/safety issues during a health/safety/security event.	4/23/13 15:43
Joseph	Ricci	80904	CO			4/23/13 15:44
Traci	Ross	44707	OH	Out Of Poverty Partnership, Inc. (Stark County)	I work in the public school system and have seen the importance of of the program to parents.	4/23/13 15:45
Adam	Geer	43953	OH		Because too much is begin taken away.	4/23/13 15:45
Albert	Elliot	92548	CA		As a low-income subscriber, lifeline makes phone service affordable to me.	4/23/13 15:46

Carlene	Sands	43078	OH	Stepping Stones Outreach Ministries	I support the Lifeline Wireless program because it is a way that people can have a phone in order to be reached for job interviews or just basic communication needs and can help them put their limited funds toward rent or other necessities. I have dealt with many people who have benefited from this service and would be greatly impacted by losing this benefit. The economy is not healthy enough for people to earn a living wage, and the Lifeline program is still needed.	4/23/13 15:48
Betty	Prince	23847	VA		my mother had one and it helped her several times and I am getting to the place I will need one in the future. They are great when you need assitance and you are alone.	4/23/13 15:51
Donna	Flood	11702	NY			4/23/13 15:51
EMIKO	Hartley	60628	IL		It's a great program for people who r looking for work, and that need the help and can't afford it. Also for the elderly who may need to call the police or an ambulance.	4/23/13 15:52
ROBIN	PAIGE	34744	FL		i keep in touch with my disabled husband and if i need to call 911 and such or the doctors office and such	4/23/13 15:52
David	Baldwin	37809	TN		Let your elected representatives know that you strongly oppose any cuts to Lifeline. Sign our petition to protect low-income Lifeline telephone subsidies: - Curbing Wireless Lifeline will harm families, seniors, veterans, minorities and other key groups of low-income Americans. - Wireless lifeline delivers important benefits to low-income families, including helping people find work, stay connected to schools and seek help in an emergency. - Efforts already are ongoing by the Federal Communications Commission to curb fraud and make wireless Lifeline more efficient. - The Lifeline program is not taxpayer funded but paid for by assessments on telecommunications carriers.	4/23/13 15:54

Ronald	Patten	01842	MA			4/23/13 15:56
Hamilton	Steve	61103	IL		I support the wireless program because it helps people without the money to have a phone stay in touch with things like 911, police, etc.	4/23/13 15:56
Joseph	Geissinger	90631	CA		emergencies occur unexpectedly	4/23/13 15:56
Don	Mitchell	92807	CA		It allows low income people a way to stay connected when they might not otherwise be able. This seems like a no brainer.	4/23/13 15:56
Frank	Stamski	12721	NY		Seniors, veterans and low income people need to be connected to work, schools and 911.	4/23/13 15:56
ramon	lazo	94014	CA		Land line phones are no longer viable. It is only natural that phone technology moves to handheld devices from now on (cheaper, better technology, less maintenance). This program simply addresses the latest version of lifeline service (which has been around for a very long time). Some politicians apparently have seen fit to use it for political purposes ('Obama phones). This is a sham and will cut down a very popular and practical program that many people (including members of my own family) use and need as a basic means of phone communications. For this reason, I support the Wireless Lifeline proram.	4/23/13 15:58
Joann	Noll	19021				4/23/13 15:58
Jan	Nelson	02601	MA	Housing Assistance Corporation	All of my clients are low-income and most cannot afford a telephone. The Wireless Lifeline program is what they need to communicate with agencies, doctors, etc. Don't cut this program. Thank you.	4/23/13 16:00
Thaddeus	Proshansky	34983	FL		Because all utilities are way to expensive.	4/23/13 16:01
Thaddeus	Proshansky	34983	FL			4/23/13 16:03
Donald	Kepka	27253	NC		so many people have just a small amount of money to buy food and housing.	4/23/13 16:03
Kenneth	Chase	85364				4/23/13 16:03
Martha	Robles	95360	CA		A recipient of it in the household, very helpful	4/23/13 16:06
Joshua	Parish	53805	WI			4/23/13 16:06
Barbara	Davila	19111	PA		It can help save a life.	4/23/13 16:07

Thaddeus	Proshansky	34983	FL			4/23/13 16:08
OLIVIA	CARRILLO	95354	CA		ECONOMICALLY I AM LOW INCOME I AM THE SOLE PROVIDER WITH A FAMILY OF 4 AND I CAN BEARLY PAY MY RENT. LET ALONE PAYING UTILITY BILLS.	4/23/13 16:08
Robert	Puls	55350	MN		12500 I am a current user who needs this for my communication to my doctors, financial aid worker and emergencies. I just recently had an emergency and needed E.R. services. Please don't cut this vital service.	4/23/13 16:09
linda	jeffers	62056	IL		because poor people cant afford any other service	4/23/13 16:10
Michael	Smith	71291	LA			4/23/13 16:10
Jeff and Karen	Hay	95073	CA			4/23/13 16:10
raymond	frenzel	21521			with out it a lot wont have phone service. on fixed income wont be able to oford it	4/23/13 16:11
raymond	frenzel	21521				4/23/13 16:11
Larry	Sutton	65803	MO		Veterans, Don't you!	4/23/13 16:14
William	Richardson	03079	NH			4/23/13 16:14
Debbie	Childers	74365	OK		So many people need this service for their every day life requirements.	4/23/13 16:16
Erroll	Lewis	70131	LA			4/23/13 16:16
Carmen	Novellas	29205				4/23/13 16:18
Phyllis	Meeks	43068	OH		to help the poor	4/23/13 16:20
Linda	McClain	35016	AL		I have family that needs this program.	4/23/13 16:23
Danielle	Doged	21078				4/23/13 16:24
M	Worthington	54954	WI		Everyone needs a phone in this modern day. You can't get or keep a job without a phone. You can't see a doctor without a phone.	4/23/13 16:24
Gary	Piotrowski	18505	PA		I need it,as well as several other people I know	4/23/13 16:26
Betty	Kossik	54302	WI			4/23/13 16:27
Betty	Kossik	54302	WI			4/23/13 16:27
charles	roberson	65535	MO		A lot of people can barely pay for meds and can not afford a phone .	4/23/13 16:28
Jackie	Ennenbach	53711	WI		Everyone, especially the most vurnerable, needs a way to contact someone in an emergency.	4/23/13 16:28

Dianne	Lorber	97504	OR		There is NO logical reason that is should be discontinued.	4/23/13 16:29
Bob	scott	45244	OH		because most phone service is too expensive...and poor people need phones...	4/23/13 16:29
Richard	Merritt	44118	OH		It is helping me stay connected to the regular world and I use it as my contact number on job apps and my resume.	4/23/13 16:29
Thandi Zulu	Alexander	39532	MS		People needs it as without a phone life is hard	4/23/13 16:29
Thandi Zulu	Alexander	39532	MS		people need the help for phone	4/23/13 16:31
Daniel	Shields	87196				4/23/13 16:33
sharon	gropp	16127	PA		Because my mom is low-income and it helps her...	4/23/13 16:33
Glenda	Lovell	45255	OH		I know individuals who rely on this program.	4/23/13 16:35
David	Faverty	20879	MD		This is a very helpful program to many low income people	4/23/13 16:36
Steve	Birchall	53716	WI		You must have a phone to look for a job. It's a required tool in today's world. It's also necessary for parents who want to work with schools and teachers to help their children succeed.	4/23/13 16:37
Loretta	Smith	05089	VT		There are so many people who depend upon this life saver and I am one of them	4/23/13 16:37
Judy	Johnson	61571	IL			4/23/13 16:43
Linda	Rushoe	17801	PA			4/23/13 16:43
Ronald	Sohn	48601				4/23/13 16:44
Tammy	Lau	60616	IL		I support the low-income Wireless Lifeline program for seniors.	4/23/13 16:45
Louis	Brown	39666	MS		I am low-income	4/23/13 16:46

April 24, 2013

Chairman Greg Walden
Subcommittee on Communications and Technology
Committee on Energy and Commerce

Ranking Member Anna Eshoo
Subcommittee on Communications and Technology
Committee on Energy and Commerce

RE: Lifeline Recipient Stories About the Importance of the Lifeline Program

Dear Chairman Walden, Ranking Member Eshoo, Members of the Subcommittee on Communications and Technology:

I am the New Initiatives Director for Springwire, a national non-profit organization that provides free voicemail and information services to more than 50,000 low-income or homeless individuals in 40 U.S. cities. On behalf of the 1,400 social service agencies in our network, I am writing to show my strong support for the Lifeline program as a vital, effective tool in our national fight against poverty.

Basic phone service is a necessity for people living in poverty – you need a phone to find a job, access social services, health care and emergency services, and to maintain a connection with family members and others who can help. Without Lifeline, a large number of people who need phone service will go without it, and their chances for employment, housing and stability will be significantly diminished. A Lifeline phone is a cost-effective way for people to become *more* self-reliant, and *less* reliant on the social safety net. I urge the Subcommittee to support Lifeline as an important tool for fighting poverty.

Attached are transcripts of voice messages received from low-income or homeless citizens who use Lifeline phones, and want Congress to understand how valuable the program is to them in their efforts to rise out of poverty. These respondents are clients of our organization, from Houston, Tulsa, Seattle and Portland (Oregon); each was sent a voice message on April 23 informing them of the subcommittee meeting regarding Lifeline, and asked to respond with stories about how Lifeline has been valuable to them. While the transcripts are compelling, the voices are even more powerful.

Thank you for your consideration, and for your support for effective tools like Lifeline.

Sincerely,

Steve Albertson
Springwire New Initiatives Director
stevea@springwire.us / 206-441-4239

2901 Third Avenue, Ste 100 Seattle, WA 98121
T 206.441.7872 · info@springwire.us · www.springwire.us

Facilitating Self-Sufficiency

I have a son that serves in the U.S. army and he's been in for about 2 years. Without this phone service there is no way I would be able to correspond with him in any way because I have no landline service. My son depends on that communication and I depend on it from him to check on his well-being. Even a second young man that is in his barrack is another one of my "sons." We started to communicate together by phone when I speak to my son he chimes in and goes, "Hi mom!" and I go, "Hi son!" so now I have two sons in that are in the service and it is so important as they serve the nation and us that we communicate with them and support them.

It also has helped me go in to the resource bank at the 2-1-1 line and request services to stay in my home. I've rented a home for almost two years. It has helped me to communicate the housing authority in my local area, it has helped me to request emergency information for a 3 day pay or vacate that was a mistake but they allowed me to get the assistance because the agency made a mistake. I was charged for it and there was no way for me to pay that in arrears based on that mistake and the agency helped me. Just all types of things. When you find out that these services are going to be restricted or cut off it makes all things come to the surface. I couldn't expound any more on how helpful this is.

It is so helpful to me. I am a person with a disability. I depend on the Lifeline phone service to contact my care provider and my care provider agency and to get to my doctors' appointments. This is the only phone I have and without it I would basically be shut in. I depend on it for everything everyone else would use their cell phone for. I have to contact my family in case emergency, to contact them to see how they are faring, to keep in communication with my grandchildren, so it is very effective. It is a 9-1-1 service if I need it. It is a crucial service that should stay in the community for those that don't have home phones. I don't know how I would stress that any more but please keep this service available to people in my situation or many others. Any time that I don't have enough food I can call to find out times and locations for local food banks.

Please don't take the service. Thank you.

– Gerri, Seattle

I did use [my Lifeline phone] to get housing. I was homeless. I needed to make phone calls every day and could not afford to because I did not have a job. Then I used it to get a job. My employer calls me on this phone to for my work schedule. It's invaluable to me and has been for work and for housing, to receiving changes with my doctors as far as appointments. I couldn't do without it. I'm very thankful for it. I hope it continues. Thank you.

– Stacy, Seattle

I don't know what I would do without the Lifeline service. I would be almost completely cut off from employers, potential employers, and news about my community. It's hard enough living on little or no income without such basic service as a phone to be able to call 911 if you need help, or to get in touch with community resources or to find a job. There is no way on this earth that the use of Lifeline should be restricted other than just having one Lifeline phone. I don't have any problem with that. But as far as cutting people off from this service, it would make an almost untenable situation impossible. That's what it will do. Those will be the consequences if that is done. Thank you.

- Brandon, Tulsa

I just wanted to inform that Lifeline has helped a lot. It helped me get jobs, help me stay in touch with family members and whatever have you. It's been a really great help and I appreciate it. Thanks a lot.

– Clinton, Seattle

Lifeline has helped me a whole lot finding employment, locating housing, just general staying in touch with doctors, providers, job counselors. It's a great program. I feel you all need to expend this program. Thank you very much.

– Carl, Houston

The Lifeline cell phone that I have has helped me with job searching. I've gone on many interviews because of it cause I have no other way of leaving a number for them to leave me a message about an interview. I haven't got any luck yet, but I'm positive that I will. Thank you.

– Paula, Houston

I have a Lifeline cell phone. It comes in handy for jobs, housing, and emergencies. I think it's very highly important that we can save the Lifeline for the land or cell phone especially when people can't get a hold of you for a job, or housing. It's very, very important. It makes a difference to have a Lifeline. I strongly hope that we can save this and I appreciate it. Thank you very much.

– Tracy, Seattle

It is important that I keep the Lifeline phone because I am homeless right now with my son and it helps my family keep in touch with me, and also for the Housing Connect [program] to get ahold of me at that number. That's why Lifeline is important to me, and I need to keep it for those reasons. Given that I'm homeless and it's the only number I can give to apartments to get ahold of me. I would appreciate it if you could keep the Lifeline going like it is. It means a lot to me. Thank you.

- Stephanie, Seattle

I have Assurance Wireless. I use it for job search and for…everything, you know, food stamps, if anyone needs to contact me I always give them that number, mainly for employers to contact me. Basically that's what I use it for, to try to work towards independence, and gain work and everything by working with agencies I give them that number too. Anyone that needs to reach me. And for emergencies…it's good for emergencies too. Thank you.

- Shirelle, Portland

I have truly appreciated my Lifeline phone. It's an Assurance phone….through the Lifeline phone I do have a job now and it's a number where people can reach me. Texting is a really wonderful benefit where we can write and be quiet at the same time if we're in a meeting or something. I really truly appreciate my Assurance phone and have used it. It would really be a huge change in many people's lives if they did not have it. In mine personally I still use it everyday.

- Janice, Seattle

I'm a senior citizen, very low income, and I would not be able to afford a cell phone or any type of place to receive voice mail messages. So I rely very much on Community Voice Mail and the Lifeline phone service. I would not be able to afford any type of phone whatsoever, so I'd appreciate being able to continue to use the Lifeline cell phone. Thank you.

- Shirley, Seattle

Access to Emergency Services and Protection of Health and Safety

I am a customer of the Lifeline service which has turned out to be invaluable to me. I am a disabled vet with MS and frequently have medical issues and need frequent contact with the VA hospital, crisis hotlines, and so forth. I'm on Social Security disability and the Lifeline CAPS program allows me to stay connected to the world because of my disability I can't actually physically get out in the world all that often without extensive preparation. So, Congress, keep the Lifeline program in operation. Find the money. I know you can do it. Thank you.

– John, Seattle

I live in an adult center where several of the women who are disabled have Lifeline landline services, and it has been on more than one occasion life-saving for them to have this. They're on very small fixed-incomes, and the Lifeline service (especially with the landline) has been invaluable. I hope that it will be recognized as a valuable service.

- Patricia, Tulsa

My Lifeline phone has helped me greatly. I'm on disability for depression and suicidal thoughts. And people call on my and check on me and encourage me. I wouldn't be able to afford a regular phone. It wouldn't be possible. I appreciate my lifeline phone.

- Rich, Tulsa

Lifeline services have helped me by providing me with a phone to call police for help when my boyfriend was beating the [----] out of me. If I wouldn't have had that phone I would probably be dead. Thank you.

- Christy, Seattle

Since having a phone I've been able to make calls for doctor appointments, schedule rides to my appointments. I can have other people can contact me. Be able to make 9-1-1 calls. I've had to make 911 calls at least 6 times to get to the ER which is detrimental to my health. Also, Lifeline has been able to help me communicate with family who is outside the state. As far as making calls for service to nonprofits for assistances throughout the month. Without Lifeline all the necessary things I need to do for everyday living would not be easier without it. I know my story is one of many who definitely need Lifeline. Thank you.

– Kimbal, Seattle

I use the Lifeline service and I couldn't access my medical care without it at all. I need it in order to contact my doctors' offices, and to order prescriptions I need the Lifeline service. I have also called 211 for other kinds of social services but the most important is the medical service. This is a service that without which myself or others could run in to problems without access to medical care through the Lifeline service. Thank you very much.

– Gretchen, Seattle

I just think the cell phone program is real good because it helps people be able to make phone calls during emergencies. I just want to make sure you understand that a lot of people who can't afford it have that opportunity with these programs. I support it. I think that people who have cell phones today possibly would not have had a cell phone if it wasn't for this program because the economy and finances and money and things like that, people are just pinched to the limit with how much they can spend and how much is available for them. When Congress passes programs that can put something in your hand like a cell phone or something a lot of people would need it's like a good thing so why stop providing it?

– Marion, Houston

I have a Community Voice Mail and a Lifeline cell phone…Budget Mobile I believe. I need that phone, very much so, because I have a chronic medical condition – to check with my doctors and my pharmacist. I need to contact them always regarding my medical condition. And also my housing – which is Section 8 – I need to stay in contact with the Housing Authority. So please don't cut anything from my Lifeline services. It's a life saver, and I appreciate Congress bearing with me in the understanding. Thank you so much.

- Victor, Seattle

I don't know what I would do without Lifeline because it has helped me with doctor appointments and all the important information. And I need my free voice mail because I'm a victim of domestic violence and I can't give out a phone number. I need a voice mail that's non-traceable, and I'm dead without that. I really hope they don't take that away…it would be really hard without my cell phone. Oh my gosh, I just hope that they don't take it away. Thank you. Bye.

- Nicole, Seattle

Hi, my name's Mike. I'm leaving a message because I don't want to see cutbacks on the phone Lifeline because I use it quite a bit for different things like in case of emergency if I need help. If I need to call my doctors to make appointments. Stay in touch with my family, like my grandkids. And to check on other programs out there like United Way and Solid Ground, and welfare and social security.

- Mike, Seattle

Since I got this [Lifeline phone] it has saved my life, from emergency, from going to the hospital, making my appointments, receiving my appointments, my scheduling, and I really, really love the service and really appreciate whatever the community is doing for us. Without this I'm nobody. And I'm in the job market, so it's my lifeline. Whether it's hospitals, clinics, job line, emergencies, doctor appointments, anything…it helps. And I would really be disappointed if they eliminate or limit my access to these services. Thank you so much. I appreciate it.

- Mike, Houston

I have Assurance Wireless, which really comes in handy because I'm on disability and I really can't afford a regular cell phone service. It has helped me a lot, especially if I have an emergency out on the road or if I'm out at night especially and something comes up. So I'm sure it helps a lot of the homeless people because I used to be homeless too. It's really necessary in this day and age to have a cell phone, especially for homeless people. Because I used to be homeless too, and it was the only way that employers could contact you, and family and friends…it's very, very important that they don't do away with these programs - Assurance and others, Safelink is in this state as well – it would just be a crying shame if they did away with this. Not necessarily for people like me that are off the streets, but it would be too expensive for me to get another phone and cell service…but especially for homeless people, because I've been there and I knew what it felt like not to have a phone and have to go into places, go into hospitals, borrow the phone everywhere we could…it was very very difficult.

- Sherri, Houston

New Jersey SHARES, Inc.
1901 North Olden Avenue Extension
Suite 1A
Ewing, NJ 08618
www.njshares.org
609.883.1626

April 22, 2013

Chairman, Greg Walden
Subcommittee on Communications and Technology
Committee on Energy and Commerce

Ranking Member Anna Eshoo
Subcommittee on Communications and Technology
Committee on Energy and Commerce

RE: The Importance of Lifeline Phones to low-income residents in New Jersey

Dear Chairman Walden, Ranking Member Eshoo, Members of the Subcommittee on Communications and Technology:

New Jersey SHARES, Inc. (NJS) is a statewide non-profit corporation primarily providing assistance to individuals and families in need of help meeting their energy and utility burden. Through assistance, advocacy, community outreach, education, information and referral, we connect low and moderate income households with available resources.

We receive more than 150,000 inquires a year regarding Communications Lifeline in NJ. Our partnership with Verizon NJ provides a unique, comprehensive and compassionate solution for Verizon low-income customers eligible for Communications Lifeline. NJS provides community outreach and enrollment services as well as providing direct services utilizing our Client Service Center staff.

The NJS Lifeline Outreach program as well as the Communications Lifeline Client Service Center provides:

- A national model for a client focused Communications Lifeline program
- A single point of contact for handling all inquiries regarding the Lifeline program
- Outreach to community based organizations and low-income households statewide
- Participation in events targeting eligible households or service providers
- Lifeline applications available within our network of 325 NJS intake sites and available on the web at www.njshares.org
- Tracking of all client contacts regarding Lifeline
- Targeted outreach to eligible households not receiving Lifeline

- Annual recertification services
- Pro-active contact of senior households to offer program information and application solutions
- Program information and referral to other low-income programs available in NJ provided by NJS staff

Testimonials:

"Without the Communications Lifeline discount I would not be able to afford a phone. What would I do if I was cut off from communicating with my friends and family in an emergency?" - **Edward Deanley, Hasbrouck Heights, NJ**

I have a caregiver who checks in with me by phone twice daily. The phone truly is my lifeline. - **Loretta Schill, Edison, NJ**

"I'm blind and I suffer from severe Asthma. If I didn't have a phone, I couldn't call 911 or my doctor. I am so grateful for the Communications Lifeline discount." - **Patricia James, Garfield, NJ**

James M. Jacob
President & CEO

April 24, 2013

The Honorable Greg Walden
Chairman
Subcommittee on Communications and Technology
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Anna Eshoo
Ranking Member
Subcommittee on Communications and Technology
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Waldman and Ranking Member Eshoo,

On behalf of the undersigned organizations representing older Americans, veterans, civil rights communities, minorities, low-income Americans, people with disabilities, and consumers, we are writing to express our strong support for the Universal Service Fund's (USF) wireless Lifeline program and to set the record straight.

Wireless Lifeline is not a handout, it is a hand up. It is in our society's best interest to empower our neediest citizens with the ability to communicate with prospective and current employers, connect with emergency, health, social, and educational services, and keep in touch with family and friends.

Regrettably, a wealth of misinformation exists around the Lifeline program. Subsidized basic phone service for low-income consumers has been a priority in this country since the Reagan Administration, when Congress first enacted the Lifeline program in 1985. In recognition of the technological shift toward and benefits of mobility, the Federal Communications Commission (FCC) under the George W. Bush Administration expanded the program to include wireless service in 2005.

While some have expressed concerns about the growing size of the Lifeline program, just half of those who qualify for Lifeline benefits actually participate. Participation has increased due in large measure to the economic downturn. Furthermore, Lifeline accounts for less than 20 percent of the annual $9 billion Universal Service Fund (USF) total expenditures, compared to the "High Cost Fund" which accounts for $4.5 billion a year of USF money. Furthermore, wireless Lifeline goes directly to individuals in the form of real – and much needed – services.

It has been suggested that support for Lifeline service should be limited to landline phones, despite the fact that society has steadily been moving away from landline phones in favor of wireless technology. Any such limitations would prevent those who benefit the most from wireless Lifeline from obtaining service, particularly migrant workers, people who move often for employment opportunities and transient families. According to the FCC, about 75 percent of all participants in the program choose wireless service over a landline, which is consistent with broader trends, as the use of wireless services by all Americans has steadily increased. In fact, according to a 2012 study from the National Center for Health Statistics, more than a third of all U.S. households are "landline free" and rely strictly on wireless telephones, and that number continues to grow. The rest of

Americans benefit from mobile engagement and staying in contact no matter their location; we believe that low-income consumers should be no different, particularly given the commitment made all the way back to the Reagan era to universal telecommunications access.

While we share concerns about instances of waste, fraud and abuse in the wireless Lifeline program, which divert support from those who truly deserve it, we also must recognize that industry and FCC reforms already are working. We fully support the FCC's major reforms adopted in January of 2012, and the action the agency took to deter duplicative subsidies in the summer of 2011. We agree that consumers should have to demonstrate their eligibility for service and verify that no one else in their household is using the program at the time they sign up. We also applaud the requirement that carriers must, on an annual basis, check a state or federal social service database to confirm eligibility.

Rather than freeze or constrain the program, or require consumer co-payments, the FCC's reforms already have proven to be the appropriate steps to ensure the integrity of the program while increasing its efficiency. Those who are intent on finding "fat" in the Universal Service Fund would be well advised to explore all programs under the USF to make sure that they are operating as well as they possibly can for the public benefit.

We recognize that our nation is facing tough budgetary times. However, cutting or even eliminating the wireless Lifeline program will not reduce the federal deficit by one penny. The program is funded by contributions from telecommunications companies, which may elect to share the costs of those contributions with their subscribers. Far from imposing a burden on taxpayers, wireless Lifeline has been proven to help low-income people find and keep jobs, ultimately reducing spending on public assistance programs.

As you explore issues related to the wireless Lifeline program, we urge you to consider the 15 million low-income families who, without the Lifeline benefits, would have to choose between feeding their children and going without a dial tone that could save their lives or put them on a better economic path through employment.

Sincerely,

Alliance for Generational Equity (AGE)

Alliance for Retired Americans

The American Association of People with Disabilities

Anti-Hunger Action Committee

California Alliance for Retired Americans

Coalition of Religious Communities

Community Action Partnership

Consumer Action

Consumer Federation of America

Crossroads Urban Center

League of United Latin American Citizens (LULAC)

Maryland CASH Campaign

Maryland Consumer Rights Coalition

National Alliance to End Homelessness

National Consumers League

NETWORK, A National Catholic Social Justice Lobby

Older Women's League

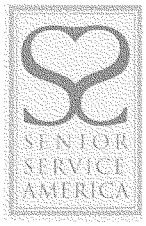
Sargent Shriver National Center on Poverty Law

U.S. Hispanic Chamber of Commerce

Virginia Citizens Consumer Council

World Institute on Disabilities

cc: Members, Subcommittee on Communications and Technology
Committee on Energy and Commerce



Anthony R. Sarmiento
President and Executive Director

April 18, 2013

Chairman Greg Walden
Subcommittee on Communications and Technology
Committee on Energy and Commerce

Ranking Member Anna Eshoo
Subcommittee on Communications and Technology
Committee on Energy and Commerce

RE: **Lifeline ensures all Americans have access to telephone service.**

Dear Chairman Walden, Ranking Member Eshoo, Members of the Subcommittee on Communications and Technology:

Senior Service America, Inc. (SSAI) is a national nonprofit organization committed to making it possible for low-income and other disadvantaged older adults to participate fully in determining their own future and the future of their communities. For over 40 years, we have operated the federal Senior Community Service Employment Program (SCSEP), our largest program, through a network of local subgrantee organizations. We also operate two other programs for older workers.

Through our work with low-income seniors, we know the following to be true. Programs like Social Security have greatly reduced—but not eliminated—poverty among our nation's older adults. Even though the majority of aging baby boomers are healthier, wealthier, and more educated than their parents' generation, the number of adults age 55 and older who are at or just above the federal poverty level is growing faster than the total older population. Now is not the time to hamper this population's ability to maintain telephone service.

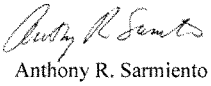
The Lifeline program was instituted during the 1980s through bipartisan efforts to make sure that all Americans, regardless of income or geographic location, had telephones in their homes. The program was expanded in the aftermath of Hurricane Katrina to include mobile devices. Lifeline now has come under attack, ironically, at the same time that measures taken by the Federal Communications Commission to eliminate waste, fraud and abuse are showing impressive results.

8403 Colesville Road, Suite 1200 * Silver Spring, Maryland 20910-3314 * 301 / 578-8900 * *fax:* 301 / 578-8947
www.seniorserviceamerica.org

We urge you to consider the impact that Lifeline has had on low-income seniors. While a $10 monthly expenditure for phone service may not seem like a burden, consider that it represents a significant percentage of the monthly income for hundreds of thousands of older Americans who barely make it on very limited fixed incomes.

Thank you.

Sincerely,



Anthony R. Sarmiento
President and Executive Director

8403 Colesville Road, Suite 1200 • Silver Spring, Maryland 20910-3314 • 301 / 578-8900 • *fax:* 301 / 578-8947
www.seniorserviceamerica.org

Gila River Telecommunications, Inc.
Box 5015
7065 West Allison Road
Chandler, Arizona 85226-5135
Phone (520) 796-3333 • Fax (520) 796-7534
www.gilanet.net

April 23, 2013

The Honorable Greg Walden
Chairman
Subcommittee on Communications
& Technology
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Anna Eshoo
Ranking Member
Subcommittee on Communications
& Technology
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

RE: Lifeline's Importance to Tribal Native American Communities

Dear Chairman Walden and Ranking Member Eshoo,

As the Chairman of the Board of Directors of Gila River Telecommunications, Inc. ("GRTI"), I write to emphasize the critical importance of the Lifeline program to Tribal Native American Nations. Today, the Lifeline program enables vital access to telecommunications services for low-income residents of the Gila River Indian Community (the "Community"). In the near future, I believe that the Lifeline program can play an integral part in raising the broadband adoption rate in Indian Country.

In our Community, I have seen firsthand the critical role the Lifeline program plays on tribal lands. GRTI was established in 1988, when the Community, a federally-recognized Indian Tribe, purchased the Gila River telephone exchange from U.S. West. Up until that time, it was not uncommon to hear of instances in which Community members were told the installation of telephone service would cost tens of thousands of dollars. Not surprisingly, the telephone penetration rate in the Community was under 30 percent.

Under GRTI, and with assistance from the Lifeline program, telephone penetration rates have drastically risen. The existence of the Lifeline program allowed GRTI to extend the telecommunications network to all residences with the assurance that service costs would not be a barrier to adoption for low-income subscribers. Today, telephone penetration rates in the Community are above 80 percent annually, and virtually every residence and business has access to GRTI's service if it chooses to subscribe. Of our current subscribers, 78 percent currently qualify for Lifeline service. In the recent past, the percentage of GRTI's subscribers that qualified for Lifeline services reached as high as 84 percent. Without the Lifeline program, these GRTI customers simply will not be able to afford telephone service.

Access to reliable telecommunications services is vital to these subscribers. Often, telecommunications services provide the only means for these residents to access critical public safety, telehealth, educational, cultural and economic development resources. In short, the Lifeline program provides multiple lifelines to the low-income residents of our Community.

Gila River Telecommunications, Inc.
Box 5015
7065 West Allison Road
Chandler, Arizona 85226-5135
Phone (520) 796-3333 • Fax (520) 796-7534
www.gilanet.net

Based on its success with the Lifeline program, GRTI recently was selected to participate in the Federal Communications Commission's Broadband Adoption Lifeline Pilot Project. As part of this pilot project, GRTI will offer low-income subscribers varying levels of discounts on computers and broadband service to test the effect of such discounts on broadband adoption rates. Our company and Community are excited about the opportunity to participate in this pilot project. In fact, even before the program was announced to Community members, we received calls from low-income residents asking how they could sign up for the program.

During my time as Chairman of GRTI, no program has held a greater potential to benefit low-income residents of our Community than this pilot program. Broadband is driving innovation, community and economic development, education, health care, and government and tribal services in ways that were once unimaginable. This pilot program will enable many of our residents to experience the benefits of broadband for the first time. For these residents, the pilot program is nothing short of a game changer.

Among our customers, the cost of both service and computers is the primary barrier to broadband adoption among low-income residents. However, reducing costs alone likely will not immediately raise broadband adoption rates among low-income tribal residents to levels commensurate with national averages. As the National Broadband Plan notes, low digital relevancy and low digital literacy skills also are barriers to broadband adoption. On remote and isolated tribal lands, where high school dropout rates are high and unemployment is rampant, these barriers are always present. Consequently, I ask that you keep in mind that any long term solution to broadband adoption on tribal lands likely will need to address these barriers as well.

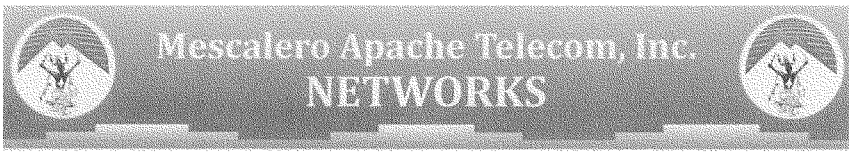
Finally, GRTI's experience and success demonstrates that telecommunications and broadband adoption on tribal lands can best be encouraged by ensuring that Tribes themselves are involved in the provision of service on tribal lands. Accordingly, GRTI supports rules adopted recently in the Federal Communications Commission's *Universal Service Fund and Intercarrier Compensation Transformation Order* and *Lifeline Reform Order* that will result in increased engagement between tribal governments and the Eligible Telecommunications Carriers ("ETCs") who serve their lands. Increasing the level of "tribal engagement" on these issues will ensure that Lifeline funds are used wisely and provide the greatest benefit to the respective communities. GRTI believes it is critical that tribal governments be involved in determining which carriers benefit from the Lifeline program so that they may ensure that such carriers adequately serve their tribal communities. Accordingly, any ETC petitions by telecommunications carriers seeking to serve tribal lands should not be granted if a tribal government associated with tribal lands in the prospective ETC's proposed service area objects to such ETC designation.

Gila River Telecommunications, Inc.
Box 5015
7065 West Allison Road
Chandler, Arizona 85226-5135
Phone (520) 796-3333 • Fax (520) 796-7534
www.gilanet.net

On behalf of GRTI, I thank you for considering the great progress GRTI has made in its efforts to improve connectivity in our Community. This degree of this progress would not have been possible without the resources of the Lifeline program. As GRTI participates in the Broadband Adoption Lifeline Pilot project, I look forward to providing you with updates on our progress.

Most Sincerely,

Anthony Newkirk,
Chairman



April 23, 2013

Honorable Anna Eshoo
Ranking Member
Subcommittee on Communications and Technology
Energy and Commerce Committee
United States House of Representatives
2322A Rayburn House Office Building
Washington, DC 20515

Dear Congresswoman Eshoo:

I write to you regarding the Universal Service Fund Lifeline Program. This communications support program is very important to a large segment of Mescalero Apache Telecom, Inc. (MATI) customers. We appreciate your leadership on communications issues and the hearing you are conducting this week. The program does need some reform. However, we must not lose sight of the progress and success that the program has delivered to many low-income consumers.

MATI was established in 1995, incorporated in 1999 and has been providing communications services since 2001. MATI serves the Mescalero Apache Reservation, an area consisting of approximately 720 square miles in south central New Mexico. We are one of only eight tribally owned incumbent telecommunications companies in the United States.

Prior to MATI purchasing its service area and building its network in 2001, 52% of the Mescalero Apache Tribe received no telecommunications service and 48% received only basic voice services. With an average population density of two customers per square mile, MATI is considered a rural, high-cost area. A low population density and extended loop lengths, combined with mountainous terrain, causes the average cost per loop to substantially exceed the national average. MATI is owned by the Mescalero Apache Tribe and has thus far accessed the capital markets through a loan administered by the Department of Agriculture's Rural Utilities Service. MATI also generates internal funds through which it can support its capital and operating expenses.

MATI provides the Mescalero Apache people with modern communications services, including interexchange services, advanced telecommunications and information services, thereby increasing the Tribe's access to education, health care, commerce, government and public services. Nearly 100% of the Tribe now has access to broadband service.

75 Carrizo Canyon Road P.O. Box 229 Mescalero, NM 88340
Phone: (575) 464 - 4039 Fax: (575) 464 - 0311 Website: www.matisp.net

In addition, 84% of the Tribe is eligible for Lifeline support, as compared to the national average of 21.8% (based on National Broadband Plan eligibility data). Today, there are 611 MATI customers receiving Lifeline Program support. Most of these customers are homes with school age children and qualify for free school lunch or Medicaid programs. Many also qualify for programs such as Head Start and the Low Income Heating Assistance Program (LIHEAP).

I cannot over emphasize the importance of the Lifeline Program to many of our customers and their community. Without this program's support, many members of the Mescalero Apache Tribe will have no chance of moving beyond the low-income world in which they now exist. As I stated above, some reforms need to be made. We must all work together to make sure the Lifeline Program is fair, efficient, sustainable and free of abuse.

MATI has been highly successful in changing the communications life on the Reservation. We believe we are a positive example of doing the right thing with Universal Service Fund monies, including the Lifeline Program. Thank you for your consideration of these matters.

Sincerely,

Godfrey Enjady
General Manager

NATIONAL GRANGE
OF THE ORDER OF PATRONS OF HUSBANDRY
1616 H St. NW, Washington, DC 20006 | Phone (202) 628-3507 | Fax (202) 347-1091
American Values. American Roots.

April 23, 2013

The Honorable Greg Walden
Chairman
Subcommittee on Communications and Technology
Committee on Energy and Commerce
2182 Rayburn House Office Building
Washington, DC 20515

The Honorable Anna Eshoo
Ranking Member
Subcommittee on Communications and Technology
Committee on Energy and Commerce
241 Cannon House Office Building
Washington, DC 20515

Dear Chairman Walden and Congresswoman Eshoo:

On behalf of the National Grange, the nation's oldest rural advocacy organization, I write to you today to express our support for the Universal Service Fund's wireless Lifeline program and the many rural Americans it currently serves. There are currently 51 million Americans living in rural areas, with over 15% of them living in poverty. This is noticeably higher than the national poverty rate of approximately 13.2%. These citizens, many of them working to put food on our tables, deserve access to the many opportunities and security that the Lifeline program provides.

Through the Lifeline program, millions of low-income Americans are able to communicate with prospective and current employers, connect with emergency, health, social, and educational services, and keep in touch with family and friends. There are currently as many as 15 million low-income households who, without Lifeline benefits, would have to choose between feeding their children and going without a dial tone that could save their lives or put them on a better economic path through employment. A survey of Lifeline users indicated that nearly 70% use their Lifeline service to pursue employment and remain employed. In today's struggling economy, giving these individuals the resources they need to join or remain in the workforce is an absolute must.

Low-income Americans currently benefiting from Lifeline services fall in a wide range of diverse groups. One participating servicer estimates that more than 80% of Lifeline subscribers in 2011 had an average household income below $15,000; that the average age was 51; and that more than 45% of Lifeline subscribers were Caucasian compared to 40% who were African American and 7% who were Hispanic. Incidentally, 10% are also veterans who have more than earned access to this most basic convenience.

We recognize that like many government programs, there have been instances of abuse. That is why we strongly supported the actions of the Federal Communications Commission (FCC) in January 2012 when they reformed and modernized the Lifeline program to eliminate waste, fraud and abuse and to improve effectiveness and to reflect the changing needs of the communities served by Lifeline. Similarly, we recognize that our nation is facing tough budgetary times and that cost-cutting measures must be taken. However, cutting or even eliminating the wireless Lifeline program will not reduce the federal deficit by one penny, as taxpayer dollars do not pay for Lifeline. Instead, this program is funded by contributions from telecommunications companies, which may elect to share the costs of those contributions with their subscribers. Far from imposing a burden on taxpayers, wireless Lifeline has been proven to help low-income people find and keep jobs, ultimately reducing spending on public assistance programs.

The National Grange remains resolute in our support of the Lifeline program and would encourage members of Congress and the FCC to continue to support Lifeline's ability to provide both wireline and wireless phone services. Thank you in advance for your attention to our concerns and our strong support for the Lifeline program. We look forward to working with you on this and other issues, and hope we can serve as a resource in the future. Please don't hesitate to contact me, Grace Boatright, at 202-628-3507 ex. 114 or gboatright@nationalgrange.org should you have any questions.

Sincerely,

Grace Boatright
National Grange Legislative Director

RURAL
BROADBAND

April 24, 2013

The Honorable Greg Walden
Chairman
Subcommittee on Communications and Technology
Committee on Energy and Commerce
2182 Rayburn House Office Building
Washington, DC 20515

The Honorable Anna Eshoo
Ranking Member
Subcommittee on Communications and Technology
Committee on Energy and Commerce
241 Cannon Building
Washington, DC 20515

RE: RURAL GROUPS SUPPORT FEDERAL LIFELINE PROGRAM AS ESSENTIAL FOR RURAL AND TRIBAL COMMUNITIES

Dear Chairman Walden, Ranking Member Eshoo, Members of the Subcommittee on Communications and Technology:

We write to express our support of the federal Lifeline Program (Lifeline) and to respectfully encourage you to protect the funding and reach of the program in wired and wireless communications.

Since 1936, our nation has proudly upheld Universal Service, the principle to advance communications services to the least served including those in low-income, rural, insular, and high cost areas. It is our national commitment to Universal Service that created the Lifeline program under President Ronald Reagan's administration and expanded it to include cell phone service under the presidency of George W. Bush. Lifeline has led to a remarkable 97 percent telephone access across the country. However, our job is not complete. 67 percent of Tribal communities still do not have access to a landline, and 10.6 million people need the program to be able to afford this basic communications tool. These figures indicate that Lifeline, for both wired and wireless technologies, is an essential program to ensure that rural, Tribal, and low-income communities are able to communicate.

As rural Internet advocates, we know the importance of having access to all forms of communication, including telephone service. Without telephone service, rural people are further isolated from economic and civic participation, and disconnected from the safety

RURAL
BROADBAND

provided by our nation's emergency 911-service network. Any cuts to the Lifeline program would be nixing the tools rural communities have to communicate and fully participate our economy, society, and democracy.

Lifeline is a government program that provides discounts on monthly telephone service for eligible low-income consumers to help ensure they have the opportunities and security that telephone service affords, including being able to connect to jobs, family, and 911 services. In rural and Tribal communities where jobs are scarce and poverty is high, Lifeline is literally a lifeline for residents. According to the Federal Communications Commission, Lifeline helps 10.6 million families across the country afford a basic telephone line. Furthermore, as national efforts to connect communities via wireless services grow, policy makers must keep in mind that wireless services, monthly plans and devices are more expensive than traditional landline services. Therefore, the wireless component of the Lifeline program is essential to ensure that every member of our society is able to participate in the communications ecosystem of the 21st century.

Lifeline is essential to the success of our country because it ensures that even the most unserved areas are safe, able to communicate, and included. Simply put, any cuts to Lifeline will leave rural, Tribal, and low-income communities more vulnerable and locked out from full participation.

For all the concerns expressed above, the Rural Broadband Policy Group respectfully urges you to protect rural, Tribal, and low-income communities by opposing any cuts to the essential Lifeline program.

Sincerely,

Members of the **Rural Broadband Policy Group**:
Appalshop
Central Appalachia Regional Network
Center for Rural Strategies

Rural Broadband Policy Group is a growing national coalition of rural broadband advocates with two goals: 1) to articulate national broadband policies that provide opportunities for rural communities to participate fully in the nation's democracy, economy, culture, and society, and 2) to spark and kindle collaboration among rural advocates for fast, affordable, and reliable Internet.

For more information, please contact: Edyael Casaperalta at edyael@ruralstrategies.org
Visit us at http://www.ruralassembly.org/working-groups/broadband

WASHINGTON BUREAU · NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE
1156 15TH STREET, NW SUITE 915 · WASHINGTON, DC 20005 · P (202) 463-2940 · F (202) 463-2953
E-MAIL: WASHINGTONBUREAU@NAACPNET.ORG · WEB ADDRESS WWW.NAACP.ORG

April 23, 2013

The Honorable Greg Walden
Chairman
Subcommittee on Communications and Technology
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Anna Eshoo
Ranking Member
Subcommittee on Communications and Technology
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

RE: NAACP STRONG SUPPORT FOR THE LIFELINE PROGRAM

Dear Chairman Walden and Congresswoman Eshoo,

On behalf of the NAACP, our nation's oldest, largest and most widely-recognized grassroots-based civil rights organization, I am writing to express our strong support for the Universal Service Fund's (USF) wireless Lifeline program.

Lifeline is a much-needed program. It is in our society's best interest to empower everyone, especially our most vulnerable citizens, with the ability to communicate with prospective and current employers, connect with emergency, health, social, and educational services, and keep in touch with family and friends. There are currently as many as 16 million low-income households who, without the Lifeline benefits, would have to choose between feeding their children and going without a dial tone that could save their lives or put them on a better economic path through employment.

Recognizing the benefits of ready communication to all Americans, the Reagan Administration and Congress first enacted the Lifeline program in 1985. In recognition of the technological shift toward and benefits of mobility, the Federal Communications Commission (FCC) under the George W. Bush Administration expanded the program to include wireless service in 2005. Since that time, Lifeline has provided a discount on phone service for qualifying low-income consumers to ensure that all Americans have the opportunities and security that phone service brings.

Lifeline currently serves low-income consumers in every state, territory, and commonwealth. The Lifeline program is available to consumers with an income that is at or below 135% of the federal Poverty Guidelines or who participate in a qualifying state, federal or Tribal assistance

program including Medicaid, Supplemental Nutrition Assistance Program (SNAP, formerly known as Food Stamps), Section 8, LIHEAP, and the Free Lunch Program.

One participating servicer estimates that more than 80% of Lifeline subscribers in 2011 had an average household income below $15,000; that the average age was 51; and that more than 45% of Lifeline subscribers were Caucasian compared to 40% who were African American and 7% who were Hispanic. Perhaps most startling is the fact that despite the fact that participation in the Lifeline program has increased in recent years due in large measure to the economic downturn, just half of those who qualify for Lifeline benefits actually participate.

We recognize that like many government programs, there have been instances of abuse. That is why we strongly supported the actions of the Federal Communications Commission (FCC) in January 2012 when they reformed and modernized the Lifeline program to eliminate waste, fraud and abuse and to improve effectiveness and to reflect the changing needs of the communities served by Lifeline including rules that have failed to keep pace as consumers increasingly choose wireless phone service.

Lifeline works: the percentage of low-income households with phone service has increased from 80% in 1985, when Lifeline began, to nearly 92% in 2011. That is why we remain resolute in our support of the Lifeline program, and would encourage Members of Congress and the FCC to continue to support Lifeline's ability to provide both wireline and wireless phone services and we support expanding Lifeline to help support Broadband connection as well. Lifeline is an appropriately named program: it provides many Americans with a connection to employers, potential employers, emergency services, health care professionals, their children's schools, family and friends that they otherwise might have to do without.

Thank you in advance for your attention to our concerns and our strong support for the Lifeline program. If we can be of further assistance to you, or if you have any questions or comments, please do not hesitate to contact at the NAACP Washington Bureau at (202) 463-2940.

Sincerely,

Hilary O. Shelton
Director, NAACP Washington Bureau &
Senior Vice President for Policy and Advocacy

cc: Members, Subcommittee on Communications and Technology
Committee on Energy and Commerce

The Leadership Conference
on Civil and Human Rights

1629 K Street, NW
10th Floor
Washington, DC
20006

202.466.3311 voice
202.466.3435 fax
www.civilrights.org

Officers
Chair
Judith L. Lichtman
National Partnership for
Women & Families
Vice Chairs
Jacqueline Pata
National Congress of American Indians
Thomas A. Saenz
Mexican American Legal
Defense and Educational Fund
Hilary Shelton
NAACP
Secretary
Barry Rand
AARP
Treasurer
Lee A. Saunders
American Federation of State,
County & Municipal Employees

Executive Committee
Barbara Arvanitas
Lawyers' Committee for
Civil Rights Under Law
Arlene Holt Baker
AFL-CIO
Warren David
American-Arab
Anti-Discrimination Committee
Marcia D. Greenberger
National Women's Law Center
Chad Griffin
Human Rights Campaign
Linda D. Hallman
American Association of
University Women
Mary Kay Henry
Service Employees International Union
Sherrilyn Ifill
NAACP Legal Defense and
Educational Fund, Inc
Benjamin Jealous
NAACP
Michael B. Keegan
People for the American Way
Bob King
International Union, United
Automobile Workers of America
Elisabeth MacNamara
League of Women Voters of the
United States
Marc Morial
National Urban League
Mee Moua
Asian American Justice Center
Janet Murguia
National Council of La Raza
Debra Ness
National Partnership for
Women & Families
Priscilla Ouchida
Japanese American Citizens League
Terry O'Neill
National Organization for Women
Mark Perriello
American Association of
People with Disabilities
Dennis Van Roekel
National Education Association
Anthony Romero
American Civil Liberties Union
David Saperstein
Religious Action Center
of Reform Judaism
Shanna Smith
National Fair Housing Alliance
Randi Weingarten
American Federation of Teachers

Compliance/Enforcement
Committee Chair
Michael Lieberman
Anti-Defamation League
President & CEO
Wade J. Henderson
Executive Vice President & COO
Karen McGill Lawson

April 23, 2013

The Honorable Greg Walden
Chairman
Subcommittee on Communications and Technology
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Anna Eshoo
Ranking Member
Subcommittee on Communications and Technology
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

SUPPORT THE LIFELINE PROGRAM

Dear Chairman Walden, Ranking Member Eshoo, and Members of the Subcommittee on Communications and Technology:

On behalf of The Leadership Conference on Civil and Human Rights, a coalition charged by its diverse membership of more than 200 national organizations to promote and protect the rights of all persons in the United States, we thank you for the opportunity to submit our views regarding the Lifeline program and ask that this statement to be entered into the record of the Subcommittee hearing entitled "The Lifeline Fund: Money Well Spent?" scheduled for Thursday, April 25, 2013. Because communications technology is most valuable to everyone when it reaches all potential users, Congress has promoted the policy of "universal service" since passage of the Communications Act in 1934. We support continuation of this policy today—in the form of Lifeline support for low-income people—modernized to the new technologies of the twenty-first century.

Lifeline Supports Essential Telephone Access

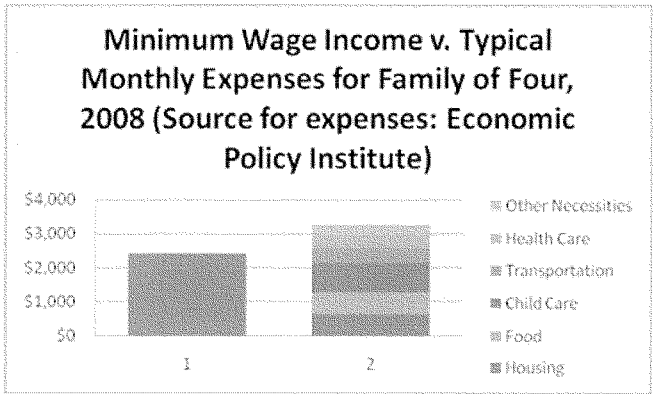
Created in 1984 under President Reagan, the Lifeline program supports low-income people's access to telephone service, whether they use either wireless or traditional technology. In 2012, about $2.2 billion, or one-quarter of the total $9 billion spent on universal service, was spent on the program targeting low-income people. Of the total 440 million lines supported by universal service, 16 million are in the Lifeline program

Today, more than ever before, access to telephone service is essential for all people who seek to reach emergency services, earn a living, improve their education, receive health care, or engage in civic society. Contacting the fire department, getting a job, making a doctor's appointment, or managing any aspect of daily life would be virtually impossible if one had to

be physically present to communicate with others. Though today, a telephone is increasingly a sub-standard mechanism to support daily needs, falling far behind the utility of a high speed broadband Internet connection in quality and convenience, it is clear that without a voice telephone, many individuals would be unable to work, care for their families, or improve their socio-economic status.

Lifeline Support is Critical for People in Poverty

Currently the Federal Communications Commission's Lifeline program is available to individuals who are at, or below, 135 percent of the federal poverty guideline. In 2013, the federal poverty guideline is $23,550 for a family of four; thus, to be eligible for Lifeline, a family of four would need to earn less than $31,790 per year. As we explained in our comments to the Commission, such a family would still be earning well short of the minimal economic security salary of $42,106, which the Economic Policy Institute (EPI) has determined represents "the pre-tax annual family income … required to maintain a safe but modest standard of living."[1] Using EPI's data, we constructed a chart comparing the monthly needs for financial security of a family of four in Oklahoma in 2008, and the amount a worker could earn at 40 hours per week at minimum wage.[2]



1- Minimum wage Income; 2- EPI economic security threshold

Families in poverty spend every day balancing among a number of unmet needs, including groceries, rent and mortgage payments, health care, child care, and other needs. Every contribution toward their overall

---

[1] James Lin and Jared Bernstein, Economic Policy Institute, *What We Need to Get By*, EPI Briefing Paper #224 (2008) available at: http://www.epi.org/publications/entry/bp224/. The calculator is available at: http://www.epi.org/content/budget_calculator.

[2] See Economic Policy Institute, Basic Family Budget Calculator, Two parents, two children, Oklahoma City, OK HUD Metro FMR Area. http://www.epi.org/content/budget_calculator/?family_type=2P2C&state=OK&area_name=Oklahoma+City%2C+OK+HUD+Metro+FMR+Area .

economic security is an important element of the social safety net. Lifeline is a critical tool for our most vulnerable populations.

Mobile Telephone Access is Essential for Low-Income People

In 2005, partially in response to the devastation wrought by Hurricane Katrina, the Bush administration expanded the manner in which the Lifeline program supports wireless telephone service. As explained by Professor David Super to the Commission during its Lifeline proceeding in 2011,[3] Lifeline mobile support complements and supports the federal policies designed to promote work, rather than public assistance, as the primary means of support for low-income people.

Mobile phones play an important, even essential, role in low-income workers' lives. For example, low-income people often must work multiple low-wage jobs that are scheduled using shifts; and must often obtain additional shifts beyond their regular schedules to meet their minimum economic needs. A worker's access to a mobile phone is critical in order to be available at any time to take on additional work. In addition, mobile phones are important for people who rely on public transportation, which is often not as reliable as private transportation. Mobile phones are also important for low-income workers who typically rely on informal child care arrangements, which are less consistent and often require last-minute changes to meet the caregiver's and child's needs.

In addition, Lifeline mobile support helps facilitate the administration of programs such as SNAP (formerly known as food stamps), Medicaid, and other anti-poverty programs. Federal benefits programs administered by the states have taken advantage of new technologies, using automated administration to provide more accurate and efficient service. This often means that recipients need to routinely check in by phone to a state-wide call center to participate in hearings or conduct eligibility verification interviews.

In sum, the increasing scarcity of public pay phones means that without a mobile phone, low-income people cannot always be responsive to their employers, their children, and their caregivers, or the eligibility requirements of federal benefit programs.

Reforms to End Waste Fraud and Abuse Should Not Harm Vulnerable Populations

We strongly support efforts to ensure that telephone companies are not using Lifeline funds for ineligible people or for substandard services. The reforms the Commission adopted in 2012 are strict and go to the heart of prior abuses. Every applicant for the program must provide proof that he or she is eligible for the program before obtaining service. For the first time, carriers are required to explain to potential subscribers that Lifeline is a federal program. Each company that obtains reimbursement through the program must sign a statement every month, under penalty of perjury, that the company is providing service to eligible consumers.

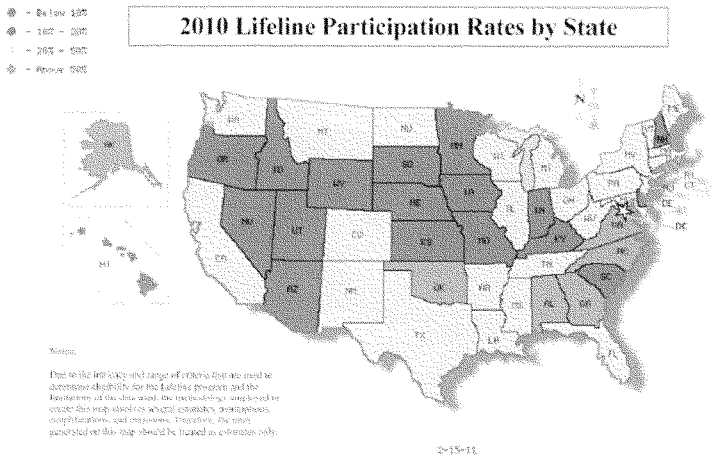
Focusing on the overall size of the fund is not an accurate way to monitor waste, fraud and abuse. Some of the recent increases in enrollment and expenditures are likely due to increased need caused by the recent economic downturn, not fraud and abuse. Further, the Commission's new definition of "household" more accurately captures the economic circumstances of low-income people—recognizing

---

[3] See Letter from Prof. David Super, Georgetown University to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket 11-42 (filed Nov. 7, 2011), available at: http://apps.fcc.gov/ecfs/document/view?id=7021747028.

that often multiple families share a single address in difficult economic times. For these reasons, while we supported some reform of the Lifeline program, we strongly discouraged the Commission from adopting a hard cap.

We note that, for its entire existence, the Lifeline program has been underutilized. For example, according to a 2009 study, 25.7 million households qualified for Lifeline support, but only approximately 8.2 million households were enrolled, resulting in a low participation rate of approximately 32 percent.[4] The map below shows the most recent participation rates estimated by the Universal Service Administrative Company (USAC) in 2010. Only a handful of states are above 50 percent. The most recent poverty numbers estimate that the current poverty rate is 15 percent, reflecting 46 million people. This data indicate that, even at 16 million participants, Lifeline is only reaching a fraction of eligible households.



We believe that even more reforms are possible to improve the program but not harm the population it intends to serve. In our filings before the Commission, we asked it to consider a number of additional changes:

- Expand the program to support broadband services;
- Create a portable electronic benefit for Lifeline participants;
- Develop financial incentives for states that adopt pro-efficiency reforms;
- Adopt financial penalties for carriers that miss appropriate targets;

[4] Universal Service Administrative Company, *Lifeline Participation Rate Study* (2009).

- Utilize existing databases housed at the state level to verify eligibility, rather than develop new and costly databases which will likely undermine privacy protections; and
- Adopt minimum quality controls for Lifeline-eligible services, such as a minimum monthly minute allotment.

In sum, we strongly support the existing Lifeline program, including its technology-neutral policy to support both wired and wireless services. We look forward to working with the Subcommittee and the Commission to ensure that the nation's most vulnerable populations have affordable access to the tools essential for daily living in the information age. Thank you for considering our views. Please contact Leadership Conference Media/Telecommunications Co-Chair Cheryl Leanza, UCC O.C., Inc., at 202-841-6033 or Corrine Yu, Leadership Conference Managing Policy Director at 202-466-5670, if you would like to discuss the above issues or any other issues of importance to The Leadership Conference.

Sincerely,

Wade Henderson
President & CEO

Nancy Zirkin
Executive Vice President

April 23, 2013

The Honorable Greg Walden
Chairman
Subcommittee on Communications and Technology
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Anna Eshoo
Ranking Member
Subcommittee on Communications and Technology
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

RE: OUR STRONG SUPPORT FOR THE LIFELINE PROGRAM

Dear Chairman Walden and Congresswoman Eshoo,

On behalf of the undersigned organizations, we are writing in advance of the hearing scheduled for April 25, 2013, to express our strong support for the Universal Service Fund's (USF) wireless Lifeline program. The policy of universal service has been part of the Communications Act since 1934 because it is in our society's best interest to empower everyone to connect by telephone. Without a telephone, our most vulnerable populations would not have the ability to call 911, contact prospective and current employers, connect with health, social, and educational services, or keep in touch with family and friends. There are currently as many as 16 million low-income households who, without the Lifeline benefits, would have to choose between food on the table and the telephone connection.

Created in 1984 under President Reagan, the Lifeline program supports low-income people's access to telephone service, whether they use either wireless or traditional technology. The Lifeline program reaches individuals who are at, or below, 135 percent of the federal poverty guideline, or who participate in a qualifying state, federal or Tribal assistance program including Medicaid, Supplemental Nutrition Assistance Program (SNAP, formerly known as Food Stamps), Section 8, LIHEAP, and the Free Lunch Program. It offers $9.25 per month to carriers to subsidize the cost of providing telephone service. In some cases, telephone companies are able to use the federal benefit to offer telephone services to consumers at no cost.

One participating servicer estimates that more than 80 percent of Lifeline subscribers in 2011 had an average household income below $15,000; that the average age was 51; and that more than 45 percent of Lifeline subscribers were Caucasian compared to 40 percent who were African American and 7 percent who were Hispanic; the vast majority were women. For more than half of those customers, the Lifeline phone was their first wireless phone.

The Federal Communications Commission has recently taken action to curb previous abuses. We believe that the Commission should take time to evaluate its recent reforms to ensure that they are not inadvertently driving eligible households from the program.

Lifeline has proven its effectiveness. The percentage of low-income households with phone service has increased from 80 percent in 1985, when Lifeline began, to nearly 92 percent in 2011. We encourage the subcommittee to support the program and to ensure it is updated to new

technologies. If we can be of further assistance to you, or if you have any questions or comments, please do not hesitate to contact us through Hilary Shelton at the NAACP at 202-463-2940.

Sincerely,

NAACP
Disability Rights Education & Defense Fund
United Church of Christ, Office of Communication, Inc.
National Organization for Women
Leadership Conference on Civil and Human Rights
ACLU
Asian American Justice Center, Member Asian American Center for Advancing Justice
CWA

2012 Top Ten High Cost Disbursements by State (in thousands)

State	High Cost
Texas	241,725
Mississippi	237,373
Alaska	204,908
Kansas	189,641
Wisconsin	177,293
Puerto Rico	158,658
Oklahoma	145,846
Iowa	134,975
Georgia	119,843
Minnesota	113,208

2012 Top Ten Lifeline Disbursements by State (in thousands)

State	Lifeline
Oklahoma	252,387
California	164,402
New York	141,761
Georgia	131,882
Florida	118,154
Louisiana	110,927
Ohio	110,079
Illinois	98,265
Texas	95,870
Maryland	80,315

Source: 2012 USAC Annual Report

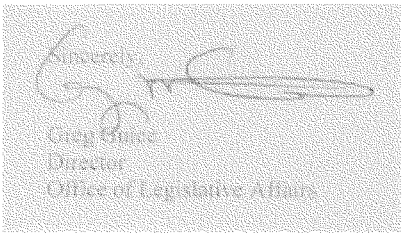
Federal Communications Commission
Washington, D.C. 20554

June 13, 2013

The Honorable Greg Walden
Chairman
Subcommittee on Communications and Technology
Committee on Energy and Commerce
United States House of Representatives
2125 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Walden:

Please find attached responses from Julie Veach, Chief of the Federal Communications Commission's Wireline Competition Bureau, to the post-hearing questions from the Subcommittee's April 25, 2013 hearing titled "The Lifeline Fund: Money Well Spent?". Please let me know if I can be of further assistance.



Enclosure

The Honorable Henry Waxman

1. **Mr. Gregg's testimony cited data claiming that eight states have more Lifeline subscribers than low income households – Alaska, Arkansas, Georgia, Louisiana, Maryland, Ohio, Oklahoma, and Rhode Island. After our hearing, one analysis questioned this conclusion, arguing that Mr. Gregg's conclusions were based on outdated poverty statistics and an undercount of eligible recipients, among other issues. What is the FCC's perspective on Mr. Gregg's data?**

Mr. Gregg asserted that, in certain states, the actual disbursed Lifeline support exceeded 100% of the amount that would be disbursed if all eligible households subscribed to the Lifeline program. I understand that Mr. Gregg reached this conclusion by comparing a state's actual annual disbursements to his estimate of the potential number of eligible households. By doing so, it is our view that Mr. Gregg's calculation underestimates the number of eligible households because it accounted only for households eligible based on income and did not consider that many households are eligible through participation in one of seven Federal programs. These programs include Medicaid, Supplemental Nutrition Assistance Program (SNAP), Low-Income Home Energy Assistance Program (LIHEAP), Federal Public House Assistance (Section 8), National School Lunch Program, Supplemental Security Income (SSI), and Temporary Assistance to Needy Families (TANF). By excluding these households, Mr. Gregg underestimated the potential number of eligible households, causing his estimate of the percentage of eligible households subscribing to Lifeline to be too high.

The Census Bureau provides the data (Current Population Survey March 2012 Supplement) necessary to correctly estimate the number of eligible households using both the income and program participation criteria. Using these data reveals lower estimates of the subscription rate in every state Mr. Gregg reported. For example, Mr. Gregg's estimates overstate the subscription rate in Maryland by approximately 83 percent and in Louisiana by approximately 38 percent.

2. **Mr. Feiss stated in his written testimony for the hearing that "no application for Lifeline-only ETC designation has been denied anywhere in the U.S." Is that accurate? Has the FCC denied any Lifeline ETC applications?**

States generally designate ETCs but, in the instance where a state commission does not have jurisdiction, Congress has directed the FCC to evaluate a carrier's request for designation as an ETC. The FCC currently designates wireless carriers in the following jurisdictions: Alabama, Connecticut, Delaware, Florida, New Hampshire, North Carolina, New York, Tennessee, Virginia, Texas and the District of Columbia. Given that states have primary jurisdiction to designate carriers as ETCs, the FCC cannot comment on the number of Lifeline-only ETC designations that have been denied nationwide. Since 2008, the FCC has granted 6 ETC designation petitions and currently has pending 38 Lifeline-only ETC petitions. The FCC accords rigorous scrutiny to such applications and has encouraged states to do the same for state ETC applications. In the April 29, 2013 letter to the Committee submitted by the National Association of Regulatory Utility Commissioners (NARUC), NARUC explains how states are

combatting waste, fraud and abuse in the Lifeline program and notes that at least seven states have "pulled" ETC designations and at least six have refused to designate carriers as ETCs.

3. Mr. Feiss' testimony also characterized the FCC's ETC approval process as "lenient." Do you agree? Could you explain the requirement for ETC compliance plans that the FCC adopted as part of the 2012 Lifeline Reform Order?

No. The Commission's ETC process is not "lenient". Rather, the FCC has imposed a rigorous approval process for non-facilities based carriers that seek designation as ETCs. With its ongoing commitment to fight waste, fraud, and abuse in the program, the FCC, through its 2012 reforms, now requires that every non-facilities based carrier seeking to become a Lifeline-only ETC must first receive approval of its compliance plan before becoming an ETC. In a Public Notice, FCC staff set forth the key elements that must be contained in a compliance plan, which include a detailed explanation of how the carrier will comply with the FCC's rules (including a thorough review of the carrier's marketing and outreach materials) as well as a description of its future service offerings. The staff undertakes a rigorous review of each carrier's compliance plan before granting approval. A non-facilities-based carrier cannot seek designation as an ETC (from the FCC or a state commission) or receive federal universal service fund (USF) support until it has a compliance plan approved. Commission staff also coordinate with staff from state commissions on a regular basis to ensure appropriate management and oversight the ETC designation process at the state level.

4. There was some discussion at the hearing about an "explosion" of ETC designations for Lifeline. Does the FCC have information about what percentage of the carriers certified to participate in Lifeline are also receiving high-cost support? How many are only certified to participate in Lifeline?

Approximately 70 percent of the ETCs certified to offer Lifeline services are also receiving high-cost support and approximately 30 percent are designated as ETCs for the limited purpose of offering Lifeline services.

<u>The Honorable Doris Matsui</u>

1. Is there such a thing as a "Free" government phone?

No. Lifeline support cannot be used to support a phone or any other device. The flat-rate support amount can only be used towards the purchase of voice telephony service and the FCC's rules require that the ETC must pass through to the Lifeline consumer the entire subsidy amount. If a company offers a free phone to Lifeline subscribers, it is doing so as part of its business model.

2. Is it accurate to say that the Lifeline program is not contributing to "any current growth" within the Universal Service Fund at this point?

Yes. Lifeline reforms have led to a reduction in disbursements. For example, in July 2012, the program disbursed $190,451,629 in support to ETCs. In May 2013, the program

disbursed $145,521,710, a savings of $45 million. Overall, the Commission has already saved over $214 million since the reforms went into effect and we are on track to save $2 billion by the end of 2014. The contribution factor in the first quarter of 2012, before implementation of Lifeline reforms was 17.9 percent, whereas the most recent contribution factor for the second quarter of 2013 was 15.5 percent.

3. What is the current status for the duplicates database?

The Universal Service Administrative Company, or USAC, administers the Lifeline program on behalf of the FCC. USAC has announced its selection of the vendor for the National Lifeline Accountability Database (NLAD), and work is already underway. The NLAD will be operational this year.

4. In the Lifeline Reform Order, the FCC adopted a goal for the program to "ensure the availability of broadband service for low-income Americans." The order also established a broadband pilot program which is now underway with 14 pilots in over 20 states to test how the program can potentially support broadband. Can you discuss why the Commission felt a goal of the program should be to ensure broadband availability for low-income Americans and what you hope to learn from the pilots?

In its 2012 Lifeline reforms, the FCC established specific goals for the program, including a goal of "ensuring the availability of broadband service for low-income Americans." This goal reflects the principle in section 254 of the Communications Act that all consumers, including low-income consumers, should have access to advanced telecommunications and information services at affordable rates. It is also consistent with the recommendations of the National Broadband Plan, which recognizes how broadband has become essential to all Americans to access jobs, education and economic opportunity in the 21st century. As a first step towards achieving this goal, the FCC launched a broadband pilot program on February 1, 2013, that will provide high-quality data on how the Lifeline program could be structured to promote the adoption and retention of broadband services for low-income Americans. The fourteen selected projects will provide various broadband services to Lifeline eligible consumers and will gather data and provide analysis on a wide range of geographic, technological and programmatic variables. The pilot will test subsidy amounts, end-user charges, access to digital literacy training, equipment types, speed ranges, data usage limits and other variables to assist the Commission in determining how the program could potentially be modernized to support broadband.

5. Does the Lifeline program have any impact on the U.S. budget or our nation's fiscal deficit?

The Lifeline program does not have an impact on the U.S. budget or the nation's fiscal deficit. The program, like all USF programs, is funded through a fee imposed on providers of interstate telecommunications. Wireless companies, wireline telephone companies, and interconnected voice over Internet protocol (VoIP) providers contribute to the Fund and generally recover those contributions from their end-user customers. Funds are remitted not to the U.S. Treasury, but rather to USAC to administer the four universal service programs. Thus,

increasing or decreasing the size of the Lifeline program, or any other component of the overall universal service program, will not impact the federal budget, the deficit, or the debt.

The Honorable Ben Ray Lujan

1. As mentioned at the hearing, I represent a very rural district. It stretches across the farmlands of eastern New Mexico and the rugged mountains of the Rio Grande valley. Many of my constituents depend upon Lifeline to follow up on job opportunities, communicate with their doctors, or contact emergency services. Lifeline is often mischaracterized by its critics as being an urban program, but I can assure you that it also serves many of the most vulnerable populations in rural America. How many lifeline users live in rural communities? Is the participation rate in rural communities comparable to urban areas?

Since 1985, the Lifeline program has provided a discount on phone service for qualifying low-income consumers to ensure that all Americans have the opportunities and security that phone service brings, including being able to connect to jobs, family and emergency services. This program is available to eligible low-income consumers in every state, territory, commonwealth, and on Tribal lands, regardless of whether the consumer resides in a rural or urban area. While we have data on the overall number of subscribers in each state and on Tribal lands, the FCC does not have data showing whether Lifeline subscribers live in rural or urban areas.

2. My district is also home to a large Tribal population, much of which is severely underserved by modern infrastructure networks, including telecommunications networks. The FCC has recognized the dire needs for network connections and high cost of making those connections in these areas and preserved a higher subsidy to service providers on Tribal lands. This subsidy has gone to good use as Tribal telecom companies have utilized it to connect a large number of their populations to telecommunications networks for the first time. In letters to the Subcommittee, both the Mescalero Apache Telecom, Inc. and Gila River Telecommunications, Inc. expressed their reliance upon the program in their work. They tell us that 611 households on the Mescalero Apache Nation in New Mexico have been connected by the Lifeline program and 78% of Gila River's Tribal subscribers in Arizona are subscribers. Does the FCC have any estimates of how important this program is to Tribal communities? How many Lifeline users live on Tribal lands? What is the FCC doing to keep the program relevant to Tribal populations and other underserved communities?

Since 2000, the Tribal Lifeline and Link Up programs have provided invaluable assistance in helping to dramatically improve access to telephone service for low-income residents of Tribal lands, many of whom face often endemic levels of cyclical poverty. Given the significant telecommunications deployment and connectivity challenges on Tribal lands, and the high percentage of Tribal residents with incomes under the Federal Poverty Guidelines, the Lifeline program has served as an important resource for Tribal residents. In 2012, over 800,000 subscribers on Tribal lands participated in the Lifeline program.

In its 2012 reforms of these programs, the FCC recognized the unique circumstances facing residents on Tribal lands and adopted a number of Tribal-specific provisions to ensure that the programs remain relevant and accessible. For example, the FCC learned that many Tribal elders opted for the Food Distribution Program on Indian Reservations (FDPIR), commonly referred to as the "commodity program," rather than the Supplemental Nutrition Assistance Program (SNAP). Because FDPIR was not considered an eligible program for participating in Lifeline and Link Up, FDPIR beneficiaries had been excluded from receiving the benefits of Lifeline and Link Up support. To address this, the FCC made FDPIR an eligible program for purposes of Lifeline and Link Up.

As another example, the FCC preserved the Link Up program on Tribal lands (with certain limitations) while eliminating it elsewhere, acknowledging the significant telecommunications deployment and access challenges that persist today on Tribal lands. The FCC also adopted a broadband adoption pilot program, in an effort to gather data on broadband adoption and deployment among low-income consumers. Of the 14 applicants selected for the program, two Tribally owned ETCs – Gila River Telecommunications, Inc. and Hopi Telecommunications, Inc. – were accepted into the pilot program. That program is currently underway.

3. If our hearing brought about any agreement between the two parties, it's that a reform of the Lifeline program has been sorely needed. I commend the FCC for the changes to the program announced last year. The FCC is now requiring proof of eligibility for the program and compiling eligibility and enrollment databases to ensure that Lifeline is not abused. How does the implementation of these reforms impact the FCC's decisions regarding the programs funding, modernization, and any additional reform efforts?

The tough reforms that the FCC unanimously adopted are working; the number of subscribers enrolled in the program is down by 5 million since the reforms were adopted, and the program is on track to save $2 billion by 2014. Establishing automated means for checking for duplicate subscribers and subscriber eligibility should lead to further savings. In this regard, the National Lifeline Accountability Database (NLAD), which will enable carriers to check for duplicate subscribers, is on track to be operational by the end of this year, and the FCC is making progress working with other federal agencies also to automate verification of subscriber eligibility. When the FCC adopted reforms in early 2012 it determined that it was appropriate to assess the impact of the reforms before moving forward with other potential changes to the program, including whether to establish a budget, the permanent per-subscriber support level, and whether other federal programs should be added to the list of those enabling subscriber eligibility. While the FCC's reforms have taken hold and have reduced the size of the Fund in one year, the FCC is continuing to monitor the impact of its reforms to see whether additional measures are necessary.

a. What is the current status of the two databases? Do you expect them to be online and in use by the end of the year?

USAC has announced that the vendor for the National Lifeline Accountability Database (NLAD) has been selected, and work is already underway. The NLAD will be operational this year.

The FCC has also directed the FCC staff to create an automatic means of verifying eligibility. The FCC is leading discussions at the federal level with the Department of Agriculture and the Department of Health and Human Services. Simultaneously, the FCC is also working with those states that are seeking to develop automated means for verifying subscriber eligibility. About 10 states already have automatic means of verifying eligibility, with the possibility that more states will follow.

b. Some have suggested that a minimum co-payment be required for consumers receiving Lifeline service, so that they have some "skin in the game." Did the FCC consider requiring a co-payment as part of the reform Order? Why didn't the FCC adopt one?

The FCC considered a minimum charge during the Lifeline rulemaking process in 2011-2012, but voted unanimously not to mandate it, indicating that there was insufficient data to establish that such a federal requirement would effectively protect the program from waste, fraud, and abuse without thwarting the goal of making vital communications services available to low-income consumers. The Commission also found that it was unnecessary to impose a federal minimum charge at that time requirement in light of the other significant steps being taken to reform the Lifeline program. States, however, are free to adopt minimum charges if they decide to. Georgia, for example, just adopted a $5 minimum charge; California, on the other hand, used to have a minimum charge but recently permitted carriers to offer Lifeline without a charge.

The Honorable Steve Scalise

1. How many and what percentage of Lifeline subscribers that receive subsidized mobile service choose to upgrade their cell phone plans?

The FCC does not track information about individual subscribers, such as their usage patterns or whether they choose to upgrade their service plans. Carriers can be contacted regarding their subscribers' usage patterns. The USAC website (http://www.lifelinesupport.org/ls/companies/companies.aspx) provides a listing of all the carriers designated as ETCs within each jurisdiction.

The Honorable Billy Long

1. What percentage of Lifeline cell phone users go over the free 200 minutes on the cellular phones provided through the program?

The FCC does not track information about individual subscribers, such as usage patterns or whether they exceed their allotted minutes for their service plans. Carriers can be contacted

regarding their subscribers' usage patterns. The USAC website (http://www.lifelinesupport.org/ls/companies/companies.aspx) provides a listing of all the companies designated as ETCs within each jurisdiction.

2. Are Lifeline cell phone users able to forward their personal cell phone to their Lifeline phone in order to use up the free 200 minutes? This of course would allow 200 minutes of cell phone use paid for by the Lifeline program.

Each carrier has its own procedures for handling call forwarding. The FCC does not track this information and its rules do not address this matter. To gather information regarding individual carriers' call forwarding procedures, the USAC website (http://www.lifelinesupport.org/ls/companies/companies.aspx) provides a listing of all the companies designated as ETCs within each jurisdiction.

Commissioner Phil Jones Response to Questions for the Record from the April 25 Hearing: "The Lifeline Fund: Money Well Spent?"

I. The Honorable Henry Waxman

[A] Mr. Gregg's Testimony cited data claiming that eight States have more Lifeline subscribers than low income households – Alaska, Arkansas, Georgia, Louisiana, Maryland, Ohio, Oklahoma, and Rhode Island. After our hearing, one analysis questioned this conclusion, arguing the Mr. Gregg's conclusions were based on outdated poverty statistics and an undercount of eligible recipients, among other issues. Do you agree? Can NARUC provide the Committee with data from those eight States to help us determine whether the Lifeline programs in those States are in fact oversubscribed?

Answer: Mr. Gregg's calculations, if true, reinforce the imperative to get the national duplication and eligibility verification databases up and running quickly. However, there are some aspects of his analysis that invite criticism.

For example, it appears the low-income household numbers were taken from 2010 census data collected in 2009. Yet that somewhat dated information was compared with Lifeline subscribership data from 2012 and 2013. Obviously, comparing data from different time spans is unlikely to produce reliable conclusions. It is quite possible that his analysis understates the number of eligible low-income households in 2012-13.

Moreover, using the 135% of the federal poverty guideline (FPG) as the proxy for lifeline eligibility is inappropriate. This "proxy" does not account for permissible variations in Lifeline eligibility standards. The federal Lifeline eligibility criteria is a floor and States are allowed to, and often do, set different eligibility criteria – typically participation in other "qualifying" State low income assistance programs. For example, Ohio defines poverty as 150% of FPG. Ohio's state heating assistance program is set at 200% of FPG. A participant in either program qualifies for Lifeline service – but obviously would appear as ineligible in an analysis based just on the FPG. In Rhode Island, the income level to participate in the State low income heating assistance program, which also qualifies recipients for Lifeline, is based on 60% median income which for FY2012-2013 is $52,601 for a family of four compared to the FPG's $37,680 for the same family. These are only two examples of State specific differences that are necessarily excluded from an analysis based-only on the FPG and can only result in under-reporting of the number of eligible participants.

Mr. Gregg's dated calculations also appear to be based on Lifeline subscribership data collected prior to the first FCC-required Lifeline recertification. It does not appear Mr. Gregg's calculations account for the recent FCC announcement that the 2012 recertification resulted in 29% of Lifeline subscribers being de-enrolled (DA 13-872). Obviously, *even if Mr. Gregg's analysis contains no other methodological errors*, it overstates the current alleged disparity between households that have the service and those that are actually eligible for the subsidy.

Some of NARUC's member commissions question the methodology used by Mr. Gregg to calculate the Adjustment for Tribal Support. All of Alaska is considered Tribal Lands and therefore all Lifeline-eligible customers in that state are entitled to receive a Lifeline credit of up to $34.25 per month (the regular Lifeline credit of $9.25 + the $25 tribal Lifeline credit). Indeed, Mr. Gregg concedes this problem in his testimony – noting that: "[t]wo of these states – Alaska and Oklahoma – contain 88% of total tribal Lifeline subscribers, so it is possible that additional tribal support is responsible for the high level of actual support in those states."

The Universal Service Administrative Company (USAC), the independent third party administrator of the USF program, provides an annual map showing Lifeline participation rates by State. The most recent data the USF administrator has released is for 2011.[1] The published report only provides participation rates within ranges (below 10%; 10 to 20%; 20 to 50%; and above 50%). At least two States (Ohio and Rhode Island) Mr. Gregg cites as being oversubscribed were listed by USAC as having a 2011 participation rate of between 20% and 50%. The others were listed as having participation rates above 50%. The FCC could require a more detailed analysis of program participation by USAC in the future to better gauge if "oversubscription" is actually a problem in those states.

It is worth repeating, the best thing Congress can do now to increase efficiency and eliminate fraud, is to assure the FCC brings online the national duplication and eligibility verification databases as quickly as possible.

[B] Mr. Feiss stated in his written testimony for the hearing that "no application for Lifeline-only ETC designation has been denied anywhere in the U.S." Mr. Jones, your testimony stated that at least six States had denied an ETC denied an ETC application. How can we reconcile these two statements?

Answer: As stated in my testimony, not many ETC applications are denied because the provider almost always withdraws their application before that can occur. In my State of Washington, for example, our staff recommended that we deny some ETC designations (Two examples: Reconnex [wireline Lifeline ETC applicant] and Midwestern Telecommunications, Inc. [prepaid wireless Lifeline ETC applicant]). Each time the carrier withdrew their application after the staff issued its negative recommendation but before it came up for a vote.

Often, PUCs and their staff will work with providers and seek revisions until the application is deemed acceptable. For example, the Wisconsin proceeding on TracFone's designation took two years and several revisions before it was finally approved. In a few other cases, including one in South Dakota, a State Commission denied a wireless petition for ETC

---

1 Universal Service Administrative Co., 2011 Lifeline Participation Rate by State Map, available online at: http://www.usac.org/_res/documents/li/pdf/participation-rates/li-participation-rate-map-2011.pdf.

designation but was overturned on appeal. In our informal survey of member PUCs, we did not specifically ask respondents if ETC applications they had denied were for Lifeline only. It is a fact that some wireless Lifeline only applications have been denied at the State level. Below you will find links to a couple State commission orders denying wireless applications for Lifeline only ETC status. This is by no means a comprehensive list but indicates that indeed some have been denied.

California: *Resolution to Deny the Request of TracFone Wireless, Inc. (U-4231-C) to be Designated an Eligible Telecommunications Carrier in California.* Resolution No.T-17235, December 17, 2009.

Link: http://docs.cpuc.ca.gov/PublishedDocs/PUBLISHED/FINAL_RESOLUTION/111397.htm

Indiana: *IURC Order Denying True Wireless Petition for Designation as an ETC for Lifeline Purposes Only* (41052 ETC 64), February 20, 2013.

Link: http://www.in.gov/iurc/files/41052_64order_022013.pdf

> *[C] There was some discussion at the hearing about an "explosion" of ETC designations for Lifeline. From your perspective in the States, what percentage of the carriers certified to participate in Lifeline are also receiving high-cost support? How many are only certified to participate in Lifeline?*

Answer: Without a doubt there has been an increase in the number of wireless Lifeline-only ETCs across the country. We were unable to locate any public national statistics distinguishing Lifeline-only and high-cost ETCs. The universal service program administrator – USAC – should have this data and be able to provide a national analysis of the growth in Lifeline-only ETCs. They would be the most likely source for the most comprehensive and accurate national data.

However, I can share with you information on my State and a few others that had this information readily available.

In Washington State, for years we had twenty-four wireline and seven facilities-based wireless ETCs that received both high-cost and Lifeline support. The number of wireless ETCs that receive both is now down to five. In the past, we had as many as four wireline Lifeline-only ETCs but only one of those remains. The biggest change has been the increase in the number of Lifeline-only wireless ETCs which all filed for designation *after* 2009. Currently Washington has six wireless Lifeline-only ETCs. Another ten applications are pending.

In 1997, California had eighteen ETCs participating in both high-cost and Lifeline programs. Currently the State has granted fourteen Lifeline-only ETCs, all wireless: four in 1998; one in 2006; one in 2008; one in 2009; two in 2010; and five in 2011. Currently, thirteen

additional Lifeline-only ETC applications are pending. Of those, two are wireline providers and eleven are wireless.

Massachusetts has a total of ten ETCs. Five are wireline carriers that participate in both high-cost and Lifeline programs. The other five are Lifeline-only ETCS. All five are wireless and were certified in 2009 or later. Nine Lifeline-only wireless ETC petitions are pending. Only one is facilities-based.

Nebraska has approved five Lifeline-only ETC applications in the last year and has three applications pending.

The data from theses States does show that Lifeline-only ETC applications are on the rise. I believe these anecdotal examples are representative of national trends, but USAC should be able to provide more definitive data and a more comprehensive analysis.

II. The Honorable Ben Ray Lujan

[A] As a former New Mexico Public Regulation Commissioner, I have a great deal of respect for your organization's work and am interested in your opinion on the Lifeline program and its recent reform proposals. Do you see any barriers to the effective engagement of State PUCs in overseeing Lifeline carriers? What can Congress or the FCC do to help ease those barriers?

Answer: The Universal Service Fund, including the low-income Lifeline program, is a shared responsibility of federal and State policymakers.

As outlined in my testimony, at least ten States and the District of Columbia do not designate wireless applications for ETC designation. In these States, the legislatures have not provided the commissions with the needed authority. For those states, wireless carriers must seek their approval from the FCC. But federal barriers do exist.

For example, in 1992, Congress enacted 47 U.S.C. Section 332. That provision preempts – except in limited circumstances, State authority over cell phone company rates. Congress wisely reserved State authority over "other terms and conditions" of cell phone service. However, putative Lifeline-only providers have cited this clause as a basis to refuse State requests for more information about rates crucial to making sound decisions. During the evaluation of one wireless Lifeline ETC application, for example, my commission asked the carrier for cost and rate data. The carrier refused saying that information was "rate" related and therefore outside our authority. While we recognize the FCC has the ultimate authority to determine the level of federal Lifeline support, it is important for State commissions to vet these Lifeline ETC applications thoroughly and understand as well as we can its business model and costs. Without accurate and reliable data regulators at the State or federal level cannot make sound decisions.

For the States that lack authority to designate wireless ETCs, the result is one less "cop on the beat" to guard against waste, fraud and abuse. In those States, the enforcement burden shifts to the FCC. Meanwhile, as the result of the FCC's intransigence in classifying the misleadingly[2] named "Voice over Internet Protocol" service has resulted a spate of State legislatures limiting or eliminating State Commission authority over such services. As the PSTN migrates to IP technologies and the federal Lifeline program properly transitions to support broadband, more of the responsibility for combating waste, fraud and abuse from such States is also likely to fall on the FCC. The question remains, does the FCC have the ability and resources to properly oversee the program in such States? History suggests the answer to that question is no.

FCC inaction on crucial issues has a definite impact. For example, as mentioned earlier, Section 332 reserves State authority over "other terms of conditions" of wireless service. However, the meaning of "other terms and conditions" has never been fully clarified leading, in some cases, to costly legal proceedings and reluctance in some States to provide oversight. This was highlighted in a 2009 GAO report which states that the "FCC has provided some guidance on this issue but has not fully resolved disagreement over states' authority to regulate billing line items and fees charged for terminating service early."[3] The FCC's failure to classify VoIP services is also a major impediment to State action which will only get worse as consumers transition to IP services. First, the FCC's inaction has given industry the opportunity to successfully mischaracterize the state of the law as a basis for persuading State legislatures to eliminate oversight authority. Second, the FCC's inaction has resulted in a host of State and FCC proceedings raising a range of issues that could be eliminated or significantly reduced if the agency classifies the service. The Telecommunications Act of 1996 utilizes a functional definition for "telecommunications service" that is technology neutral.[4] Determining the jurisdictional nature of VoIP will provide the clarity federal and State regulators need to perform their duties and provide industry with regulatory certainty. It will eliminate the need for additional (and costly) FCC and State proceedings on a wide range of issues. Where federal standards exist or are needed, there is no reason to – through inaction - effectively take State "cops" off the beat and reduce enforcement, or limit constituents' State remedies. The technology a carrier chooses to provide a service should never limit State (or federal) discretion to provide consumers with relief for fraudulent or abusive carrier practices or oversee crucial State and federal low income, high cost and broadband subsidy programs.

[B] At our hearing, Mr. Guttman-McCabe stated that CTIA will be challenging the Georgia Public Service Commission's decision to impose a $5.00 monthly service rate for all Lifeline subscribers. What do you think of the Georgia PSC's requirement and CTIA's subsequent legal challenge?

---

2 "Misleading because the bulk of point-to-point managed subscription voice services (by companies like AT&T and Verizon) never touch the internet.

3 "FCC Needs to Improve Oversight of Wireless Phone Service", GAO Report Number: GAO-10-34, November 2009. Available at: http://www.gao.gov/products/GAO-10-34.

4 The Telecommunications Act of 1996 defines a "telecommunications service" as "the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used."(47 USC § 153).

Answer: Our federalist system of government allows States to act as laboratories for programs providing useful and tested templates to guide federal (and other State) policy makers' decisions. Lifeline is no exception. Just as the FCC provides States flexibility to go beyond the federal floor to establish State-based Lifeline eligibility criteria so too does it allow States to experiment with other modifications to the Lifeline program as long as they are consistent with federal goals. NARUC has not taken a position on the issue of imposing a minimum monthly charge and, personally, I have not formed an opinion either. The idea was debated by the Federal State Joint Board on Universal Service but ultimately was not included in the recommendation to the FCC. Logically, whatever the other impacts of such a fee, if imposed, it will necessarily inhibit "duplicate" service schemes[5] and it seems likely that the degree of inhibition will be linked to the surcharge level. However, it is not clear what the other impacts might be. There is no question that, given the growth in the program and the duplicate service issues, it is a policy worth examining. Of course, whatever happens in Georgia, creation of the national duplicates database will make duplicate ownership more difficult.

Recall historically the Lifeline program was a discount over residential retail service. Until recently, there was never an opportunity for free service – only an opportunity for discounted services. On the wireline side, customers also pay a minimum fee – their regular phone bill less the Lifeline discount. Even under the revised lifeline programs, the FCC has imposed some fees – requiring a $1 minimum monthly charge on its "Enhanced Lifeline for Tribal Lands" program.

Whatever happens in Georgia, it is clear that the United States can only benefit from such State experimentation with the Lifeline program.

---

5 Many of the recent FCC citations to individuals involved subscriptions to 9 – 12 phones. Obviously if a person is paying $5 per month per phone – there is a real cost associated with having more than one "free" prepaid phone. This is one reason why the problem of duplicate lifeline subsidies under the program prior to the advent of the prepaid wireless only ETCs was never a big problem. Eligible Lifeline subscribers for existing wireline and many wireless services only get a discount – not "free service" and still must pay a-not-insignificant monthly bill.

Response to Additional Questions

Jessica J. González
Vice President of Policy & Legal Affairs
National Hispanic Media Coalition

Before the

United States House of Representatives
Committee on Energy and Commerce
Subcommittee on Communications and Technology

Regarding

The Lifeline Fund: Money Well Spent?
April 25, 2013

The Honorable Doris Matsui

Can you paint a picture of what expanding Lifeline for broadband could mean for helping to bridge the digital divide in this country?

Today more than a million Americans do not have broadband at home. This digital divide between those that have broadband and those that do not is really an opportunity divide. For instance, nearly 80% of Fortune 500 companies only accept job applications online. Within the next decade, nearly 80% of jobs will require some digital literacy skills. Students with broadband at home graduate at a rate 7% higher than those who lack such access. Moreover, consumers with broadband at home can save up to $7,000 per year on goods and services, and annual revenues of small businesses with broadband access are, on average, $200,000 higher than those without broadband. In other words, home broadband access has the potential to drastically change people's lives for the better.

Through various vehicles, a broad and bipartisan spectrum of U.S. leaders have expressed that universal and affordable broadband access is an important national objective. At the same time, the very people that subscribe to Lifeline are many of the same folks that have not adopted broadband due to prohibitively high costs. As I mentioned in my written testimony, a survey of one Lifeline provider's customers revealed that 86 percent did not have an Internet connection at home, and 90 percent didn't have broadband Internet access, further increasing their reliance on their Lifeline phone service.[1] Thus, expansion of Lifeline to broadband would be a common sense and targeted approach to closing the digital divide. This ought to be a central component of a multi-pronged national strategy to make affordable home broadband a reality for all Americans.

By bringing everyone online we, as a country, are creating an even playing field for the next generation of leaders to engage in an increasingly digital economy and help maintain U.S. competitiveness in the global sphere.

The Honorable Ben Ray Lujan

As you know, Lifeline is a vital service for many of my constituents who depend upon it to follow up on job opportunities, communicate with their doctors, or contact emergency services. Congress needs to work together, across party lines, to find ways to further expand upon the FCC's reforms to ensure that this program is targeted towards the low income Americans who need affordable communications capabilities the most. What service capabilities do you believe are needed by Lifeline recipients? How do you believe the program should adapt to meet future needs?

To determine what Lifeline recipients need most, Congress should, at a minimum, examine trends in the employment and education sectors.

---

[1] Comments of TracFone Wireless, Inc., NTIA Docket No. 0907141137-05 (filed Nov. 30, 2009), *available at* http://www.ntia.doc.gov/files/ntia/broadbandgrants/comments/rfi2/TracFone%20-%20Comments%20to%20NTIA%20and%20RUS%20sent%2011-30-09.2.pdf.

People absolutely cannot obtain and maintain steady employment without access to mobile telephone service. When potential employers call, they expect to reach a potential employee right away as it is often assumed that everyone has mobile phone access. Indeed, it is growing increasingly difficult to find employment without broadband access. 80% of Fortune 500 companies only accept online job applications and in the next decade nearly 80% of jobs will require some digital literacy skills. Those who qualify for Lifeline need communications capabilities probably more than most so that they can connect with potential and current employers.

Children without broadband access at home are falling behind in our schools and we are doing a great disservice to tomorrow's workforce by failing to invest in home broadband in every American home. School and library broadband access are a step in the right direction, but they are not enough! Students that lack home broadband access graduate at a rate 7% lower than those with home access. In our poorest schools, children are not engaged in digital learning in the same way that they are in wealthy neighborhoods, even if those schools have equivalent broadband offerings, because teachers cannot assign digital homework assignments, the norm and the standard in many state curricula and textbooks. These very students are also struggling with poverty and other issues, and they need broadband even more than their more affluent peers.

Thus, Lifeline should adapt to meet 21st century communications needs. Consumers should have a choice of whether they use Lifeline subsidies towards landline phones, mobile phones or home broadband connections.

The Georgia Public Service Commission recently began charging a $5.00 monthly service fee for all Lifeline subscribers in their state. Some have suggested that a co-pay should be imposed upon all subscribers across the country. What do you think the impact on Lifeline users would be if they are charged a co-payment?

Many of Lifeline's neediest and most vulnerable users would drop from the program were a co-pay to be imposed. Over 25% of people in the U.S. are unbanked or under-banked. For these folks, even nominal fees would be unduly burdensome as the cost of the transaction could dwarf the fee itself. I included in my testimony examples of some people from Georgia that are experiencing this service fee. They described their situations and they are very bleak. People are making difficult decisions between food and cell phones. For some of these folks, $5 is all they have per day for food for themselves and their families. So a $5 could unintentionally disenfranchise seniors, people with disabilities, and other people living on fixed incomes.

MONTANA
TELECOMMUNICATIONS
ASSOCIATION

May 31, 2013

The Honorable Greg Walden, Chairman
Subcommittee on Communications and Technology
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

ATTN: Charlotte Savercool

Re: Testimony of Geoff Feiss, Montana Telecommunications Association
"The Lifeline Fund: Money Well Spent?"
Additional Questions for the Record

Dear Chairman Walden,

Attached are my responses to additional questions for the record from the Honorable Henry Waxman.

1. Mr. Feiss your testimony suggested that Lifeline support for consumers choosing prepaid wireless should be set at $3 per month. Your testimony did not provide any evidence as to why that is the appropriate level of support. Where does your $3 figure come from?

RESPONSE:

Congressman Waxman, I greatly appreciate your interest in universal service and the Lifeline Program. I believe we share the same interest in sustaining a viable, efficient and effective Lifeline Program.

The $3 per month level of support for prepaid wireless providers which I suggest in my testimony is quite frankly speculative, because—unlike in the case of High Cost USF—the FCC has no data by which to determine the cost of providing prepaid wireless Lifeline service. My testimony points out that the current level of support ($9.25) is derived essentially from wireline cost factors when intercarrier compensation reform led to the establishment of a subscriber line charge (SLC), which applied only to wireline carriers. (Lifeline support was established to mitigate the effect of the SLC.) The current level of support has nothing to do with wireless providers' costs. It operates more like the identical support mechanism in the High Cost program, which the FCC eliminated in the Universal Service Transformation Order.

Since accurate data are not available, a few assumptions can be made regarding costs incurred by prepaid wireless Lifeline-only ETCs. First, prepaid wireless Lifeline-only ETCs by and large are service resellers. They have few, if any, facilities or infrastructure. In fact, the FCC has waived any facilities requirement for prepaid wireless Lifeline-only ETCs. In other words, unlike facilities-based carriers, prepaid wireless Lifeline-only ETCs incur only minimal capital expenses. Second, prepaid wireless Lifeline-only ETCs incur only a fraction of the operational expenses of facilities-based carriers. They don't "roll trucks," lay fiber, employ outside and inside plant technicians, build and operate secure central offices, maintain the administrative expenses to comply with various regulatory requirements, etc. In short, both CAPEX and OPEX for prepaid wireless Lifeline-only ETCs reasonably may be assumed to be substantially less than facilities-based providers, whose expenses form the basis of the current level of support.

The fact that prepaid wireless Lifeline-only ETCs can offer their service for free illustrates that the current level of support is more than enough to cover their costs. The Telecommunications Act provides that all Americans should have access to comparable service at comparable rates—a fundamental principle that MTA vigorously supports. There is nothing in statute or FCC rules that dictates that "comparable" rates means that service should be free, much as it may be desirable to provide free service to low income Americans. Moreover, by limiting the level of support for prepaid wireless Lifeline-only ETCs, we can stretch the Lifeline dollar either to expand participation beyond the current 55%, or to include broadband access, or some combination thereof, all within the current Lifeline "budget" of around $2 billion or less, without further stressing the overall universal service fund. (Note: the Lifeline Program is the only one of the four universal service programs without a budget today.)

Finally, as I note in my testimony, any prepaid wireless Lifeline-only ETC may petition the FCC under my proposal for a level of support that accurately reflects its cost of providing Lifeline service. Thus, the $3 level of support is only a default level, which remains rebuttable by any prepaid wireless Lifeline-only ETC that chooses to file supporting cost data.

2. Mr. Feiss, as you know, many members of the Montana Telecommunications Association are rate-of-return carriers that receive very high per line subsidies from the High Cost USF, which includes a guaranteed 11.25% return on investment beyond the "cost" of providing service. Your testimony suggested that low-income consumers should be required to pay $5 per month for Lifeline service. Do you believe it is fair

to ask families living in poverty to pay more for basic phone service while the FCC continues to provide certain companies a guaranteed 11.25% profit?

RESPONSE:

Congressman Waxman, the fact that some rate-of-return carriers receive "high" per line subsidies from the High Cost USF illustrates that High-Cost support is a function of the costs of providing high-cost service. My testimony suggests that the level of support provided to prepaid wireless Lifeline-only ETCs should be cost-based, as it is for the High Cost USF. If prepaid wireless Lifeline-only ETCs could demonstrate that their costs exceed $3 per Lifeline subscriber, they could receive a higher level of support. Such a policy would satisfy the FCC's competition and technology neutrality standards, since the current level of support confers a substantial financial advantage on prepaid wireless Lifeline-only ETCs.

I should add that no carrier is "guaranteed" 11.25% return on investment beyond the cost of providing service. Rather, rate-of-return carriers have the *opportunity* to earn *up to* 11.25% on only those *allowable costs* associated with the provision of *interstate voice communications*. Moreover, high-cost support is provided only for such allowable costs that exceed 115% of the national average cost per loop. In reality, few, if any, high-cost ETCs earn 11.25%. Indeed, it is not unusual to find total company return on investment, particularly for rural high cost companies, in the low to mid single digits.

My testimony noted that Sen. Coburn's budget amendment proposing a $5 participation fee "makes sense." As Sen. Coburn noted, a participation fee could yield savings in the Lifeline Program, which may stretch the Lifeline dollar, and help mitigate waste, fraud and abuse. While it can be said that a $5 participation fee may force low income citizens to pay more for basic phone service, it also can be said that $5 is substantially less than Lifeline-supported wireline service, which is around $16, after taking into account a Lifeline subsidy of $9.25 applied to an average local rate of $25. Even at $5, one could question whether such a rate meets the Telecommunications Act's comparability standards, not to mention the FCC's technology and competition neutrality standards.

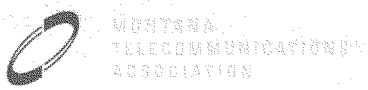
My principle recommendation, however, is that the level of support for prepaid wireless Lifeline-only ETCs resembles the "identical support" mechanism from the High Cost program, which has been eliminated. If the level of support for prepaid wireless Lifeline-only ETCs were cost-based, the Lifeline Program could benefit more eligible low income Americans more efficiently while containing the contribution factor and sustaining universal service over the long run.

Again, it was an honor to testify on this important universal service program. I appreciate your interest in this matter, and I look forward to continuing the conversation at your convenience.

Respectfully submitted,

/s/

Geoff Feiss, General Manager
Montana Telecommunications Association
208 North Montana Avenue, Suite 105
Helena, Montana 59601
406-442-4316
gfeiss@telecomassn.org



QFR Responses of Chris Guttman-McCabe
For the Subcommittee on Communications and Technology
Hearing on "The Lifeline Fund: Money Well Spent?"

The Honorable Anna Eshoo

1. **As you know, a growing number of Americans are getting rid of their old landline telephones and using only a wireless device. Based on CTIA's research, what portions of the population are most likely to make a transition to a wireless-only service?**

   Response: While CTIA does not track this particular data, there is good information available on this subject from the Centers for Disease Control and Prevention, which conducts a semi-annual survey through its National Center for Health Statistics. The CDC survey is an authoritative source for information concerning the size and characteristics of the wireless-only population.

2. **As you know, I strongly support cell phone unlocking so consumers can switch carriers while keeping their existing phone. Given that the Lifeline program only subsidizes services and not the device, I believe such a policy would enable support dollars to go further and expand the universe of phones that can be used with the program. When contractual obligations are met, do you support allowing consumers to unlock devices to use with the service of their choice, including services supported by the Lifeline program?**

   Response: CTIA has not objected to, and in fact has supported, permitting unlocking for personal use, provided that such circumvention is non-commercial and carefully limited so that it cannot be used to foster free-riding commercial activity, undermine exclusive distribution agreements, or facilitate bulk theft of handset subsidies through trafficking in new subsidized phones. As to the views of individual carriers, while it is difficult to give a blanket answer for all of CTIA's carrier members, most subscribers are served by carriers that will enable individual users to unlock their device(s) either upon completion of the user's contract terms or payment of an early termination fee (in the case where a subscriber opts to unlock and leave prior to fulfilling the contract's terms). Additionally, some carriers have more permissive unlocking policies that enable an end user to lock his or her phone after some set period of time, provided that the user's account is in good standing.

   It is important, of course, to note that, given differences in technology (CDMA v. GSM) and spectrum holdings among carriers, merely unlocking a device from a particular carrier's network does not mean that such device can be activated for use on another carrier's network, or that the device will be optimized for use in the event that it can be activated. Also, because Lifeline support applies only to services and not to equipment, it is not clear that unlocking will "enable support dollars to go further." Moreover, wireless carriers that participate in the Lifeline program provide "prepaid" service to eligible subscribers. Accordingly, Lifeline customers have no "contractual" obligations to their carrier and are free, subject to Lifeline eligibility rules, to switch wireless service providers.

QFR Responses of Chris Guttman-McCabe
For the Subcommittee on Communications and Technology
Hearing on "The Lifeline Fund: Money Well Spent?"

The Honorable Henry Waxman

1. **The FCC now requires wireless carriers to more adequately disclose to consumers the rules they must follow to get Lifeline benefits in all marketing materials. How are your members complying with this requirement? Do you believe that this requirement has been effective in minimizing waste, fraud, and abuse?**

   Response: While an informal survey of CTIA's carrier members suggests that those which provide Lifeline services are in compliance with the FCC's rules and making all necessary disclosures to consumers, disclosure of the eligibility requirements and rules for subscribing to Lifeline service are likely inadequate, in and of themselves, to dissuade a consumer bent on committing fraud from doing so. That is why CTIA and its carrier members have supported the FCC's efforts to establish both a duplicates database and an eligibility database. Both databases will serve to reduce fraud associated with the program and ensure that only those who are eligible for support are able to benefit from the program. This is why CTIA has called for implementation of these databases as expeditiously as possible.

The Honorable Doris Matsui

1. **Does the Lifeline program have any impact on the U.S. budget or our nation's fiscal deficit?**

   Response: As noted in CTIA's written testimony, the Lifeline program, like all USF programs, is funded through levies imposed on providers of interstate telecommunications services. Wireless companies, wireline telephone companies, and VOIP providers contribute to the fund and generally recover those contributions from their end-user customers. Funds are remitted not to the U.S. Treasury, but rather go to the Universal Service Administrative Company, an independent, not-for-profit organization established by the FCC to administer the four universal service programs.

   Universal service contributions collected and distributed by USAC do not impact the Federal budget, the deficit, or the debt in any way. Congress appropriates no money for the fund and, because of that, increasing or decreasing the size of the Lifeline program, or any other component of the overall universal service program, will not impact the federal budget.

"The Lifeline Fund: Money Well Spent?"
Hearing before the Subcommittee on Communications and Technology
April 25, 2013
Additional Questions for the Record
For Billy Jack Gregg

The Honorable Henry Waxman

1. Mr. Gregg, your testimony cited data claiming that eight states have more Lifeline subscribers than low income households – Alaska, Arkansas, Georgia, Louisiana, Maryland, Ohio, Oklahoma and Rhode Island. After our hearing, one analysis questioned this conclusion, arguing that your conclusions were based on outdated poverty statistics and an undercount of eligible recipients, among other issues. Would you like to respond?

   RESPONSE: My study used the most recent poverty statistics by state produced by the United States Census Bureau. The poverty data for incomes at or below 135% of the National Poverty Guidelines (FPG) comes from Table POV46, U. S. Census Bureau, Current Population Survey, 2012 Annual Social and Economic Supplement. Even though historic data will always vary slightly from current data, I do not believe the change in poverty statistics is so rapid that it detracts from the use of census data as a proxy for the current number of low-income households in each state. As I stated on page 7 of my written testimony: "The 135% FPG level was used as a proxy for the total potential number of participants in the Lifeline program, because households with incomes at or below 135% FPG generally qualify for all of the welfare programs that confer eligibility for Lifeline support." In addition, I am aware of criticisms that census programs in general tend to undercount low-income individuals. See, for example, *2010 Decennial Census: Background & Issues*, Congressional Research Service (2012).

   Because of these issues, I recommended on page 12 of my written testimony that any state caps adopted for the Lifeline program "...should be based on the number of low-income households within each state, plus a 5% buffer to account for imprecision and lag in data."