

**STATEMENT OF  
COMMISSIONER MIGNON L. CLYBURN  
APPROVING IN PART, CONCURRING IN PART**

*In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Lifeline and Link Up, WC Docket No. 03-109*

Six months ago the Commission requested that the Federal-State Joint Board on Universal Service (the “Joint Board”) make recommendations to improve the Lifeline and Link Up programs, which serve to ensure that low-income consumers can obtain and maintain telephone service at affordable rates. Without this program, many consumers would not have phone service and as a result, would be disconnected and further isolated from participating in our society. The recommendations we make today are essential for improving the program, including making it more efficient so that our universal service dollars can be stretched even further.

With respect to its eligibility and verification recommendations, the Joint Board has identified certain issues that warrant additional comment so that we can fully understand the impact of our recommendations. It is prudent for the Commission to proceed in a judicious manner, fully weighing these issues prior to modifying its eligibility and verification rules so that they are uniformly applied across the states. Nonetheless, I believe that the Commission and states must work together to minimize waste, fraud and abuse in the program, and our rules should be adjusted as necessary to ensure that only eligible consumers are participating in the program. To that end, the exploration of a national database that would allow for real-time eligibility and verification checks through electronic processes is promising, and I encourage interested parties to continue working on this proposal. Such a database also has the potential to allow the program to better address and serve those populations living in group housing or in homeless shelters. I believe a collaborative process by all of the interested parties, including industry, consumer advocates, and federal and state governments, could lead to a more efficient program that better serves low-income consumers.

I am pleased that this Joint Board is building upon the work of the previous Joint Board in recommending that the Commission adopt an additional universal service principle pursuant to Section 254(b)(7), which states that support from the Universal Service Fund should be directed, where possible, to networks that are providing both broadband and voice services. Broadband has become an essential service, just like telephone service. As such, it is important that the limited resources available through the Fund be used to support networks that provide both broadband and voice services. The Commission should take up this issue and adopt this new principle in its upcoming consideration of the Universal Service Fund reform proceeding.

As an essential service, all households must not only have the ability to access broadband, they also need the ability to purchase it. Yet, we know that less than half of low-income Americans have subscribed to broadband. In addition, one-third of Americans who have not purchased broadband say they have not done so due to the expense of obtaining such service. As such, I believe the Commission should address low-income consumers’ ability to use their Lifeline discounts for services or packages that include voice and broadband, as recommended in the National Broadband Plan, as soon as possible.

During this proceeding, we heard some concerns from states and consumer advocates about prepaid wireless Lifeline services, and in particular, the need to consider minimum service standards in order to protect consumers. The number of competitive service offerings for Lifeline products have increased, and in general, I believe that this is a positive development for low-

income consumers. Such consumers can now choose from a variety of service offerings, and they can pick the one that best fits their needs. However, I am concerned that Lifeline consumers may not have all of the information they need to compare and choose between Lifeline offerings by various providers. Thus, the Commission should consider whether a comparative guide for Lifeline consumers would be a useful tool. We could encourage the states to offer such guides, and Lifeline providers could be encouraged to submit the description of their Lifeline products to the states for inclusion in such guides. With respect to minimum service standards for Lifeline products, the Commission must be careful not to ignore the universal service principles of technological and competitive neutrality. The Commission should review whether the current state of competition for Lifeline products is insufficient to protect consumers, and then consider whether a minimum service standard should be applied for all Lifeline products.

Collaboration has been the engine of this Joint Board. While we may not see eye to eye on every detail in the proceeding, we all agree that the Joint Board's work is critical for the Universal Service Fund's success in achieving affordable telephone service for low-income consumers. My fellow members on the Joint Board and both the federal and state staffs have worked tirelessly to complete this Recommended Decision within the timeframe originally requested by the Commission. I have been told that six months for a Recommended Decision is incredibly fast for the Joint Board. I want to express my gratitude for *everyone's* tremendous efforts to work together as a team to accomplish our mission, and to do so on time. You each have taken on the role to work on the Joint Board, in addition to your full-time jobs. I know you often did your Joint Board work at night and on weekends. Thank you for your personal sacrifices and excellent contributions to the Joint Board's recommendations.

I have enjoyed collaborating and working with State Chairman Baum and my fellow Joint Board members Commissioner Copps, Commissioner Baker, Commissioner Landis, Board Member Burke, Chairman Cawley, and Senior Assistant Attorney General ffitch. You each have uniquely contributed to this Decision. Thank you for your dedication and commitment to public service.

In particular, I want to acknowledge and thank the Joint Board's staff. Our federal and state staff leads, Irene Flannery and Kay Marinos, respectively, provided excellent leadership on the issues before us and kept us on task. In addition, our team leaders conducted outstanding work and helped guide the analysis and recommendations on their respective issues with their staff teams—Beth McCarthy and Christine Aarnes on Eligibility, Rebekah Bina and Natelle Dietrich on Verification, and Jamie Susskind and Kerri DeYoung on Outreach. In addition, we would not have been able to accomplish the task before us without the participation and contribution of each and every staff member to whom I am also grateful. They are Karl Henry, George Young, Labros Pilalis, Kathy Hagans, Denise Parrish, Earl Poucher, Peter Pescosolido, John Ridgway, Robert Haga, Vicki Helfrich, Brad Ramsay, Joel Shifman, Lori Kenyon, Jing Liu, Angie Kronenberg, Jennifer Schneider, Margaret McCarthy, Christi Shewman, Brad Gillen, Sharon Gillett, Carol Matthey, Alex Minard, Patrick Halley, Lisa Gelb, Trent Harkrader, Cindy Spiers, Robert (Beau) Finley, Kimberly Scardino, and Charles Tyler.