

**STATEMENT OF
COMMISSIONER MICHAEL J. COPPS**

Re: *Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Lifeline and Link-Up, WC Docket No. 03-109, Lifeline and Link-Up Reform and Modernization, WC Docket No. 11-18*

Connecting low income consumers is a central pillar of this Commission's Universal Service mission. All our people need access to the wonders of communications—and I always underline that word “all.” We can no longer afford to have digital divides between the haves and have-nots. Until each and every citizen of this great country is connected—urban or rural, living on tribal lands or in distressed inner cities, whether they are rich or poor, whether or not they are members of our disabilities communities—our work remains unfinished.

Our Lifeline and Linkup programs help ensure that Americans who need it most have affordable access to the nation's communications networks. Today, that has to mean support for affordable broadband access. The Commission has rightly begun to transition our Universal Service focus across all our programs to the advanced communications services that the digital age requires. Whether it's applying for a job or accessing a public assistance program, doing homework or caring for our health, broadband becomes with each passing day more essential—a basic prerequisite for participation in the social and economic life our nation. Low-income consumers simply cannot afford to wait for the benefits of broadband. As this item points out, only 40% of households earning less than \$20,000 a year have broadband – compared to a 93% adoption rate for households making more than \$75,000 annually. And we know that cost is a primary barrier to broadband adoption. Disparities that dramatic cry out for immediate action.

At the same time, we must acknowledge that there is still work to be done to ensure that all Americans have access to basic voice service. Almost 10% of low-income households nationally lack telephone service. And I would hazard that many of our distinguished guests from Indian country today could tell us first-hand how much remains to be done on this score. The low-income programs have been historically underutilized and although there has been recent growth in the program, in 2009 only 36% of eligible consumers participated in Lifeline. So I'm pleased that this item builds on the recommendations of the Federal-State Joint Board on Universal Service with regard to outreach and coordinated enrollment when consumers are signing up for other assistance programs. These proposals can potentially expand the reach of the low-income support programs, which is critical as long as telephone penetration rates for low-income households consistently lag behind the rest of the nation.

I certainly support looking for program savings and action to ensure that carriers that are receiving support are doing so in compliance with our rules to prevent waste, fraud and abuse. This item also identifies areas where the program needs to be modernized, such as by updating the rules on toll limitation services reimbursement. I appreciate that as we ask how to enforce the one-per-household rule designed to prevent duplicative support, we acknowledge that some low-income consumers have living situations where a residential address is not a good proxy for a household. I hope any duplicative support or outdated support we do recover is used to expand the benefits of advanced communications to low-income consumers. These savings should be used to provide funding for the proposed broadband pilot programs, which can be an important first step on what I hope is an accelerated transition to a low-income program that helps all Americans reach our national broadband goals.

Our challenge is to close the stubborn and persistent gap of low-income Americans who remain without even basic voice service while transforming the program to provide support for the advanced telecommunications services that all Americans need in order to compete in the 21st century economy. That's a tall order—and that is why I am concerned that this item contemplates capping low-income

support. As we tee up proposals about how to provide support for broadband, capping today's program would be at best imprecise. How can we intelligently cap a program when we don't know how much meeting the challenge is going to cost? At worst, we risk compromising the future of low-income Americans who may never be connected without Lifeline.

My thanks to all the staff in the Bureau whose efforts went into today's item. I also want to acknowledge the Federal-State Joint Board members and staff whose work informed this NPRM. I look forward to working with all these good folks, with my colleagues here, and with all stakeholders in the months ahead.