

**STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN**

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*

For many years, fulfilling the basic communications needs of low-income consumers has been a priority for our nation. Since 1985, the Lifeline and Link Up programs have ensured millions of low-income Americans access to affordable telephone service. This not only permits these consumers the means to stay connected to friends and family, it also offers them the ability to make doctor's appointments, and call 911 in an emergency. By ensuring that low-income consumers have access to a phone in their homes, our nation has provided every American—no matter their financial circumstance—the lifeline they need to communicate with the rest of the world. For those consumers who are struggling to meet basic needs, such as food and shelter, these programs truly are making a difference. Many would go without phone service, but for these programs. And given the economic downturn over the last several years, it is not surprising that the fund has grown.

We have seen numerous changes in the marketplace since the implementation of the Lifeline and Link Up programs. Notably, mobile wireless service has grown significantly, and competitive Lifeline products are now available, allowing low-income consumers the ability to choose from various phone options. Today, access to high-speed Internet service has become essential for Americans to communicate with one another. As a result, it is appropriate for the Commission to revisit the current structure of the Lifeline and Link Up programs. We must ensure that they are efficient, effective, and address the modern communications needs of our nation's low-income citizens.

While these programs have helped many consumers afford telephone service, not all needs have been addressed. As my friends from the Tribal Nations are fully aware, basic phone service still lags significantly on Tribal Lands as compared to the rest of the country. Today's NPRM builds upon the recommendations made by the Federal-State Joint Board on Universal Service last November, as well as the National Broadband Plan last March. The Commission's consideration of these recommendations is essential for modernizing and improving the programs. By ensuring that only eligible consumers participate in the programs, that the annual verification requirements are effective, and that we minimize duplicative services to households, we likely can extract some efficiencies in the programs that could be used to further address the voice and broadband needs of low-income consumers.

I am encouraged by our full exploration in this Notice of the use of an electronic database that would permit real-time checks on consumer eligibility and participation in the Lifeline and Link Up programs. Such a database has the potential to offer us savings in the long run—savings that could be used to further address the needs of low-income consumers. It is very appropriate that this Commission work towards a broadband-based solution that all Lifeline and Link Up providers could rely upon to make these programs more efficient and effective.

I am also pleased that we are asking some very basic questions in this Notice, such as how much support truly is required for both the initiation of voice service through Link Up, and the monthly benefit that Lifeline provides. Where we can identify savings, those funds could be used to begin addressing and supporting the broadband needs of low-income consumers which we know are significant. Less than half of low-income Americans have subscribed to broadband, and one-third of Americans who have not purchased broadband, say they have not done so due to the expense of obtaining such service.

We also know that for those consumers who are struggling to pay for their basic needs, there is very little discretionary income left to afford broadband service. One analyst recently noted that 40% of

U.S. households have just \$100 of disposable income, after paying for their food, shelter, and transportation. Yet broadband service is just as much a necessity today, as phone service was when the Commission established the Lifeline and Link Up programs 26 years ago. Without broadband at home, it is more difficult for citizens to look for a new job and interact with government services. Indeed, some government agencies only offer their services to consumers via the Internet.

For these reasons, over the last year, I have repeatedly stated that we must fully focus on our nation's broadband adoption gap. I believe that we will not successfully bridge this gap for low-income consumers if we don't address the affordability issue. Given the expansive modern communications needs of low-income Americans, we would be on a fool's errand if we think that we can address both voice and broadband requirements, while simultaneously capping the fund. To be clear, I don't subscribe to the belief that the Fund will meet all of these needs, even if it is not capped. I believe it will take both the public and private sectors to address these issues. I am hopeful that with the discounts providers already offer to low-income consumers, along with the broadband pilot projects proposed herein, and with the flexibility of consumers to use their Lifeline discount for bundled voice and broadband services, we can find effective solutions to bridge the digital divide for most low-income Americans.

This is not an easy task, but I challenge every Lifeline and Link Up provider, every broadband provider, and all other interested stakeholders, including Congress, the states, consumer advocates, and public interest groups, to help us find the most effective solutions for improving the current Lifeline and Link Up programs for voice service, and to stretch the programs' dollars even further, so that we can cover broadband services. I also wish to praise those broadband providers that have recognized the significant need of low-income consumers and have started their own adoption programs, and I hope that they continue to share their work with us. By learning what has and has not been successful, we can better address the modern communications needs of *all* Americans.