



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 24, 2015

The Honorable Elijah E. Cummings
Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Cummings:

On April 23, 2015, the Government Accountability Office (GAO) issued a report entitled *Telecommunications: FCC Should Evaluate the Efficiency and Effectiveness of the Lifeline Program* (GAO-15-335) ("Report" or "GAO Report"). The GAO Report examined: 1) the extent to which the Commission evaluated Lifeline program effectiveness; 2) reforms the Commission adopted in its 2012 *Lifeline Reform Order*, including the status of these reforms; 3) implementation of the Low-Income Broadband Pilot Program (Pilot Program); and 4) challenges faced by participants in the Lifeline program. This Report provided important feedback on the Lifeline program, and we have incorporated many of the questions raised in the Report in the Lifeline item that we adopted last week.

We agree with GAO on the importance of evaluating whether the Lifeline program is achieving its goals.¹ In the *2015 Lifeline FNPRM & Order* adopted by the Commission last week, we took steps that will help us evaluate the effectiveness of the Lifeline program. The Commission sought comment, for example, on ways the program could improve the affordability of voice and broadband as well as increase adoption of those services.² The Commission also sought comment on whether it should consider other measurements that will assist in an ongoing evaluation of the program in addition to the measurements established by the Commission in 2012 in the *Lifeline Reform Order*.³ To more specifically address GAO's recommendation, the Commission sought comment on how it can best evaluate the Lifeline program and the extent to which the program has achieved the program goals.⁴

The *2015 Lifeline FNPRM & Order* also addressed the reforms highlighted by GAO which had not yet been fully realized and the challenges faced by subscribers and providers participating in the Lifeline program. We are pleased that the Commission's previous reforms have taken hold and resulted in a

¹ See *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 et al., Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, 6670-77, paras. 24-43 (2012) (*Lifeline Reform Order*). (adopting as the goals of the program ensuring availability of voice, ensuring availability of broadband, and minimizing the contribution burden on consumers and businesses).

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sustained, accountable program, but agree with GAO that the Commission’s work is not complete. As a result, the Commission took further steps to continue implementation of the four reforms highlighted by the GAO. For example, the Commission has proposed to establish a permanent support amount of \$9.25 for the program.⁵ Likewise, to streamline the Lifeline eligibility process and properly align incentives with the goals of the program, the Commission sought comment on a variety of options to remove the responsibility of conducting the eligibility determination from the providers.⁶

Last month, the Wireline Competition Bureau (“Bureau”) released the Low Income Broadband Pilot Program Staff Report, which serves as a reference document to complement the full release of subscriber data collected by providers during the Pilot Program.⁷ The GAO report states that the Commission did not conduct a needs assessment or develop implementation and evaluation plans prior to establishing the Pilot Program. The Bureau did issue a Public Notice setting forth application criteria and procedures for pilot program applications and explained how it would favor pilot projects designed as field experiments, and included detailed surveys that would be completed during the course of the pilot.⁸ In selecting the pilot projects, Commission staff struck a balance between allowing providers enough flexibility in the design of the pilots and ensuring the structure of each project would result in data that would be statistically and economically relevant. In the *2015 Lifeline FNPRM & Order*, we sought comment on the data and how the data should inform Commission policy-making as we move forward with modernizing the Lifeline program.

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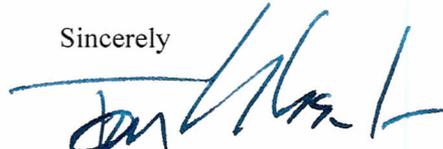
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The Commission and its staff appreciate the GAO's analysis and its recommendation. We look forward to continuing to work with the GAO and Congress in our efforts to reform and modernize the Lifeline program. Please let me know if I can be of further assistance.

Sincerely

A handwritten signature in blue ink, appearing to read "Tom Wheeler", with a long horizontal stroke extending to the right.

Tom Wheeler

cc: The Honorable John Thune, Chairman
Committee on Commerce, Science, and Transportation



FEDERAL COMMUNICATIONS COMMISSION
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June 24, 2015

The Honorable Jason Chaffetz
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Chaffetz:

On April 23, 2015, the Government Accountability Office (GAO) issued a report entitled *Telecommunications: FCC Should Evaluate the Efficiency and Effectiveness of the Lifeline Program* (GAO-15-335) (“Report” or “GAO Report”). The GAO Report examined: 1) the extent to which the Commission evaluated Lifeline program effectiveness; 2) reforms the Commission adopted in its 2012 *Lifeline Reform Order*, including the status of these reforms; 3) implementation of the Low-Income Broadband Pilot Program (Pilot Program); and 4) challenges faced by participants in the Lifeline program. This Report provided important feedback on the Lifeline program, and we have incorporated many of the questions raised in the Report in the Lifeline item that we adopted last week.

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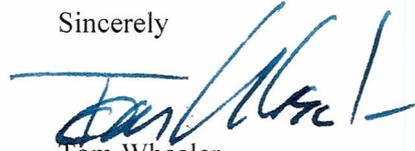
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Sincerely



Tom Wheeler

cc: The Honorable John Thune, Chairman
Committee on Commerce, Science, and Transportation



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June 24, 2015

The Honorable Thomas R. Carper
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate
340 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Carper:

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