

**STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN**

Re: *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, *Telecommunications Carriers Eligible for Universal Service Support*, WC Docket No. 09-197, *Connect America Fund*, WC Docket No. 10-90.

Technology is, in a word, remarkable. We marvel over how it is breaking down longstanding barriers, providing unprecedented access to jobs, world-class education, healthcare and innovative services. It literally is transforming lives. But the sad reality is that millions of our citizens are foreclosed from opportunities, trapped in digital darkness, and stranded on the wrong side of the affordability divide.

For the past 30 years, the FCC has possessed the tools needed to build a bridge for these struggling Americans ... a path that could aid in transporting consumers out of poverty and isolation to connectivity and independence. But, in recent years, despite having the ability to retrofit that bridge for the digital age, we were idle – allowing our fundamental tools to rust in the FCC’s woodshed.

Today, however, we begin a process that could rid us of these antiquated constructs and launch a 21st century program that will provide households that have fallen on hard times, more hope, more options and more opportunities.

When I made it known that reforming the Lifeline Program was a priority for me, I was literally asked if I were off my rocker. Does she not know how politically sensitive a topic this is, I was asked by another? The answers are no and yes.

The safe course would be one of inaction. But the oath that I took requires that I try to use all the tools in my regulatory arsenal to close chronic divides and stay true to those words in the statute. We must not wait, remain idle, or play it safe when it comes to this program, for we know that broadband is the greatest technology equalizer of our time, but it can only be so if everyone has access. If we fail or never try, the promises that broadband brings will be reserved only for the privileged.

Decision-makers cannot wait. We can ill afford to tuck our heads in the sand, throw our hands up in frustration or walk away from the challenge before us, particularly when we have a chance and means to craft good policy, institute sound management and deploy targeted efforts that may be the key to turning the tide in persistent poverty areas.

The FCC cannot wait. We displayed our capacity to be unwavering in our commitment to universal service with the other programs, and we must keep in mind that Congress’s dictate to the Commission, is simple and clear – services should be “affordable” and all consumers including “low-income consumers and those in rural, insular, and high cost areas should have access to ... advanced telecommunications and information services.”

I was proud to support reforms to our high cost universal service program. It put this country on a path to ubiquitous broadband availability. But deployment is only one part of the Congressional directive to ensure that both “rural” areas and “low-income consumers” have reasonably comparable service. The Commission should treat our universal service obligation for “low-income consumers” as the statute treats them: with equal weight.

The time is now to shed that 20th century Lifeline voice-only product and adopt a 21st century model, because a voice-only program is inconsistent with the statute’s directive to ensure that low-income consumers have access to “advanced” telecommunications and information services.

But first, we must design a future-proof program that enables low-income consumers to have access to broadband services comparable to everyone else. Second-class or inferior service is unacceptable and should not be eligible for universal service support.

Second, this program must be free of its current stigmas. Consumers should be treated with dignity. They no longer should be forced to turn over financially sensitive information to an unknown person, in front of a group of strangers, in a parking lot or tent. Seniors, veterans, the disabled, children, and others, deserve much better. We also must demand more than the *de minimis* service offerings by some.

Third, we need competitive options. We should encourage broader participation, by thinking outside the box, reducing unnecessary administrative burdens and rethinking the process for participation in the program.

Fourth, but just as important as the first, we need enhanced oversight to further eliminate all incentives for waste, fraud and abuse. A neutral third-party – not the carrier – should determine consumer eligibility and we also must plug any other loophole in the current Lifeline program.

Finally, we should reduce administrative burdens by leveraging efficiencies from other benefit programs, and seek comment on working with existing state programs to determine eligibility.

I will be among the first to admit that there have been issues with Lifeline in the past, but I will also be the first to proclaim that this agency has been denied the credit it deserves for the results of the tremendous bipartisan Lifeline reforms of 2012. We have saved the fund over \$2.75 billion, put the program on a sounder footing, eliminated duplicates and, according to reports since our reform, Lifeline has better efficiency indices when it comes to waste and fraud prevention, than most of our other universal service or Telecommunications Relay Service programs. While the statistics continue to confirm this, I realize that no report, no matter how credible, nor any words from me, will change current perceptions or rhetoric. But that will not deter me from remaining committed to endorse all necessary steps, to make the Lifeline Program a best practice benefits program.

The proposals in this notice, including eliminating carriers from determining customer eligibility and other steps to tighten up the program, are the first steps in ensuring program credibility. While establishing a budget or cap has been the call of many, the very best way in my opinion to discipline program expenditures is to focus on leveraging this program to reduce poverty in this nation, so that the number of eligible households decline, which means that Lifeline expenditures decline.

We should focus on making Lifeline part of a pathway out of poverty and make the program so successful and so enabling that recipients no longer need it or any other federal benefit program because they no longer qualify. I challenge us to be as bold and as visionary as those high tech companies we marvel over. If we are not careful and embrace an artificial budget, set it at an arbitrary amount, I fear we risk foreclosing eligible low-income households from connectivity when they need it most, and will ensure that too many of our citizens remain stuck in digital badlands and cycles of poverty for another block of years.

My staff and I have personally invested significant time over the last several weeks in attempts to reach a bipartisan compromise. In the spirit of compromise, despite my concerns, I not only offered to seek comment on a budget of \$1.6 billion, I offered to support proposing a budget if we could seek comment on what the appropriate budget should be. Even this was not enough and I find that this unwillingness to compromise, which where I come from is the settling of mutual differences, unfortunate.

But I am anxious to move forward in crafting a 21st century blueprint for Lifeline. A rebooted program could be the best investment this government makes because the network effects and reverberating benefits to society will be tremendous. One area I have been passionate about is health care and what technology can do to improve outcomes. The potential for Lifeline to be a catalyst here has been too often overlooked. In a recent telemedicine trial, for example, healthcare costs were reduced by 27 percent, acute and long-term care costs were reduced by 32 percent and hospitalizations were reduced by 45 percent. Just imagine the possibilities if everyone could afford broadband and make use of these technologies.

I look forward to moving from today's blueprint to adopting a foundation and building a new program as we move to Order. The time is now to build the bridge to empowerment, independence and connectivity. Let's sunset Lifeline and replace it with **iBridge Now!**