



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 27, 2015

The Honorable G.K. Butterfield
U.S. House of Representatives
2305 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Butterfield:

Thank you for your letter regarding the Commission's efforts to modernize the universal service Lifeline program. I share your desire to ensure that Lifeline continues to assist low income consumers with access to affordable communications services. Your views are very important and will be included in the record of the proceeding and considered as part of the Commission's review.

I wholeheartedly agree that Lifeline helps eligible low-income consumers connect to the nation's communications networks and delivers essential assistance to millions of Americans who otherwise could not afford phone service. Access to communications helps people find jobs, access health care services, connect with family and their children's schools, and call for help in an emergency. Without Lifeline, many low-income consumers would not have access to services that are essential to stay connected in today's world. That is why transforming Lifeline for the 21st century is key to the future of this vital program.

One of this agency's fundamental responsibilities is to ensure that all Americans have access to vital communications services. We also have a duty to manage public resources in an effective, efficient manner that advances the public interest. As you note, the Commission's *2012 Lifeline Reform Order* fulfilled these responsibilities by engaging in programmatic reforms which have produced significant and measurable savings for the Universal Service Fund. These reforms provided a much needed boost of confidence in the Lifeline program among the public and interested parties, increased accountability, and set the Lifeline program on an improved path to more effectively and efficiently provide vital services to the Nation's low-income consumers

On June 18, 2015, the Commission further honored its statutory mandate, when it adopted the *2015 Lifeline Further Notice of Proposed Rulemaking (FNPRM) and Order*. This action marked a significant step to modernize and evaluate the effectiveness of the Lifeline program, seeking comment on restructuring the program to better support 21st Century communications while building on existing reforms to continue strengthening protections against waste, fraud, and abuse.

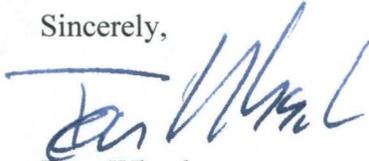
I understand and appreciate your opposition to a cap that would result in denying otherwise eligible households from participating in the program. We sought comment on a budget to ensure that all of our goals are met as the program transitions to broadband, including minimizing the contribution burden on ratepayers, while allowing the Commission to take account of the unique nature and goals of the Lifeline program. Adopting a budget for the Lifeline program raises a number of important implementation questions. For example, as you note, not every eligible household participates in the Lifeline program. We want to avoid a situation where the Commission would be forced to halt support for individuals that otherwise meet the eligibility requirements. That is why we asked a number of questions about what data we should use in determining the size of the budget, and what should be the consequence of reaching the budget.

You also identified one of the key issues that we need to address: eligibility verification. The *FNPRM* proposed streamlining and tightening the process of verifying consumer eligibility by taking it out of the hands of providers. Removing that decision from the Lifeline provider will eliminate one potential source of waste, fraud, and abuse from the program while creating more efficiencies overall in the program administration. We sought comment on establishing a third-party “national verifier,” coordinating with other federal needs-based programs, considering the use of direct subsidies to consumers through vouchers, and a number of additional ways to increase the efficient administration of the Lifeline program.

Finally, I agree that competition among providers on price and service offerings would benefit Lifeline subscribers and would ensure ratepayer dollars support an efficient program. Therefore, the item sought comment on how to encourage providers to participate in the program and how to encourage participation by the states. It is our hope that this *FNPRM* will allow us to reform and modernize the Lifeline program to make it more efficient, accountable, and effective at helping low-income consumers access the communications technology they need to participate in today’s society, while proposing additional protections against waste, fraud and abuse.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,



Tom Wheeler



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July 27, 2015

The Honorable Yvette D. Clarke
U.S. House of Representatives
2351 Rayburn House Office Building
Washington, D.C. 20515

Dear Congresswoman Clarke:

Thank you for your letter regarding the Commission's efforts to modernize the universal service Lifeline program. I share your desire to ensure that Lifeline continues to assist low income consumers with access to affordable communications services. Your views are very important and will be included in the record of the proceeding and considered as part of the Commission's review.

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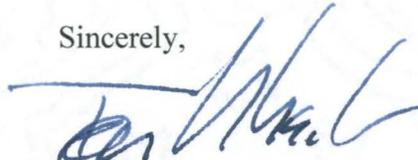
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I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", with a horizontal line drawn across the top of the signature.

Tom Wheeler



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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

July 27, 2015

The Honorable Bobby L. Rush
U.S. House of Representatives
2268 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Rush:

Thank you for your letter regarding the Commission's efforts to modernize the universal service Lifeline program. I share your desire to ensure that Lifeline continues to assist low income consumers with access to affordable communications services. Your views are very important and will be included in the record of the proceeding and considered as part of the Commission's review.

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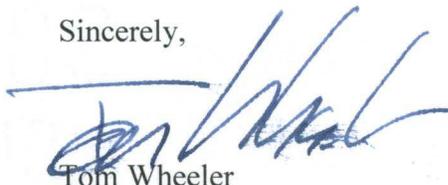
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Tom Wheeler