



**Testimony of  
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Before the

**United States House of Representatives  
Committee on Energy and Commerce  
Subcommittee on Communications and Technology**

Regarding

**The Lifeline Fund: Money Well Spent?  
April 25, 2013**

Chairman Walden, Ranking Member Eshoo, and members of the Subcommittee, thank you for inviting me to testify this morning about Lifeline. My name is Jessica González, and I am the Vice President of Policy & Legal Affairs of the National Hispanic Media Coalition, a 27-year-old, non-profit, public interest organization that seeks to ensure that Latinos are employed at all levels of the media and telecommunications industries, combats negative stereotypes and promotes positive portrayals, and advocates for policies here in Washington, DC to prevent Latinos from being left behind in the new communications age. I am especially pleased to testify here today to testify in support of Lifeline – a program that we at NHMC have long recognized for its unique ability to deliver important tools to help our nation’s poor achieve prosperity.<sup>1</sup>

The question posed by today’s hearing is whether Lifeline is “money well spent?” I answer with a resounding “yes.” This program, like some others that comprise the Universal Service Fund, continues to achieve one of the oldest and most enduring goals of this country: to ensure that *all* Americans have access to affordable communications services. By virtue of the service that it provides to poor families, Lifeline has a positive societal impact and makes us a stronger and more prosperous country. Research has shown that the benefits of Lifeline service crosscut many issue areas that Members of this body care deeply about – the economy, employment, healthcare, public safety, strong families, civic participation, and education – to name a few. When drilling down into each of these issue areas, it is impossible to miss the stories of individuals and families who are profoundly impacted by the modest, nine-dollar subsidy that Lifeline provides.

In short, for the people that it reaches, the program is working precisely as intended. It removes economic barriers that prevent access to communications services and reaches the exact

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<sup>1</sup> I would like to thank my colleague, Michael Scurato, for assisting me with the researching and drafting of this testimony.

people that we all want to and must reach. Lifeline is sought in times of need and it gives each family invaluable tools to use to get back on its feet. It reaches people seeking employment, healthcare, an education, a safety net – and allows them to take control of their situation and help themselves. While this program has faced challenges as a result of the unique and evolving service that it provides, the Federal Communications Commission (“FCC” or “Commission”) has taken a number of concrete steps to reform any problem areas – steps that we believe will be effective if given the chance to work. Rather than be placed in the crosshairs, Lifeline should be nurtured and allowed to evolve as envisioned by statute. The few, bad corporate actors that have stolen from the program and, more importantly, from the poor families that it is helping, should be rooted out and punished. And, now that the ship is steadied, we should all examine ways to strengthen and evolve this program further, to ensure that it keeps up with the rapidly changing communications landscape.

### **Background**

The idea that we, as a country, should remove barriers so that all people can access communications services is not a new one. In fact, it harkens back to some of our earliest principles – that we should be able to speak freely and assemble, that we should have a vibrant and unencumbered press, and that Americans should remain connected to one another so that we can exchange information and ideas. In fact, the idea of universal service can be traced back over 200 years to the Postal Act of 1792 which, when signed into law by President George Washington, established the national Post Office, vastly expanded postal roads so that they could

connect all corners of the young country, and established exceptionally low postage rates for newspapers so that access to information would be affordable.<sup>2</sup>

At the beginning of the 20<sup>th</sup> century, the universal service principle was applied to fledgling telecommunications services. In fact, the principle is present in our first, sweeping piece of communications legislation, the Communications Act of 1934. In establishing the Federal Communications Commission, Section 1 of that Act states that the new Commission should:

...make available, so far as possible, to all the people of the United States, without discrimination on the basis of race, color, religion, national origin, or sex, a rapid, efficient, Nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges...<sup>3</sup>

This concept endured throughout the regulated monopoly era and after the Bell System was broken up in the 1980s. And, throughout history, it has enjoyed enduring support from both Republicans and Democrats. In fact, Lifeline's roots lie in the Federal Communications Commission under President Reagan, when the program was created at the behest of a bipartisan group of Members of Congress, including the esteemed Congressman Dingell.<sup>4</sup>

In 1996, Congress further codified the universal service concept by establishing the Universal Service Fund in the Telecommunications Act of 1996.<sup>5</sup> This Act, passed by a Republican majority Congress, included language stating that “[c]onsumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas, should

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<sup>2</sup> See Richard R. John, *How the Post Office Made America*, N.Y. Times, Feb. 8, 2013, available at <http://www.nytimes.com/2013/02/09/opinion/how-the-post-office-made-america.html>.

<sup>3</sup> 47 U.S.C. § 151.

<sup>4</sup> See Elspeth Reeve, *The Obama Phone's Roots in Government Deregulation*, The Atlantic Wire, Oct. 2, 2012, available at <http://www.theatlanticwire.com/politics/2012/10/obama-phone-roots-government-privatization/57415/>.

<sup>5</sup> 47 U.S.C. § 254.

have access to telecommunications and information services.”<sup>6</sup> The Act also defined “universal service” as “an evolving level of telecommunications services . . . taking into account advances in telecommunications and information technologies and services.”<sup>7</sup> In establishing the level of telecommunications services covered, the Act directed the Commission to consider new services using a number of factors, such as whether they are “are essential to education, public health, or public safety” or whether they have “through the operation of market choices by customers, been subscribed to by a substantial majority of residential customers.”<sup>8</sup> For the first time, the Act also allowed wireless providers to participate.

And, finally, to bring us to where we are today, in 2005, the FCC under the Bush Administration considered this evolving level of telecommunications services and planted the seed that would finally boost participation in Lifeline by allowing Lifeline funds to be used for prepaid wireless services.<sup>9</sup> In the aftermath of Hurricane Katrina, the FCC used prepaid wireless services, paid for using the Universal Service Fund, to ensure that those displaced by the storm were able to stay connected to friends, family, and government services.<sup>10</sup> The program was designed, at the time, to cut through the bureaucracy and allow eligible families to easily access these services. When it was expanded beyond those impacted by Hurricane Katrina, the streamlined process made it much easier for people to stay connected and the availability of prepaid wireless services increased Lifeline participation rates substantially.<sup>11</sup> Unfortunately, the

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<sup>6</sup> 47 U.S.C. § 254(b)(3).

<sup>7</sup> 47 U.S.C. § 254(c)(1).

<sup>8</sup> 47 U.S.C. §§ 254(c)(1)(A)-(B).

<sup>9</sup> See Reeve, *supra* note 4.

<sup>10</sup> *Id.*

<sup>11</sup> See U.S. GOV’T ACCOUNTABILITY OFFICE, GAO-11-11, IMPROVED MANAGEMENT CAN ENHANCE FCC DECISION MAKING FOR THE UNIVERSAL SERVICE FUND LOW-INCOME PROGRAM (2010); Democrats and Republicans alike identified increasing participation rates as a justification for expanding Lifeline to new services. See Statement of Kathleen Q. Abernathy,

relative ease with which providers were reimbursed for providing this subsidy caused some to exploit the program for personal gains. This type of exploitation is, ultimately, what led the FCC to institute a number of reforms to the program in recent years.

In all, Lifeline provides phone service to more than 15 million Americans, and has the potential to provide service to millions more.<sup>12</sup> Without Lifeline, a substantial number of these people, including many Latinos, would be left behind.<sup>13</sup> As I have demonstrated, Lifeline is constantly evolving and improving, and has undoubtedly provided a significant return on the investment. It should be allowed to continue on its current path.

### **Lifeline Creates Societal Benefits**

Lifeline significantly strengthens many facets of our society by providing poor families access to affordable communications services. By helping poor people stay connected, we are also advancing a number of other societal goals, such as enhanced education, better healthcare, getting people back to work, and ensuring public safety. I will focus on a few of these areas today.

#### *Economy*

The economic impact of connecting all Americans to affordable communications services is difficult to overstate. According to one estimate, a low-income household can generate hundreds of dollars of additional income each year, far beyond the amount of the subsidy alone,

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*Re: Federal-State Joint Board on Universal Service; Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i), CC Docket No. 96-45, 20 FCC Rcd. 15095, 15107 (rel. Sept. 8, 2005).*

<sup>12</sup> See Mignon Clyburn, Commissioner, FCC, Remarks at Consumer Assembly 2013: Challenges and Opportunities (Mar. 15, 2013) (“Clyburn Remarks”).

<sup>13</sup> *Id.*

just by subscribing to Lifeline phone service.<sup>14</sup> By that measure, if all eligible households decided to take advantage of the program and acquire a Lifeline phone, it could result in almost \$4 billion of new income for this country's poor.<sup>15</sup> Essentially, the program would pay for itself.

### *Employment*

Mobile phones have become an essential tool used by people to find employment or balance multiple jobs. This is particularly true where employment opportunities are unsteady or unpredictable. According to Georgetown Law Professor David Super:

As the low-[wage] labor market comes increasingly to be dominated by contingent employment, this pattern is likely to become increasingly pronounced. Because many of these jobs offer wages at or near the federal minimum wage, bread-winners must work multiple part-time jobs to support their families even at a bare subsistence level. Coordinating their schedules on these various jobs often requires frequent telephone calls. The inability to receive timely a call from an employer can mean the loss of an opportunity to work a shift that has become available, potentially costing a low-income family a significant fraction of its weekly income.<sup>16</sup>

The many pressures and obstacles facing poor workers can lead to attendance issues or the need for frequent breaks to communicate with childcare providers and the like. An employee who has his own mobile phone is able to make contact with his or her employer in the event of a commuting issue or contact others during a break. This can limit or mitigate negative situations and help an employee maintain his job. This also enables employees to demonstrate professionalism, even in the face of difficult situations, which could lead to opportunities for promotion or other forms of advancement.<sup>17</sup>

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<sup>14</sup> NICOLAS P. SULLIVAN, SUBSIDIZED CELL PHONES PROVIDE SIGNIFICANT ECONOMIC GAINS FOR POOR AND NEAR-POOR AMERICANS 3 (Feb. 10, 2011), *available at* [http://www.newmillenniumresearch.org/archive/NMRC\\_Sullivan\\_report\\_021011.pdf](http://www.newmillenniumresearch.org/archive/NMRC_Sullivan_report_021011.pdf).

<sup>15</sup> *Id.*

<sup>16</sup> Comment of David A. Super, FCC WC Docket Nos. 11-42, 03-109, CC Docket No. 96-45, at 2 (filed Nov. 7, 2011).

<sup>17</sup> *Id.* at 3.

## *Public Safety*

The universal service concept has, perhaps, most frequently been promoted as a way to ensure that all Americans have a way to contact the authorities in the event of an emergency to preserve life and limb. Lifeline has, unequivocally, always advanced this goal. Wireless Lifeline services have taken another step towards fulfilling this role as individuals with mobile phones can report danger wherever and whenever it confronts them. For instance, the FCC has reported that almost 70 percent of 911 calls are placed using wireless phones.<sup>18</sup> Given that statistic, it is not surprising that wireless Lifeline phones have increasingly provided this essential service to low-income families. According to one provider of wireless Lifeline services, in the month of December 2012, in the state of Georgia alone, their customers placed 5,904 calls to 911, 3,197 calls to non-emergency law enforcement, 15,085 calls to hospitals.<sup>19</sup> That is almost 200 emergency calls to 911 per day, in one state, from the customers of one provider. If one were to extrapolate using that number to the rest of the country and to all Lifeline providers over the course of many years, it is difficult to fathom the number of lives that have potentially been saved because of this program.

### **Lifeline Helps Real People**

Sometimes, here in Washington, it is easy to lose sight of the real people who are impacted by each and every policy decision. However, Lifeline provides such a tangible benefit to so many people that even a cursory glance will reveal the importance of the program.

As I mentioned earlier, Lifeline provides an important tool to families that need it the most. To be eligible for the \$9.25 per month, one-per-household benefit, a family must be living

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<sup>18</sup> 911 Wireless Services, FCC, <http://www.fcc.gov/guides/wireless-911-services> (last visited Apr. 23, 2013).

<sup>19</sup> Telrite Corporation, Ex Parte Presentation, FCC WC Docket Nos. 11-42, 09-197 (filed Apr. 17, 2013).



at 135 percent of the poverty line or participate in another federal benefit program, such as the Supplemental Nutrition Assistance Program (“SNAP”), commonly known as food stamps.<sup>20</sup> As Commissioner Clyburn shared with us in a recent speech, one major provider told her that its average Lifeline customer is a middle-aged grandmother, raising her grandchildren on only \$12,000 per year.<sup>21</sup> Taking a look at the customers of other Lifeline providers reveals a similar story and consistent themes, and reinforces the importance of providing basic, affordable communications service to all people.

According to one major provider, 79 percent of its customers have a household income of less than \$15,000 per year.<sup>22</sup> Nearly a third are over the age of 55 and 36 percent are disabled.<sup>23</sup> Three quarters of this provider’s customers do not have a landline at home and rely exclusively on their wireless Lifeline product.<sup>24</sup> And almost half have never had a wireless phone before.<sup>25</sup>

Another provider shared that 74 percent of its Lifeline customers are unemployed with many explaining that they use their Lifeline wireless phone to pursue employment.<sup>26</sup> According to this provider, 20 percent of its Lifeline users are over the age of 66 and 10 percent are veterans of the U.S. armed services.<sup>27</sup> Another recent survey of this provider’s Lifeline customers

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<sup>20</sup> *In the Matter of Lifeline and Link Up Reform and Modernization, Federal-State Joint Board on Universal Service, Lifeline and Link Up, Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 11-42, CC Docket No. 96-45, WC Docket No. 03-109, WC Docket No. 12-23, *Report And Order And Further Notice Of Proposed Rulemaking*, 27 FCC Rcd. 6656, ¶ 14, 22 (rel. Feb. 6, 2012) (“Lifeline Reform Order”).

<sup>21</sup> Clyburn Remarks.

<sup>22</sup> Sprint, Ex Parte Presentation, FCC WC Docket No. 11-42 (filed Apr. 10, 2013) (“April Sprint Ex Parte”).

<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

<sup>25</sup> *Id.*

<sup>26</sup> TracFone Wireless, Inc., Ex Parte Presentation, FCC WC Docket Nos. 11-42, 03-109 (filed Apr. 5, 2013) (“TracFone Ex Parte”).

<sup>27</sup> *Id.*

revealed that 86 percent did not have an Internet connection at home, and 90 percent didn't have broadband Internet access, further increasing their reliance on their Lifeline phone service.<sup>28</sup>

Still another provider shared that 47 percent of its Lifeline customers are over the age of 50 and 13 percent are veterans.<sup>29</sup> Less than 10 percent of this provider's customers are employed on a full time basis.<sup>30</sup>

For these individuals and families, the modest \$9.25 subsidy goes a very long way. For families living at this level of poverty, every single dollar counts in the struggle to provide basic necessities such as food, clothing, and shelter. The Economic Policy Institute estimates that it costs a family of 3 (two parents, one child), living here in the District of Columbia, \$4,314 per month to provide their family with necessities such as housing, food, and healthcare.<sup>31</sup> However, at the 135 percent poverty level, which is the top end for income-based eligibility for Lifeline, a family of 3 only earns \$26,366 per year or almost \$2,200 per month.<sup>32</sup> Many lifeline providers have reported that the households they serve earn significantly less.<sup>33</sup> It is evident that the gulf between what people in poverty need and what they can obtain is huge. To suggest that people would be able to afford basic communications services without Lifeline demonstrates a lack of understanding of the plight of these families.

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<sup>28</sup> Comments of TracFone Wireless, Inc., NTIA Docket No. 0907141137-05 (filed Nov. 30, 2009), *available at*

<http://www.ntia.doc.gov/files/ntia/broadbandgrants/comments/rfi2/TracFone%20-%20Comments%20to%20NTIA%20and%20RUS%20sent%2011-30-09.2.pdf>.

<sup>29</sup> TAG Mobile, Ex Parte Presentation, FCC WC Docket No. 11-42 (filed Apr. 17, 2013).

<sup>30</sup> *Id.*

<sup>31</sup> Basic Family Budget Calculator, Economic Policy Institute, <http://www.epi.org/resources/budget/> (last visited Apr. 23, 2013).

<sup>32</sup> 2013 Poverty Guidelines, Office of the Assistant Secretary for Planning and Evaluation, U.S. Dep't of Health and Human Services, <http://aspe.hhs.gov/poverty/13poverty.cfm> (last visited Apr. 23, 2013).

<sup>33</sup> *See* April Sprint Ex Parte, *supra* note 22; TracFone Ex Parte, *supra* note 26.

A snapshot of individual Lifeline subscribers reveals a number of striking stories. Commissioner Clyburn shared a story, in recent remarks, about an elderly woman in Massachusetts who was able to use her Lifeline mobile phone after a car accident to get the urgent medical attention that she needed. Without Lifeline, she would not have had a phone. Stories like this abound in the record before the FCC and throughout news outlets across the country.<sup>34</sup>

For instance, in its most recent order reforming Lifeline, the Commission highlighted a submission that it received from a disabled mother from Tennessee caring for a child with Down Syndrome.<sup>35</sup> The woman said, “It gives me peace of mind to know that I can always call for help.”<sup>36</sup>

One provider submitted a collection of video testimonials to the record at the FCC, including a number of stories and expressions of gratitude.<sup>37</sup> One customer, a veteran who is also a double amputee, explains how Lifeline allows him to coordinate his many appointments with his doctors and check in with his family when he is away from home.<sup>38</sup> Another man recently diagnosed with colon cancer and given only a few months to live said that without a Lifeline phone he would be unable to stay in touch with the only family he has, his 88-year-old mother.<sup>39</sup>

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<sup>34</sup> Clyburn Remarks at 2.

<sup>35</sup> Lifeline Reform Order at fn. 30.

<sup>36</sup> *Id.*

<sup>37</sup> Nexus Communications, Ex Parte Presentation, FCC WC Docket No. 11-42 (filed Apr. 18, 2013).

<sup>38</sup> *See* The Other Side of Lifeline,

<http://www.youtube.com/watch?v=lCTRe8uIuIw&feature=youtu.be> (last visited Apr. 23, 2013).

<sup>39</sup> *Id.*

Another provider submitted a story about a single father of two children, including one child with special needs, who was laid off and able to secure a new job in just a few months using his Lifeline phone.<sup>40</sup> He stated:

I was unemployed for an extended amount of time due to layoffs. The phone and service I received from [my Lifeline provider] were invaluable to my finding new employment and to my efforts to recover from this recession. It allowed me to contact potential employers and provide a way for them to respond to me, while also saving money. Assurance also gave me peace of mind that I had a way to stay connected to my kids while away from home.<sup>41</sup>

Comments submitted to the FCC by a number of consumer groups that serve low-income families contained a number of valuable perspectives, including one from a pediatrician at Boston Medical Center. Dr. Genevieve Preer described her interactions with low-income patients and families, including many who would be unreachable and unable to meet the medical needs of their children without Lifeline service:

Lack of access to phone service can have an immediate and deleterious impact on my patients' health. For my patients living in shelter, public housing, on the street, or doubled up, cell phones are my only way to maintain contact with them. This is critically important for my most medically complex patients who require intense coordination of care with multiple subspecialties, which necessitates frequent phone calls to arrange appointments, studies, and procedures. In the absence of a reliable mode of contact, these patients miss essential care and suffer unacceptable health repercussions.

For example, a medically complex two year old with congenital heart disease, developmental delay and failure to thrive needs phone service to enable her parents to arrange for medical transport, delivery of special formula, and communicate with the pharmacy about medications. Furthermore, I need to be able to contact her family to be able to monitor her symptoms and to ensure medications are being taken as prescribed. When I cannot reliably contact vulnerable fragile patients like this one, medications are administered incorrectly, significant symptoms are missed, and serious, avoidable complications result.<sup>42</sup>

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<sup>40</sup> Sprint, Ex Parte Presentation, FCC WC Docket No. 11-42 (filed Mar. 21, 2013).

<sup>41</sup> *Id.*

<sup>42</sup> Comments of Consumer Groups, FCC WC Docket Nos. 11-42, 03-109, CC Docket No. 96-45 at 18 (filed May 25, 2011).

Finally, in response to a recent front-page article<sup>43</sup> about Lifeline in the Washington Post, one reader sent a letter to the editor detailing her perceptions of the program. The reader works as a mental health therapist in Baltimore schools and detailed the dangers that ensue when parents are not reachable, particularly for the students that she helps. She shared:

I will never forget the day when one of my third-grade clients attempted suicide at school. His mother had no phone, so we had to call a neighbor to get her so that the child could be taken to the hospital without us filing an emergency petition, which would have meant having him removed from school in handcuffs by uniformed police. We reached her after about an hour of trying. The next time he had a psychiatric emergency at school, we were unable to explain the urgency of the situation to the neighbor without violating the family's privacy, and she wasn't willing to let the mother use her phone. The mother was not reached until after the police removed the boy from the school.<sup>44</sup>

The people who rely on Lifeline phone service certainly cannot be categorized within the moniker of “waste, fraud, and abuse.” They are grateful seniors, deserving veterans, and many folks who are going through some of the hardest times of their lives – job losses, illnesses, disability, family tragedies – and who are thankful to be able to take advantage of this modest benefit to obtain a tool that they wouldn't otherwise have so that they can pull themselves back to prosperity.

### **Lifeline Has Been Reformed**

It is also important to note that many of the recent reforms implemented by the FCC are just now starting to take effect and they impose a number of very strict requirements on subscribers and providers alike in order to ensure that waste, fraud, and abuse is mitigated. For

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<sup>43</sup> Karen Tumulty, ‘Obama phones’ subsidy program draws new scrutiny on the Hill, The Wash. Post, Apr. 9, 2013, available at [http://www.washingtonpost.com/politics/obama-phones-subsidy-program-draws-new-scrutiny-on-the-hill/2013/04/09/50699d04-a061-11e2-be47-b44febada3a8\\_story.html](http://www.washingtonpost.com/politics/obama-phones-subsidy-program-draws-new-scrutiny-on-the-hill/2013/04/09/50699d04-a061-11e2-be47-b44febada3a8_story.html).

<sup>44</sup> Letter to the editor, *When answering a cry for help requires a phone call*, The Wash. Post, Apr. 14, 2013, available at [http://articles.washingtonpost.com/2013-04-14/opinions/38537697\\_1\\_lifeline-phone-baltimore-schools](http://articles.washingtonpost.com/2013-04-14/opinions/38537697_1_lifeline-phone-baltimore-schools).

instance, customers must now provide documentation of eligibility prior to approval of their application and they must re-certify their eligibility each year. During the application process, information, such as date of birth, partial social security number, and address, must be furnished to the provider to ensure that multiple benefits are not being received. These new requirements have already resulted in many individuals being de-enrolled, creating substantial savings for the fund. Unfortunately, it seems that many of these de-enrollments occurred because consumers failed to fill out and submit the new paperwork in a timely fashion, meaning that many families that relied on the program were likely dropped unnecessarily.

Providers of Lifeline service also face a number of new obligations. First, they must now clearly disclose whether services being offered are a federal Lifeline benefit. Providers must also inform consumers that they are only allowed one Lifeline phone per household. The provider must de-enroll customers who don't use their Lifeline phone for 60 days. And finally, an officer of the company must also certify compliance with a number of rules, under penalty of perjury, prior to receiving any reimbursement. A national duplicates database is also currently under construction and it should be rolled out within the year.<sup>45</sup>

We believe that the FCC has taken effective steps to curb waste, fraud, and abuse in the program. In fact, in certain instances, we believe that the FCC's reforms may make it more difficult for eligible customers to participate in the program. More can certainly be done. For instance, NHMC has long advocated for minimum standards among wireless Lifeline products, so that customers have the minutes that they need to remain connected throughout the month. In

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<sup>45</sup> See Lifeline Reform Order.

any event, we do not believe that the program can be effectively evaluated without giving the new reforms an opportunity to serve their intended purposes.<sup>46</sup>

Finally, it is important to note, once again, that bad actors that seek to defraud this program are, above all else, harming poor people who want to participate by siphoning money away from those that need it the most. This is more a reflection of the darker side of human nature, rather than the mismanagement of the program and the FCC has begun to aggressively enforce its new rules so that wrongdoers are held responsible. We strongly oppose any waste, fraud, or abuse that would be found in Lifeline. However, we also feel very strongly that eliminating or curtailing the program would be an unmitigated disaster for our nation's poor.

### **Conclusion**

To conclude, I once again offer a resounding "yes" to the question posed today of whether Lifeline is money well spent. We are all better off when we care for those in need. Lifeline provides a unique tool to these families, one they wouldn't have otherwise, which allows them to improve their own situation. Thank you, again, for the invitation to testify this morning. I look forward to your questions.

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<sup>46</sup> *See Id.*

**Summary of the testimony of  
Jessica J. González  
before the United States House of Representatives, Committee on Energy and Commerce,  
Subcommittee on Communications and Technology regarding  
The Lifeline Fund: Money Well Spent?  
April 25, 2013**

#### Background

- The concept that all Americans should have access to affordable communications services dates back more than 200 years.
- Lifeline's roots lie in the Federal Communications Commission ("FCC") under the Reagan administration in the 1980s.
- Lifeline was codified and expanded in the Telecommunications Act of 1996.
- Participation rates grew after the FCC, under the Bush Administration, expanded Lifeline to prepaid wireless services – shortly after Hurricane Katrina.
- Lifeline now provides phone service to more than 15 million Americans.

#### Lifeline Creates Societal Benefits

- By providing poor families with an important tool, phone service, the Lifeline program creates societal benefits.
- By one estimate, Lifeline could create billions of dollars in income for poor families.
- Lifeline phones, particularly wireless products, are important tools that poor people use to find employment and balance multiple jobs.
- Lifeline phones, particularly wireless products, are incredibly important to public safety as they allow people to reach the authorities in emergencies.

#### Lifeline Helps Real People

- Lifeline helps real people; many in the middle of very difficult circumstances.
- Lifeline serves grateful seniors, deserving veterans, people seeking employment, health services, educational tools and trying to provide for their families.
- One customer is a disabled mother from Tennessee caring for a child with Down Syndrome, who said "It gives me peace of mind to know that I can always call for help."
- Another is a veteran and double amputee, who uses Lifeline to coordinate his doctors' appointments and check in with family when away from home.
- One is a man with only a few months to live, who said that without his Lifeline he would be unable to stay in touch with his 88-year-old mother.
- Another is a single father who was laid off but secured a new job in just a few months using his Lifeline phone.
- Finally, a pediatrician in Boston, who treats patients living in shelters, public housing and on the streets, recognizes the value of the program. She can monitor those children because of Lifeline cell service.

#### Lifeline Has Been Reformed

- The FCC implemented strict, wide-ranging, and effective reforms to Lifeline in the past few years.