

Congress of the United States
Washington, DC 20515

July 24, 2013

The Honorable Harry Reid
Majority Leader
United States Senate
S-221
Washington, D.C. 20510

Dear Senator Reid:

We write to express our concern about legislation regarding the low-income federal Lifeline program. Specifically, we would like to address a Senate proposal to eliminate wireless phone service, which would strike at the very heart of the program's intent. While we all agree that waste, fraud, and abuse must be addressed within Lifeline, we fear that the proposal, if implemented, would virtually eliminate the service as we know it, and have a deleterious impact on families in need all across the country.

Lifeline is a vital program to millions of Americans, particularly at a time when many middle class and working poor families are still trying to get back on their feet. As you know, it was established by the Federal Communications Commission (FCC) under the Reagan administration nearly 30 years ago because, as they noted in the order establishing the program, phone service is "crucial to full participation in our society and economy." That statement holds even greater truth today while families struggle with the lingering effects of the recent recession.

Prior to the introduction of wireless Lifeline services in 2008, many eligible families did not take advantage of the program because they could not afford home phone service, even with the discount provided by Lifeline. Because of the addition of wireless service to the program, now any qualified American family can have the basic access to telephone service that is so vital to safety, economic opportunity, and connectedness in our modern society.

We welcome your interest in reforming and modernizing Lifeline to eliminate waste, fraud, and abuse within the program. The Congressional Black and Hispanic Caucuses in the House have been active and engaged in this issue for some time, working with the FCC since 2010 to suggest important reforms that have already begun to strengthen the program and address the issues of abuse and rising cost.

As a result of the reforms implemented by the FCC, Lifeline will save close to \$2 billion by the end of 2014. The establishment of state and, ultimately, a national eligibility database, will alleviate much of the duplication that has existed in Lifeline. This, coupled with the FCC's codification of the "one-per-household" rule, will make the program sustainable and eliminate waste, fraud, and abuse.

It is clear that more work can and should be done to make Lifeline as efficient and effective as possible, but we ask that you allow existing reforms to be fully implemented before taking potentially detrimental action against Lifeline and the residents it serves.

Please consider the following statistics that Lifeline carriers have shared with the FCC about their customers:

- 79 percent have a household income of under \$15,000 per year (Sprint);
- 36 percent are disabled (Sprint);
- 75 percent do not have a landline and rely exclusively on their Lifeline wireless phone (Sprint);
- 74 percent (TracFone) and 90 percent (Tag Wireless) are unemployed;
- One-third (Sprint) and 20 percent (TracFone) of users are seniors; and
- 13 percent (Tag Wireless) and 10 percent (TracFone) of users are veterans.

Therefore, we respectfully request that you consider the reforms that have been implemented, as well as those that continue to be implemented, and the individuals and families who will be affected by the Senate's proposed changes to the program.

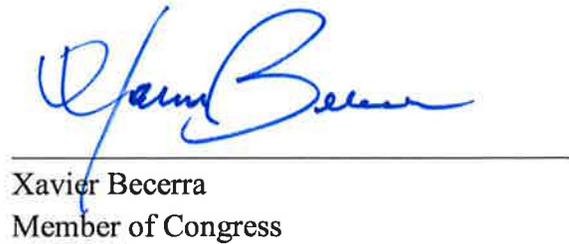
Thank you for your attention to this important matter. We are pleased that you have joined us in the fight to reform Lifeline. It is our sincere hope that, together, we can improve this vital program to better serve those who are most in need. If you should have any questions, please do not hesitate to contact us.

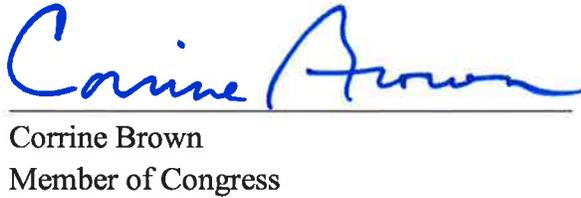
Sincerely,

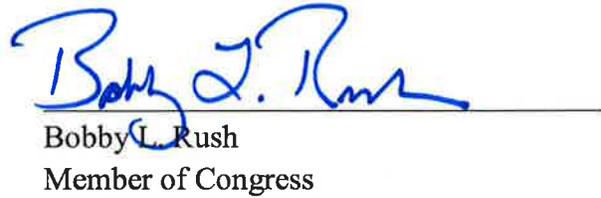

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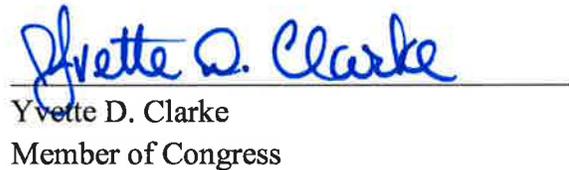

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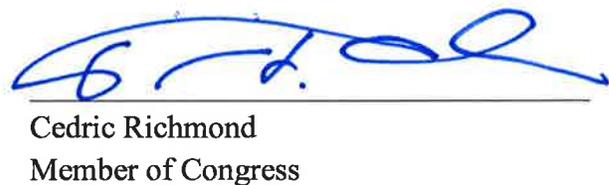

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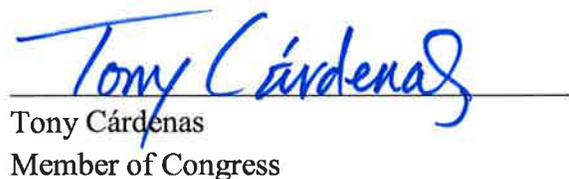

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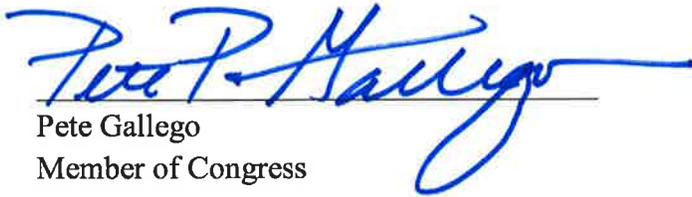

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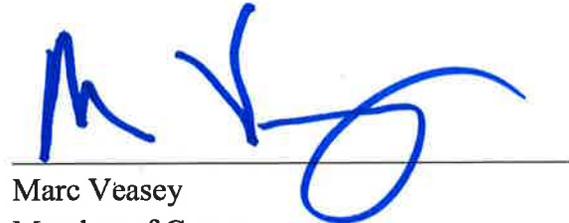

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