

June 11, 2015

VIA ELECTRONIC FILING

Chairman Tom Wheeler
Commissioner Mignon Clyburn
Commissioner Jessica Rosenworcel
Commissioner Ajit Pai
Commissioner Michael O’Rielly
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Lifeline and Link Up Reform and Modernization WC Docket No. 11-42

Dear Chairman Wheeler, Commissioner Clyburn, Commissioner Rosenworcel, Commissioner Pai and Commissioner O’Rielly,

CTIA-The Wireless Association® and our member companies applaud your leadership in calling for a modernization of the federal Lifeline program for the Internet age. As the Commission embarks on a significant effort to update the Lifeline program, the Commission must ensure that reforms reflect low-income consumer preference for wireless services and recognize how innovative and competitive mobile wireless service offerings can effectively and efficiently meet the goal of ensuring access for all Americans, including low-income Americans.

Wireless consumers, particularly low-income consumers, continue to benefit from the incredible pace of innovation, competition and economic opportunities that our member companies offer. The Center for Disease Control’s most recent data demonstrates that low-income households are significantly more likely to have “cut the cord” than other U.S. households, with nearly 60 percent of low-income Americans living in wireless only households. Moreover, the Pew Research Center found that low-income consumers increasingly rely on smartphones as their on-ramp to the educational, health care, occupational, government and economic opportunities available in an Internet-enabled world. Given that the Pew Research Center has found that more than 37% of low-income Americans are primarily smartphone dependent for Internet access and lack broadband at home, it is paramount that reforms to the Lifeline program do not intentionally or unintentionally reduce or limit the ability of low-income consumers to select wireless options.

Thirty years after its creation, Lifeline has evolved to reflect the increasing role of wireless as the primary means of communications for millions of low-income and diverse, underserved communities. In the decade since wireless entered the Lifeline program, the telephone subscribership gap between low-income and all households was cut nearly in half, representing over 3 million low-income consumers. Wireless has brought robust and effective competition to the Lifeline program by significantly increasing the value of services offered to low-income consumers without increasing the subsidy level.



At the same time, CTIA and our member companies support efforts to make the Lifeline program more efficient, accountable, and effective. Ensuring the fiscal integrity of the Lifeline program is a high priority because wireless carriers and their consumers make up over 44% of the contribution base of the Commission's Universal Service programs. We have strongly supported the Commission's recent efforts to effectively manage the Lifeline program which has reduced Lifeline spending by nearly 24%.

We believe there is more the Commission can do to further improve Lifeline program administration, and we are committed to continuing to work with the Commission and interested stakeholders to find ways to come together on the right set of reforms. CTIA and our member companies want to ensure that Lifeline, especially wireless Lifeline, remains a critical tool that enables public safety, health care, educational, occupational, and other important communications for millions of low-income consumers in the 21st Century.

Sincerely,

A handwritten signature in black ink that reads "M. Baker" with a horizontal line extending to the right.

Meredith Attwell Baker
President & CEO
CTIA-The Wireless Association®