



June 2016

Summary of H.R. 5525

Committee on Energy and Commerce, Democratic Staff

H.R. 5525 would cut off millions of low-income persons from having wireless service and access to the internet. If enacted, it would prohibit commercial wireless providers from receiving money from the Universal Service Fund's Lifeline program. The Lifeline program subsidizes phones for low-income Americans. Without this program, millions of Americans will be left stranded with no phone.

The bill is being brought to the floor under suspension of the rules even though the Energy and Commerce Committee—nor any committee—has never held a hearing or markup on the bill.

Members are urged to **vote No** to H.R. 5525 to protect low-income Americans' Lifeline wireless phone service.

- **For low-income Americans, their phones truly are their lifeline. It is how the unemployed find a job. It is how victims of domestic violence call loved ones for help. It is how we all reach 9-1-1 in an emergency.**
 - Among Americans who have looked for work in the last two years, 79% utilized online resources in their most recent job search. For low-income Americans, the Lifeline program maybe their only way online.
 - Victims of domestic violence need access to Lifeline service to call for help. Between 21% and 60% of victims of intimate partner violence lose their jobs due to reasons stemming from the abuse—making it harder for them to afford the phone service so essential to getting the assistance they need.
 - Without access to a cellphone, the majority of Lifeline participants may have no way to call 9-1-1.
- **H.R. 5525 would rip these lifesaving wireless devices out of the hands of the people who need them most.**
 - According to the 2015 USAC Annual Report, almost 95 percent of Lifeline subscribers receive wireless service.
 - Older American would be disproportionately affected by the bill's cuts to the Lifeline program. Nearly 3.7 million older adults live in poverty. Another 2.4 million older adults live in families with incomes marginally above the poverty threshold. These older low-income Americans need access to Lifeline to stay connected and manage healthcare.
 - 38% of Lifeline subscribers are eligible through the Supplemental Nutrition Assistance Program (SNAP), which provides nutrition assistance to millions of eligible, low-income individuals. Twenty three percent of SNAP households are single-adult households where there is a female head of household.
 - In 2014, women made 79 cents to every dollar earned by their male counterparts. The Black Women's Roundtable notes that "Black women, in spite of attainments in higher education and consistently leading all women in labor market participation, continue to be among the lowest paid and often in need of Lifeline services."

- **The bill would leave the most vulnerable among us stranded and exacerbate the digital divide for low income individuals.**
 - Disabled Americans face a severe digital divide. Only 51 percent of persons with disabilities used the Internet in 2013, compared with 77 percent of the general population.
 - The bill would exacerbate the Homework Gap. Only 45 percent of school-age children in households that may qualify for SNAP benefits used the internet at home in 2013, compared with 70 percent of their peers in higher-income households.
- **The purported intent of the bill – to stop tax payer subsidization of Lifeline service for low income people – is not even realized.**
 - Under H.R. 5525, tax payers will continue to pay the same amount in USF fees on their monthly phone bills that are passed through by carriers.
 - The USF fees must remain the same in order for the bill to remain budget neutral.
- **There is a better way to control the costs of the program. Republicans should work with us to fix inequality, to close the gender pay gap, to raise the minimum wage, to put more people to work through infrastructure projects.**
 - The Federal Communications Commission has been squeezing waste, fraud, and abuse out of the program. Lifeline spending decreased by 20% between 2012 and 2013, by 9% between 2013 and 2014, and another 9% between 2014 and 2015.
 - Rather than invest in the future, H.R. 5525 does the opposite, cutting off access to the internet for low-income students, making it harder kids to succeed.