



**To:** Rep. Mitch Greenlick and members of the House Health Committee

**Date:** March 15, 2017

**Re: Increase Access to Federal Lifeline Phone Program. Support for HB 3268!**

Our organizations stand in support of legislative efforts to improve access to the federal Lifeline phone program. For low-income Oregonians a phone is much more than a convenience. A phone is the critical contact information on when you apply for a job or fill out an application to rent a house. The phone is your link to your doctor and health plan. It is your connection to family, community and critical social workers that help navigate life back from poverty.

Unfortunately, in Oregon the Federal Lifeline Phone Program that provides free phones to categorically eligible Medicaid members is a failure.

Oregon has one of the smallest percentages of eligible people receiving a phone in the country (17%). And where most states have many phone carriers competing for Lifeline customers, Oregon is down to just one major carrier.

The reason we are different is the added costly regulations put on phone carriers through the Oregon PUC.

At least 41 states let the Federal Government regulate this Federal Program. Only Oregon adds the additional requirement that after an application is determined eligible and the phone is shipped the phone carriers don't receive payment until the box is opened and the member calls the carrier to provide a social security number. TracPhone recently pulled out of the Oregon market reporting that 45% of their phones were not being activated. The cost of shipping and phone units sent but never activated caused this carrier to leave the Oregon market rather than lose money operating here.

HB 3268 simply removes Oregon from regulating this program.

We recognize that the Public Utility Commission is a regulatory body that isn't expected to promote an entitlement program. If Oregon were going to have an agency in charge of this program it would have been more natural to house it in the Oregon Health Authority.

It is worth acknowledging that the PUC staff has achieved nationally recognized rates of fraud prevention. If the goal of the Lifeline Phone Program were to stop fraud the Oregon PUC would be the 'gold standard'. However, if the goal is to fight poverty the same regulations that have

been preventing fraud have prevented tens of thousands of Oregonians from gaining the critical telecommunications benefits the Lifeline Program was intended for.

For the reason we are all committed to passing HB 3268