



# PUBLIC NOTICE

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## FCC ENFORCEMENT ADVISORY

### FCC LIFELINE RULES

#### **ELIGIBLE TELECOMMUNICATIONS CARRIERS OFFERING LIFELINE SERVICE ARE REMINDED OF THEIR OBLIGATION TO CONFIRM CONSUMERS' ELIGIBILITY AND TO AVOID PROVIDING DUPLICATIVE SERVICE**

The Lifeline program helps low-income Americans access affordable phone service by providing discounts on one basic monthly telephone service (either wireline or wireless) for qualified subscribers. In order to ensure that the program is able to meet this important objective, and that critical communications services reach the targeted population, the FCC's Enforcement Bureau is issuing this Enforcement Advisory reminding all eligible telecommunications carriers (ETCs) offering Lifeline service of their obligation to properly confirm consumers' eligibility for the service, and to ensure that any consumers they enroll are not already receiving Lifeline service from another provider. It has been brought to the Bureau's attention that certain Lifeline providers may be in violation of these rules. We are actively investigating these allegations, and issue this Enforcement Advisory to alert Lifeline service providers that they face stiff penalties, potentially including revocation of their ETC status or their section 214 authorization to operate as carriers, if they do not strictly adhere to the Commission's rules. Preventing waste, fraud, and abuse in universal service programs, including the Lifeline program, is a paramount objective of the Commission, and the Enforcement Bureau will take all necessary steps to ensure that this vital program is protected.

**What Do The Rules Require?** The Commission's Lifeline rules prohibit ETCs from signing up for Lifeline service any consumer who is already enrolled in the program. Sections 54.401(a)(1) and 54.405 of the Commission's rules state that an ETC may only make Lifeline available to consumers who are not currently receiving Lifeline service.<sup>1</sup> The Commission's 2011 Duplicative Program Payments Order requires ETCs to explain to consumers in plain, easily comprehensible language that they are not permitted to receive more than one Lifeline subsidy.<sup>2</sup> Enrolling consumers in Lifeline without first asking if they are receiving Lifeline service from another provider violates the Commission's rules.

The Lifeline rules also require ETCs either to comply with state certification procedures to document consumer eligibility for Lifeline service (in states that mandate state Lifeline support), or to implement certification procedures as described in the Commission's rules, and to certify to the Commission that they are in compliance with the relevant procedures and were provided with documentation of the consumer's income, when income was the basis for eligibility.

<sup>1</sup> 47 C.F.R. §§ 54.401(a)(1) and 54.405.

<sup>2</sup> *Lifeline and Link Up Reform and Modernization, Federal-State Joint Board on Universal Service, Lifeline and Link Up*, Report and Order, CC Docket No. 96-45, WC Docket Nos. 11-42, 03-109, 26 FCC Rcd 9022 at para. 9 (2011).

**What Are The Potential Penalties?** Violation of the Lifeline rules may subject a company to monetary forfeitures of up to \$150,000 for each violation or each day of a continuing violation, up to a maximum of \$1,500,000.<sup>3</sup> Moreover, in egregious cases a carrier could face revocation of its ETC status, and thus its eligibility to participate in the universal service program, or even revocation of its section 214 authorization to operate as a carrier.<sup>4</sup> In addition, false statements or misrepresentations to the Commission may be punishable by fine or imprisonment under Title 18 of the U.S. Code.

**Need More Information?** For more information about enforcement of the Lifeline rules, please contact Terry Cavanaugh in the Investigations and Hearings Division, Enforcement Bureau, at 202-418-1553 or Terry.Cavanaugh@fcc.gov. Media inquiries should be directed to Mark Wigfield at 202- 418-0253 or Mark.Wigfield@fcc.gov.

To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), (202) 418-0432 (TTY). You may also contact the Enforcement Bureau on its TTY line at (202) 418-1148 for further information about this Enforcement Advisory, or the FCC on its TTY line at 1-888-TELL-FCC (1-888-835-5322) for further information about Lifeline rules.

Issued by: Chief, Enforcement Bureau

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<sup>3</sup> 47 U.S.C. § 503(b)(2)(B); 47 C.F.R. § 180(b)(2); *Amendment of Section 1.80(b) of the Commission's Rules, Adjustment of Forfeiture Maxima to Reflect Inflation*, Order, 23 FCC Rcd 9845 (2008).

<sup>4</sup> See 47 U.S.C. § 214.