



NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

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See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

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NEWS MEDIA CONTACT:
Mark Wigfield, 202-418-0253
Email: mark.wigfield@fcc.gov

FCC Reforms Lifeline Program to Eliminate Waste & Ensure Fiscal Responsibility

Changes Part of Broader Reform to Allow More Low-Income Consumers to Benefit from 21st Century Communications

Washington, D.C. – Today the Federal Communications Commission [strengthened protections](#) in its Lifeline program to eliminate and prevent waste by ensuring that multiple carriers do not get support for serving the same consumer. The purpose of the Lifeline program is to help low-income Americans access affordable phone service.

Increasing fiscal responsibility in Lifeline, which served 10 million low-income Americans last year, is part of the FCC's broader, ongoing reform of Lifeline for the modern communications marketplace. The FCC has proposed using some funds reclaimed from eliminating waste, fraud, and abuse to create a pilot program that will evaluate Lifeline's potential to support greater broadband adoption among low-income households.

With job applications for 80 percent of the nation's largest companies being accepted only online, and with most students using broadband to complete homework assignments, broadband and phone access are critical to low-income Americans as they seek jobs and pursue education and training opportunities.

The Lifeline program has helped low-income consumers afford phone service since 1984. For much of Lifeline's history, consumers had only one option for telephone service: their local wireline telephone company. Changes made by the FCC in 2005 provided more competitive options for consumers, leading to growth in Lifeline prepaid wireless subscriptions by the end of the decade. Now, about 55% of Lifeline subsidies support competitive services, almost all of which is wireless, compared to 45% for incumbent wireline service.

After determining through enhanced oversight that some subscribers have Lifeline-subsidized phone service from multiple carriers, the FCC today clarified its rules to expressly bar more than one benefit per subscriber, and will notify consumers with multiple subsidies that they are only allowed to have one. The action will save potentially millions of dollars per year, helping ensure that Lifeline can reach as many low-income consumers as possible.

Under today's action:

- The Universal Service Administrative Company (USAC) must notify consumers receiving multiple Lifeline benefits that they are allowed to have only one Lifeline-subsidized phone service
- Consumers have 30 days to choose which subsidized phone service to keep

- The company or companies not chosen by the consumer must de-enroll the consumer from Lifeline within five days after notification by USAC of the consumer's choice
- At the end of the process, consumers will have no more than one Lifeline phone service

A new [consumer tip sheet](#) explains further what steps lifeline consumers with multiple service providers should take.

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Wireline Competition Bureau Staff Contact: Kimberly Scardino at 202-418-1442

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