NEWS from the Federal Communications Commission

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For Immediate Release

FCC TAKES MAJOR STEPS TO TRANSFORM LIFELINE PROGRAM FOR LOW-INCOME AMERICANS

Fresh Look at Lifeline Focuses on Closing Digital Divide, Promoting Broadband-Capable Network Investment, Attacking Waste, Fraud, and Abuse

WASHINGTON, November 16, 2017—The Federal Communications Commission today took major steps to transform its Lifeline program to more effectively and efficiently close the digital divide for low income households.

By taking a fresh look at the program to focus on areas where Lifeline support is most needed, and to incentivize investment in networks that enable 21st Century connectivity for all Americans, these reforms will better serve the program's low-income subscribers.

In addition, focusing Lifeline support to spur investment in facilities-based networks serving low-income households could also be an effective tool for combatting waste, fraud, and abuse in the program. The Commission has found that Lifeline providers that are resellers – that is, providers that don't build or maintain their own network facilities – have been the primary source of waste, fraud, and abuse.

Lifeline was established in 1985 to provide discounts on phone service to ensure that all U.S. households had access to vital communications services, regardless of income. Since 2016, the program has also supported broadband access, providing $9.25 in monthly discounts for voice, voice-data bundles, or stand-alone broadband.

The item adopted by the FCC today makes some immediate changes to encourage facilities-based Lifeline service and improve program management to benefit consumers. The item also seeks comment on additional proposals, including how Lifeline support can address the lack of modern service in underserved areas and remote rural locations, including Tribal lands.

A Fourth Report and Order, Order on Reconsideration, and Memorandum Opinion and Order changes FCC rules to:

- Incentivize deployment on Tribal lands by limiting "enhanced" Tribal Lifeline support – $25 monthly in addition to the standard $9.25 per household – to facilities-based providers
- Reduce program waste by limiting enhanced Tribal support to rural areas and eliminating enhanced support in urban areas, where the additional $25 a month is not required to make service affordable or to promote deployment
- Increase consumer choice by eliminating restrictions that barred Lifeline consumers from changing Lifeline providers for a year

- Protect consumers and the program by clarifying that Lifeline support is only available for mobile broadband at 3G or better levels, barring support for so-called “premium Wi-Fi” services that require use at a Wi-Fi hotspot

A Notice of Proposed Rulemaking seeks comment on:

- Spurring investment in deployment and reducing waste, fraud, and abuse by limiting Lifeline support to facilities-based providers
- Protecting the program by restoring the traditional role of the states in approving participation of Lifeline-eligible providers
- Protecting ratepayers, who pay for Lifeline through an assessment on their phone bills, by setting a self-enforcing budget cap on the program
- Improving provider incentives to offer high quality services by establishing a maximum discount level for Lifeline-supported services

Finally, a Notice of Inquiry seeks comment on how to efficiently target more funds to areas and households most in need of help in obtaining digital opportunity. These areas would include rural and Tribal areas, as well as low-income urban areas that are likely to be underserved by providers.

Action by the Commission November 16, 2017 by Fourth Report and Order, Order on Reconsideration, Memorandum Opinion and Order, Notice of Proposed Rulemaking, and Notice of Inquiry (FCC 17-155). Chairman Pai, Commissioners O’Rielly and Carr approving. Commissioners Clyburn and Rosenworcel dissenting. Chairman Pai, Commissioners Clyburn, O’Rielly, Carr and Rosenworcel issuing separate statements.

WC Docket No. 17-287; WC Docket No. 11-42; WC Docket No. 09-197

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