NEWS FROM THE FEDERAL COMMUNICATIONS COMMISSION

FCC Prevents California's Unlawful Abuse of Federal Lifeline Program

Carr: "Federal dollars should not pay for California's abuse of the Lifeline program"

WASHINGTON, November 20, 2025—The FCC administers a multibillion federal program that provides low-income Americans with a discount on their phone and Internet services. Millions of people living in California have benefited from this federal Lifeline program. The FCC has a responsibility to ensure that states like California have safeguards in place to prevent abuse of the federal program and mechanisms that prevent federal dollars from flowing to ineligible people. Years ago, the FCC allowed California to "opt-out" of the federal verification process and run its own process for verifying eligibility for the federal Lifeline program.

Governor Newsom recently signed legislation that makes it effectively impossible for California to comply with federal program integrity obligations, including by prohibiting California from collecting social security numbers (which could be used to ensure that program participants are legal residents) and from sharing data with the federal government. California also has a track record of failing to comply with federal program rules. Therefore, the FCC is now revoking California's "opt-out" status. Going forward, federal Lifeline applicants in California will follow the same federal verification processes used in the vast majority of states.

Chairman Brendan Carr issued the following statement:

"The FCC has an obligation to ensure that federal dollars go to their intended recipients and are not siphoned off by waste, fraud, and abuse. Unfortunately, Governor Newsom recently signed legislation that makes it impossible for the FCC to continue trusting California's process for determining eligibility for federal Lifeline dollars. The new California law apparently prohibits the state from requiring the collection of social security numbers, which could be used to ensure that program recipients are legal residents, and from sharing relevant information with federal agencies. These changes in law come on the heels of California making it clear that they will not be vetting beneficiaries of their programs based on legal status. California also has a bad track record of complying with federal Lifeline program rules. Therefore, the FCC is revoking California's 'opt-out' status and will now require federal Lifeline applicants in California to comply with the federal verification process that applies in nearly every other state. Federal dollars should not pay for California's abuse of the Lifeline program."

Additional Background:

The FCC's Wireline Competition Bureau today issued an Order that officially revokes exceptions provided by the agency that allowed the California Public Utilities Commission (CPUC) to use its own processes for federal Lifeline program integrity verifications. Going forward, the standard National Verifier process will be used to conduct eligibility verifications and the National Lifeline Accountability Database will perform duplicate checks for federal Lifeline program applicants in California.

The FCC established the National Lifeline Accountability Database in 2012 to prevent, detect, and eliminate duplicative Lifeline support provided to individuals and households. As some states had developed their own processes for eliminating duplicative support, the Commission permitted states meeting specified conditions to "opt-out" of using the national database and instead use their own systems to detect and eliminate duplicative support. The FCC could grant a state's opt-out petition only if their review process was at least as robust as the Commission's process and incorporated information from all subscribers in their state. After the FCC established the National Verifier in 2016 to facilitate Lifeline program eligibility verifications, it allowed opt-out states to continue using their established eligibility processes.

Recent changes to California law would prohibit the CPUC from requiring applicants to submit social security numbers or parts of social security numbers with state Lifeline applications, making it effectively impossible for the CPUC and its administrator to share the necessary information with USAC and the FCC for federal Lifeline program operations. The CPUC has also previously failed to comply with program rules and has a history of repeatedly requiring rule waivers because of noncompliance with the FCC's rules for the Lifeline program.

The Lifeline program provides support for communications services to qualifying low-income customers. Participating companies may claim Lifeline support for voice and broadband services for eligible subscribers. Lifeline is paid for out of the federal Universal Service Fund and is available to eligible low-income consumers in every state, territory, commonwealth, and on Tribal lands.

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