

**FCC FACT SHEET\***  
**Lifeline and Link Up Reform and Modernization**  
Notice of Proposed Rulemaking – WC Docket No. 11-42 et al.

**Background:** The Lifeline program provides discounts on voice and broadband services for qualifying low-income Americans. Providers receive up to \$9.25 per month per eligible subscriber for qualifying voice and broadband service, and an additional \$25 monthly benefit for subscribers residing on Tribal lands. This *Notice of Proposed Rulemaking*, if adopted, would seek comment on reforms in the Lifeline program to ensure that federal dollars go to eligible Americans, enhance program integrity, ensure that service providers comply with the Commission’s rules and regulations, and streamline Lifeline rules.

**What the Notice of Proposed Rulemaking Would Do:**

- Propose that Lifeline is a federal public benefit restricted to U.S. citizens and qualified aliens under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.
- Seek comment on enhanced requirements to ensure that program participants are legal beneficiaries of Lifeline discounts, predictable minimum service standards, ending the voice support phase-down, and preventing duplicative support.
- Propose and seek comment on collecting the full nine-digit Social Security Number from applicants and using the Systematic Alien Verification for Entitlements program to support household eligibility verifications.
- Propose and seek comment on requiring secondary verification of a consumer’s consent to enroll in Lifeline or transfer to a new eligible telecommunications carrier (ETC).
- Seek comment on workable minimum data capacity and speeds for Lifeline supported broadband services and maintaining support for voice-only services.
- Propose and seek comment on codifying the existing requirement that an ETC must search its own internal records to ensure that it does not already provide Lifeline-supported service to someone within the applicant’s household.
- Seek comment on rule changes to improve program integrity and efficiency, including whether to continue to permit “opt-out” states to use their own verification processes and whether the Commission should reduce annual reporting burdens for ETCs.
- Seek comment on changes to promote more principled ETC conduct, including changes to the requirements for non-facilities-based ETCs to participate in the Lifeline program and whether additional enforcement mechanisms are necessary to ensure that only ETCs directly providing Lifeline service receive Lifeline reimbursement.

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\*This document is being released as part of a “permit-but-disclose” proceeding. Any presentations or views on the subject expressed to the Commission or its staff, including by email, must be filed in WC Docket No. 11-42, which may be accessed via the Electronic Comment Filing System (<https://www.fcc.gov/ecfs>). Before filing, participants should familiarize themselves with the Commission’s *ex parte* rules, including the general prohibition on presentations (written and oral) on matters listed on the Sunshine Agenda, which is typically released a week prior to the Commission’s meeting. See 47 CFR § 1.1200 *et seq.*

- Propose and seek comment on requiring usage tracking and non-usage de-enrollment for all Lifeline service plans regardless of whether a monthly fee is assessed and collected.
- Propose and seek comment on streamlining the Lifeline rules, including deleting Emergency Broadband Benefit Program and Affordable Connectivity Program rules, and minimizing stakeholder confusion.

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Lifeline and Link Up Reform and Modernization	)	WC Docket No. 11-42
	)	
Bridging the Digital Divide for Low-Income	)	WC Docket No. 17-287
Consumers	)	
	)	
Telecommunications Carriers Eligible for	)	WC Docket No. 09-197
Universal Service Support	)	
	)	
Affordable Connectivity Program	)	WC Docket No. 21-450
	)	
Emergency Broadband Benefit Program	)	WC Docket No. 20-445

**NOTICE OF PROPOSED RULEMAKING\***

**Adopted:** []

**Released:** []

**Comment Date: (30 days after date of publication in the Federal Register)**

**Reply Comment Date: (60 days after date of publication in the Federal Register)**

By the Commission:

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\* This document has been circulated for tentative consideration by the Commission at its February 18, 2026 open meeting. The issues referenced in this document and the Commission's ultimate resolutions of those issues remain under consideration and subject to change. This document does not constitute any official action by the Commission. However, the Chairman has determined that, in the interest of promoting the public's ability to understand the nature and scope of issues under consideration, the public interest would be served by making this document publicly available. The Commission's *ex parte* rules apply and presentations are subject to "permit-but-disclose" *ex parte* rules. *See, e.g.*, 47 CFR §§ 1.1206, 1.1200(a). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules, including the general prohibition on presentations (written and oral) on matters listed on the Sunshine Agenda, which is typically released a week prior to the Commission's meeting. *See* 47 CFR §§ 1.1200(a), 1.1203.

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## APPENDIX B – Initial Regulatory Flexibility Analysis

### I. INTRODUCTION

1. The Commission’s Lifeline program is a federal Universal Service Fund (USF) program that was established in 1985 with the goal of ensuring that low-income Americans had access to affordable landline telephone service.<sup>1</sup> Today, it provides discounts on voice and broadband services for qualifying low-income Americans.<sup>2</sup> The Commission has a responsibility to ensure that the scarce USF dollars that fund the program are flowing only to eligible low-income Americans and that the program is otherwise protected from waste, fraud, and abuse. In this NPRM, we take a comprehensive look at the Lifeline program and propose reforms that will ensure eligible Americans receive support, that program integrity is upheld, and that service providers are complying with Commission’s rules and regulations.

2. Specifically, this item considers ways to: enhance program integrity to ensure Lifeline services are actually used to benefit lawful low-income Americans consistent with section 254 of the Act; optimize and improve Lifeline program processes, including possible reforms to the National Lifeline Accountability Database (NLAD) opt-out process to prevent fraud; and promote principled service provider conduct and updates to the Lifeline program rules and other affordability program rules that are no longer necessary. We seek to ensure the Lifeline rules reflect current and best practices to support low-income Americans while ensuring efficiency, transparency, and accountability.

### II. BACKGROUND

3. The Commission established the Lifeline program in 1985 with the goal of ensuring that low-income Americans had access to affordable landline telephone service. Following passage of the Telecommunications Act of 1996 (the Act), the Commission then updated the existing Lifeline program to align with the principles of Section 254 of the Act.<sup>3</sup> In the years since, the Lifeline program has transitioned from providing reimbursement exclusively for landline voice service to also supporting

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<sup>1</sup> See *MTS and WATS Market Structure, and Amendment of Parts 67 & 69 of the Commission’s Rules and Establishment of a Joint Board*, CC Docket Nos. 78-72, 80-286, Report and Order, 50 Fed. Reg. 939 (1985) (1985 Order).

<sup>2</sup> Telecommunications Act of 1996, Pub. L. No. 104-104, § 101(a) (1996) (codified at 47 U.S.C. § 254(b)).

<sup>3</sup> 47 U.S.C. § 254(b); *Federal-State Joint Board on Universal Service*, Report and Order, CC Docket No. 96-45, 12 FCC Rcd 8776, 8955, para. 335 (1997) (*Universal Service First Report and Order*).

mobile voice<sup>4</sup> and broadband internet access services.<sup>5</sup> The Lifeline program currently provides reimbursement of up to \$9.25 per month to providers for discounted qualifying broadband service provided to Lifeline subscribers, including bundled voice and broadband services, and reimbursement of up to \$5.25 per month for qualifying voice-only service.<sup>6</sup> Lifeline subscribers residing on qualifying Tribal lands receive an additional \$25 monthly benefit in addition to their basic benefit.<sup>7</sup> As of the June 2025 data month, approximately 8.12 million subscribers were enrolled in the Lifeline program.<sup>8</sup> The Lifeline program is administered, at the direction and under the oversight of the Commission, by the Universal Service Administrative Company (USAC).<sup>9</sup>

4. Households that have at least one individual that participates in a qualifying federal assistance program—Medicaid, Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income, Federal Public Housing Assistance, or Veterans and Survivors Pension Benefit—or that have an income at or below 135% of the Federal Poverty Guidelines are eligible to participate in Lifeline.<sup>10</sup> Residents of qualifying Tribal lands are eligible for Lifeline if they meet either the general criteria or a member of the household participates in a qualifying Tribal-specific federal assistance program: Bureau of Indian Affairs General Assistance, Head Start (only those households meeting its income qualifying standard), Tribally administered Temporary Assistance for Needy Families (TANF), and the Food Distribution Program on Indian Reservations.<sup>11</sup>

5. Any carrier seeking to provide Lifeline service to eligible consumers must be designated as an eligible telecommunications carrier (ETC) by the states or territories in which it is providing service or by the Commission.<sup>12</sup> The Act provides that to be designated as an ETC, a carrier must “offer the services that are supported by federal universal service support mechanisms . . . either using its own facilities or a combination of its own facilities and resale of another carrier’s services.”<sup>13</sup> The Commission has previously granted forbearance from the facilities requirement to carriers seeking to provide Lifeline services, on a case-by-case basis.<sup>14</sup> However, the Commission later adopted a blanket

<sup>4</sup> “In 2005, acknowledging the rapid change in communications technologies, the Commission updated the Lifeline program, permitting a path to participation by non-facilities-based telecommunications providers and, in 2008, expanding the Lifeline market to prepaid wireless service resellers.” *Lifeline and Link Up Reform and Modernization et al.*, WC Docket Nos. 11-42 et al., Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd 3962, 3970, para 25 (2016) (*2016 Lifeline Report and Order*) (citing *Petition of TracFone Wireless, Inc. for Forbearance, Order*, 20 FCC Rcd 15095 (2005); *TracFone Wireless, Inc., Petition for Designation as an Eligible Telecommunications Carrier in New York et al.*, Order, 23 FCC Rcd 6206 (2008)).

<sup>5</sup> See *Lifeline and Link Up Reform and Modernization et al.*, WC Docket Nos. 11-42 et al., Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd 3962, 3969–70, 3977, 3979–81, paras. 23–24, 44, 48–51 (2016) (*2016 Lifeline Report and Order*).

<sup>6</sup> See 47 CFR § 54.403; *Lifeline and Link Up Reform and Modernization et al.*, WC Docket Nos. 11-42 et al., Order, 38 FCC Rcd 6096, 6096–97, paras. 1, 4 (WCB 2023) (*2023 Standards Waiver Order*).

<sup>7</sup> 47 CFR § 54.403(a)(3).

<sup>8</sup> USAC, *Program Data*, <https://www.usac.org/lifeline/resources/program-data/#Participation> (last visited Jan. 27, 2026).

<sup>9</sup> See 47 CFR §§ 54.701, 54.702.

<sup>10</sup> See 47 CFR § 54.409(a).

<sup>11</sup> See 47 CFR § 54.409(b).

<sup>12</sup> See 47 U.S.C. § 254(e) (providing that only ETCs designated pursuant to section 214(e) are eligible for universal service support)

<sup>13</sup> 47 U.S.C. § 214(e)(1)(A).

<sup>14</sup> See *Federal-State Joint Board on Universal Service; Telecommunications Carriers Eligible for Universal Service Support; i-wireless Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A)*, CC Docket No. 96-45 et al., WC

(continued....)

forbearance of the facilities requirement for carriers seeking to provide Lifeline-only service, subject to certain public safety and compliance obligations.<sup>15</sup>

6. The Commission has taken several actions in recent years to enhance Lifeline program processes for low-income Americans while exercising careful stewardship of USF dollars. In 2012, the Commission established the NLAD to prevent and detect duplicative Lifeline support provided to individuals and households.<sup>16</sup> To streamline Lifeline enrollments and protect program integrity the Commission in 2016 established the National Lifeline Eligibility Verifier (National Verifier), a centralized system that facilitates eligibility verifications of Lifeline applicants and subscribers, most often through connections with states and federal agencies to allow for the automatic verification of eligibility.<sup>17</sup> A Lifeline applicant currently must provide on their application form their full name; residential address; whether they live at the residential address on a temporary or permanent basis; billing address; date of birth; and either the last four digits of their Social Security number (SSN) or Tribal identification number (if the applicant is a member of a Tribal nation and does not have an SSN).<sup>18</sup> If the National Verifier is unable to determine automatically that an applicant is eligible, applicants are given the opportunity to submit supporting documentation.<sup>19</sup> To further protect program integrity, the Commission in 2019 prohibited carriers from paying commissions to employees or agents based on the number of Lifeline applications or enrollments, codified requirements for enrollment representative registration, and required the collection of eligibility documentation in certain instances during annual recertification, among other actions.<sup>20</sup>

7. The Commission has also taken steps recently to protect Lifeline program integrity and to ensure eligible Americans receive program benefits. For instance, in 2025, the Commission, through the Wireline Competition Bureau (Bureau), revoked the exemption that enabled the California Public Utilities Commission (CPUC) to opt out of using the NLAD for the federal Lifeline program, and adjusted the federal National Verifier processes in California to end reliance on California state eligibility results for enrollment in the federal Lifeline program.<sup>21</sup> California, among other states, operates its own state Lifeline-style program that provided additional support for communications services for low-income

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Docket No. 09-197, Order, 25 FCC Rcd 8784 (2010); *Telecommunications Carriers Eligible for Universal Service Support; Virgin Mobile USA, L.P. Petitions for Designation as an Eligible Telecommunications Carrier in the State of Alabama et al.*, WC Docket No. 09-197, Order, 25 FCC Rcd 17797 (2010); *Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A) et al.*, CC Docket No. 96-45, Order, 24 FCC Rcd 3381 (2009); *Federal-State Joint Board on Universal Service; Petition of TracFone Wireless, Inc. for Forbearance*, CC Docket No. 96-45, Order, 20 FCC Rcd 15095 (2005).

<sup>15</sup> *Lifeline and Link Up Reform and Modernization et al.*, WC Docket Nos. 11-42 et al., Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, 6813–17, paras. 368–81 (2012 *Lifeline Report and Order*).

<sup>16</sup> *Id.* at 6734, para. 179; *see also* 47 CFR § 54.400(i) (defining the “National Lifeline Accountability Database” or “Database” as “an electronic system, with associated functions, processes, policies and procedures, to facilitate the detection and elimination of duplicative support, as directed by the Commission.”)

<sup>17</sup> *See 2016 Lifeline Report and Order*, 31 FCC Rcd at 4006, 4011, paras. 126, 133–35.

<sup>18</sup> *See* 47 CFR § 54.410(d)(2)(i)–(vi).

<sup>19</sup> *See* 47 CFR § 54.410(b)(1)(i)(B), (c)(1)(i)(B).

<sup>20</sup> *See* 47 CFR §§ 54.406, 54.410(f)(2)(iii), (f)(3)(iii); *Lifeline and Link Up Reform and Modernization et al.*, WC Docket Nos. 11-42 et al., Fifth Report and Order, Memorandum Opinion and Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, 34 FCC Rcd 10886, 10914–28, paras. 67–99 (2019) (2019 *Lifeline Report and Order*).

<sup>21</sup> *See Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, Order, DA 25-965 (WCB Nov. 20, 2025).

consumers.<sup>22</sup> However, a 2025 change to California law made it effectively impossible for the CPUC to comply with federal Lifeline operations and program integrity obligations placed on opt-out states.<sup>23</sup> Now, federal processes alone are used to conduct eligibility verifications and to perform duplicate checks for federal Lifeline program applicants in California. The Bureau has previously made clear that a state's NLAD opt-out status may be revoked in favor of relying exclusively on the federal National Verifier process for both eligibility and duplicate checks if the Bureau determines that the state's approach or processes no longer serve the objectives of ensuring accurate eligibility determinations, improving efficiency, reducing consumer confusion, and minimizing the contribution burden on USF ratepayers.<sup>24</sup>

8. Our work to protect program integrity, however, is not yet done. As of December 2025, the Federal Communications Commission's Office of Inspector General (FCC OIG) released a report identifying program fraud as the foremost challenge facing the Commission.<sup>25</sup> The FCC OIG has open recommendations to address the problems identified and to further improve program integrity and reduce improper payments in the Lifeline program. In part, the FCC OIG recommends that FCC focus on addressing remaining open recommendations stemming from investigative findings and analyses, including: (1) requiring households to independently verify their new low-income program enrollments and transfer requests through an affirmative response to a text, email, or other outreach using the contact information included in the subscriber's application; (2) requiring low-income program participating providers to report consumer usage data when seeking monthly reimbursements for FCC program service; and (3) enforcing program rules that require low-income program participating providers to timely and accurately register all enrollment representatives in the Representative Accountability Database (RAD) and report their enrollment related activity.<sup>26</sup>

9. On January 26, 2026, the FCC OIG released an *Advisory*<sup>27</sup> identifying problems in the Lifeline program and providing reminders and recommendations for the Commission and other relevant stakeholders, primarily related to information collection and sharing. As part of its analysis, the FCC OIG identified four underlying problems in the Lifeline program: (1) some providers and their agents continue to enroll deceased individuals in Lifeline; (2) the opt-out states' identity verification methods failed to prevent the enrollment of some deceased individuals; (3) the monthly reimbursement death check USAC performs before it reimburses providers also failed to identify some deceased subscribers;

<sup>22</sup> See, e.g., Petition of the State of California Public Utilities Commission and the People of the State of California to Opt Out of National Lifeline Accountability Database, WC Docket Nos. 11-42 et al., CC Docket No. 96-45 (filed Dec. 3, 2012) (describing the functionalities and workings of the California LifeLine Program).

<sup>23</sup> See Cal. Pub. Util. Code § 2891 (West 2026); Cal. Pub. Util. Code § 876.5 (West 2026); see also Assem. Bill 1303, 2025–2026 Reg. Sess. (Cal. 2025),

[https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202520260AB1303](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260AB1303) (amending Cal. Pub. Util. Code § 2891 and adding Cal. Pub. Util. Code § 876.5, relating to communications).

<sup>24</sup> See *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, Order, DA 25-965, at 2-3, para. 4 (WCB Nov. 20, 2025) (citing *Wireline Competition Bureau Announces the Next National Lifeline Eligibility Verifier Launch in Three States*, WC Docket No. 11-42, Public Notice, 34 FCC Rcd 12302, 12303 (WCB 2019); *Wireline Competition Bureau Announces the Launch of the National Lifeline Eligibility Verifier in California*, Public Notice, 35 FCC Rcd 13029, 13031 (WCB 2020); *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, Order, 32 FCC Rcd 5797 (WCB 2017); *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, Order, 35 FCC Rcd 5396 (WCB 2015)).

<sup>25</sup> See FCC OIG, FCC's Top Management and Performance Challenges for FY 2026 (2025), <https://www.fcc.gov/sites/default/files/FCC%26%23039%3Bs%20Top%20Management%20and%20Performance%20Challenges%20for%20FY%202026.pdf> (FCC OIG TMPC).

<sup>26</sup> FCC OIG TMPC, at 10; see also FCC OIG Open Recommendations From FCC OIG Investigations (2025), [https://www.fcc.gov/sites/default/files/OI%20Open%20Recommendations%20Report\\_508.pdf](https://www.fcc.gov/sites/default/files/OI%20Open%20Recommendations%20Report_508.pdf).

<sup>27</sup> See generally FCC OIG Advisory Regarding Deceased and Duplicate Lifeline Subscribers, (FCC OIG Jan. 26 2026), <https://www.fcc.gov/sites/default/files/FCC%20OIG%20Advisory%20Regarding%20Deceased%20and%20Duplicate%20Lifeline%20Subscribers.pdf> (OIG Deceased and Duplicate Lifeline Subscribers Advisory).

and (4) duplicate claims of support were filed for the same subscriber across multiple opt-out states. The Commission takes seriously its obligation to improve program integrity and to reduce improper payments in the Lifeline program and therefore continues to revise and refine the Lifeline rules, processes, and procedures.

### III. DISCUSSION

10. In this NPRM, we take a comprehensive look at the Lifeline program and propose reforms to enhance program integrity and combat waste, fraud, and abuse. First, we seek comment on changes to ensure that Lifeline support is used to benefit qualifying low-income Americans consistent with section 254 of the Act, through enhanced requirements to ensure that program participants are legal beneficiaries of Lifeline discounts, improved verification of household eligibility, an improved enrollment and transfer experience for households, predictable minimum service standards, ending the voice support phase-down, and preventing duplicative support. Second, we seek comment on rule changes that would optimize Lifeline program processes for integrity and efficiency, including reforms applicable to the states that have been permitted to opt out of using the NLAD and reduced reporting burdens for ETCs. Third, we seek comment on changes that would promote more principled service provider conduct, thereby increasing program integrity protections and ensuring that ETCs that participate in the Lifeline program comply with all rules. Finally, we seek comment on changes to the Lifeline rules to streamline them and minimize stakeholder confusion.

#### A. Ensuring Lifeline Services Are Used to Benefit Only Qualifying Low-Income Americans Consistent with Section 254

11. The Lifeline program was established to help ensure that low-income Americans are able to receive affordable communications service. In this section, we seek comment on proposals to ensure that federal Lifeline benefits are only provided to the eligible recipients permitted by federal law, to improve verification of household eligibility, to ensure that consumers are enrolled with their preferred provider, and changes to minimum service standards and voice service phase-down. We also seek comment on additional program integrity improvements concerning duplicative support.

##### 1. Ensuring Federal Dollars Go to Their Intended Recipients

12. Today, all Lifeline program applicants must submit the last four digits of their SSNs to participate in the federal Lifeline program.<sup>28</sup> This is a requirement designed to operate in a manner that limits the program to U.S. citizens and qualified aliens that have lawfully valid SSNs.<sup>29</sup> However, there has been an increase in the number of SSNs illegally obtained or assigned in recent years, with more than 2 million non-citizens illegally assigned SSNs in 2024 alone.<sup>30</sup>

13. Consistent with the goal of ensuring taxpayer-funded benefits are provided only to eligible recipients, we seek comment on several steps to safeguard the Lifeline program. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) is an important safeguard

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<sup>28</sup> 47 CFR § 54.410(d)(2)(vi)

<sup>29</sup> See 20 CFR § 422.104 (limiting assignments of a Social Security number to “(1) [a] United States citizen; or (2) [a]n alien lawfully admitted to the United States for permanent residence or under other authority of law permitting you to work in the United States (§ 422.105 describes how we determine if a nonimmigrant alien is permitted to work in the United States); or (3) [a]n alien who cannot provide evidence of alien status showing lawful admission to the U.S., or an alien with evidence of lawful admission but without authority to work in the U.S., if the evidence described in § 422.107(e) does not exist, but only for a valid nonwork reason . . .”).

<sup>30</sup> The White House, *Fact Sheet: President Donald J. Trump Prevents Illegal Aliens from Obtaining Social Security Act Benefits* (Apr. 15, 2025), <https://www.whitehouse.gov/fact-sheets/2025/04/fact-sheet-president-donald-j-trump-prevents-illegal-aliens-from-obtaining-social-security-act-benefits/>; Roger Anderson, *Millions of Social Security Numbers Issued to noncitizens: DOGE* (May 14, 2025), <https://www.msn.com/en-us/news/politics/millions-of-social-security-numbers-issued-to-noncitizens-doge/ar-AA1EN8iG>.

that protects federal funding by limiting support for federal programs to qualified aliens.<sup>31</sup> We tentatively conclude that Lifeline program support is a “federal public benefit” that is available only to U.S. citizens and immigrants with “qualified alien” status under the PRWORA, and we seek comment on this tentative conclusion. We note that the Lifeline benefit already is available only to citizens and qualified aliens, but we seek comment on other implications of a finding that Lifeline is a “federal public benefit,” including that “qualified aliens” would be subject to a five-year waiting period to participate in the Lifeline program if it is also determined to be a “means-tested public benefit.”<sup>32</sup>

14. Section 401 of the PRWORA mandates that, “[n]otwithstanding any other provision of law,” outside certain narrow exceptions, “an alien who is not a qualified alien . . . is not eligible for any Federal public benefit.”<sup>33</sup> “Qualified aliens” are subject to additional eligibility requirements before they may receive benefits. For example, they may not obtain “any Federal means-tested public benefit” until they have been in the United States for five years with a qualified status.<sup>34</sup> The definition of “qualified alien” includes persons with a number of immigration statuses allowing them to reside in the United States legally; it does not include individuals who are here illegally.<sup>35</sup> The term “financial means” includes the “income and resources” of an alien’s spouse or sponsor in its calculation of the alien’s total assets.<sup>36</sup>

15. The PRWORA broadly defines a “Federal public benefit” to include: “(A) any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United States; and (B) any retirement, welfare, health, disability, public or assisted housing, postsecondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of the United States or by appropriated funds<sup>37</sup> of the United States.”<sup>38</sup> The United States Department of Justice, Office of Legal Counsel (OLC) has explained that this definition of “Federal public benefit” bars non-qualified aliens from receiving “[1] benefit[s] for which payments or assistance are provided to [2] an individual, household, or family eligibility unit by [3] an agency of the United States or by appropriated funds of the United States.”<sup>39</sup>

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<sup>31</sup> Pub. L. 104-193, 110 Stat. 2105 (codified, as amended, in relevant part at 8 U.S.C. § 1601 *et seq.*). H. Rept. 104-651; H. Rept. 104-725 (PRWORA Conference Report). On February 19, 2025, President Trump directed agencies to identify programs that have failed to abide by the statutory requirements. Exec. Order No. 14218, 90 Fed. Reg. 10,581, 10,581 (Feb. 19, 2025).

<sup>32</sup> See 8 U.S.C. §§ 1611, 1613. Exceptions to the five-year limitation include veterans and Armed Forces active duty members, refugees, and asylees. *Id.* § 1613(b).

<sup>33</sup> *Id.* § 1611(a).

<sup>34</sup> *Id.* § 1613(a).

<sup>35</sup> See *id.* § 1641(b)–(c).

<sup>36</sup> *Id.* § 1631(a).

<sup>37</sup> Pursuant to 47 U.S.C. § 254, the FCC has a permanent indefinite appropriation to fund its universal service programs. See *Federal Communications Commission Agency Financial Report, Fiscal Year 2025* at 63–64.

<sup>38</sup> 8 U.S.C. § 1611(c)(1). The statute provides exemptions for certain federal programs and limited applicability of the PRWORA to other federal programs. See *id.* §§ 1611(b) and 1612(b).

<sup>39</sup> See Memorandum for General Counsel, Department of the Treasury, from Lanora C. Pettit, Deputy Assistant Attorney General, Office of Legal Counsel, *Re: Status of the Refundable Portion of Certain Tax Credits as Federal Public Benefits*, 49 Op. O.L.C., slip op. at 1-2 (Nov. 19, 2025) (November 2025 Opinion) (quoting Memorandum for General Counsel, Department of the Treasury, from Jennifer L. Mascott, Deputy Assistant Attorney General, Office of Legal Counsel, *Re: Aliens’ Limited Eligibility for Certain Refundable Tax Credits* at 6–8 (Dec. 9, 2020) (quoting 8 U.S.C. § 1611(c)(1)(B)). See generally *Campaign for Accountability v. US Dept. of Justice*, No. 24-5163, slip op. at 2 (D.C. Cir. Dec. 17, 2025) (“As a matter of custom, Executive Branch agencies treat OLC’s legal

(continued....)

16. The PRWORA does not define the term “Federal means-tested public benefit.”<sup>40</sup> Nevertheless, OLC instructs the best reading of this term means any federal public benefit for which the eligibility of an individual, household, or family eligibility unit for benefits, or the amount of such benefits, or both, are determined on the basis of the income, resources, or financial need of the individual, household, or unit—regardless of the funding sources for that federal public benefit.<sup>41</sup>

17. Applying OLC’s guidance, we tentatively conclude that Lifeline benefits constitute “Federal public benefits” and “Federal means-tested public benefits” for purposes of the PRWORA. As such, Lifeline is not available to non-qualified aliens and will only be available to qualified aliens on a means-tested basis. We seek comment on this assessment.

18. We tentatively conclude that Lifeline program reimbursements paid to service providers are nonetheless “[1] benefit[s] for which payments or assistance are provided to [2] an individual, household, or family eligibility unit by [3] an agency of the United States or by appropriated funds of the United States.”<sup>42</sup> The PRWORA provides that benefits may include “payments” or “assistance.”<sup>43</sup> Thus, it is our current view that nothing in the PRWORA requires that payments be made directly to individuals for a program to qualify as a “federal public benefit.” In fact, some programs that have been determined to be “federal public benefits” under the PRWORA provide payments directly to third parties or other intermediaries on behalf of the beneficiary, including Section 8 housing assistance paid directly to

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conclusions as binding.”); S. Rep. 110-528, *OLC Reporting Act of 2008* at 1 (“An OLC opinion binds the entire executive branch, just like the ruling of a court. If a court were to reach a different interpretation than OLC, the court’s interpretation would prevail . . . ”).

<sup>40</sup> The definition of federal means-tested public benefit was removed from the statute before passage. The PRWORA Conference Report, however, provided as follows regarding the definition:

The conference agreement follows the House bill and Senate amendment as follows. (1) The definition of Federal Means Tested Public Benefit (defined as “a public benefit (including cash, medical, housing, and food assistance and social services) of the Federal Government in which the eligibility of an individual, household, or family eligibility unit for benefits, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit”) was deleted due to the Byrd rule. It is the intent of conferees that this definition be presumed to be in place for purposes of this title.

PRWORA Conference Report at 381–82 (1996).

<sup>41</sup> See Memorandum for Deputy General Counsel, Department of Health and Human Services, from T. Elliot Gaiser, quoting Assistant Attorney General, Office of Legal Counsel, *Re: Interpretation of “Federal Means-Tested Public Benefit” in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996*, 49 Op. O.L.C., slip op. (Dec. 16, 2025) (December 2025 Opinion). We note further that in 1997 OLC read the phrase “Federal means-tested public benefit” as affecting only benefits administered under mandatory (and not discretionary) federal spending programs. See *Proposed Agency Interpretation of “Federal Means-Tested Public Benefit[s]” Under Personal Responsibility and Work Opportunity Reconciliation Act of 1996*, 21 Op. O.L.C. 21, 21 (1997) (1997 Opinion). OLC has withdrawn the 1997 Opinion and has confirmed that the “PRWORA’s eligibility requirements for ‘Federal means-tested public benefit[s]’ apply to both mandatory and discretionary spending programs.” December 2025 Opinion, slip op. at 2.

<sup>42</sup> November 2025 Opinion. Although not funded through a one-time Congressional appropriation like certain other federal government programs, the Universal Service Fund is a permanent indefinite appropriation established pursuant to section 254 of the Communications Act and is financial assistance provided by an agency of the United States. Therefore this funding is subject to the PRWORA. See also *Telecommunications: Application of the Antideficiency Act and Other Fiscal Controls to FCC’s E-Rate Program*, GAO 05-546 (2005), <https://www.gao.gov/assets/gao-05-546t.pdf> (stating that the GAO agrees that the Universal Service Fund is a permanent indefinite appropriation).

<sup>43</sup> See 31 U.S.C. § 6101 (defining “assistance” as “the transfer of anything of value for a public purpose of support or stimulation authorized by a law of the United States, including . . . financial assistance,” but excluding “procurement of property or services for the direct benefit or use of the Government”).

property owners<sup>44</sup> and federal student assistance paid directly to educational institutions.<sup>45</sup> We seek comment on what effect, if any, the fact that Lifeline program reimbursements are paid to service providers has on the applicability of the PRWORA.

19. Does the fact that Lifeline benefits are already limited to citizens and qualified aliens affect the PRWORA analysis? Would a specific finding that Lifeline program support is a “federal public benefit” under the PRWORA further protect the program against the possibility of improper payments? If the Commission concludes that Lifeline program support is a “federal public benefit” under the PRWORA, would additional verifications beyond collection of the SSN be necessary to ensure compliance with the PRWORA? If so, what verifications would be needed?

20. We also seek comment on our tentative conclusion that the Lifeline benefit qualifies as a “means-tested public benefit” under the PRWORA. As noted, the PRWORA does not define “means-tested public benefit,” so we apply the guidance from OLC that a means-tested public benefit “is best understood as any federal public benefit for which the eligibility of an individual, household, or family eligibility unit for benefits, or the amount of such benefits, or both, are determined on the basis of the income, resources, or financial need of the individual, household, or unit.”<sup>46</sup> The Lifeline program readily satisfies the plain meaning of this definition. We tentatively conclude that the program is a federal public benefit and eligibility plainly is determined based on, among other things, income, resources, and financial need. We seek comment on this analysis and whether there are other factors we should consider. Are there reasons we should not consider OLC’s interpretation of the term “Federal means-tested public benefit” controlling here and, if not, what standard should we apply? Under this definition or others, does the Lifeline program qualify as a means-tested public benefit? Does the Lifeline program fall within any of the “Federal means-tested public benefits” to which exemptions from the five-year waiting period apply?<sup>47</sup> If the program is determined to be a “Federal means-tested public benefit,” should there be a transition period before the de-enrollment of subscribers who have not completed the five-year waiting period? If so, what would that transition period be?

21. If the Lifeline benefit is a “means-tested public benefit” under the PRWORA, then with certain exceptions, qualified aliens would not be eligible for Lifeline program benefits until five years after entry in the United States as a qualified alien.<sup>48</sup> We seek comment on the best way to determine whether five years have passed since a qualified alien’s entry into the United States. As discussed in more detail below, would resources from the Systematic Alien Verification for Entitlements (SAVE) program assist with these verifications? Are there other methods that could be used to confirm whether five years have passed since entry as a qualified alien into the United States?

22. We also seek comment on whether our tentative conclusion that the Lifeline benefit is a Federal public benefit under the PRWORA implicates other existing statutory or regulatory obligations. For example, would such a holding suggest other statutory or regulatory obligations rest with the Commission, program providers, or Lifeline beneficiaries once Lifeline is determined to be a Federal

<sup>44</sup> See, e.g., 24 CFR § 5.506(a) (limiting housing support to citizens and eligible immigrants); 24 CFR § 982.1(a)(2) (stating that Section 8 housing assistance is paid to property owners on behalf of participating families).

<sup>45</sup> 34 CFR § 668.33 (limiting student assistance to citizens and certain authorized immigrants); 34 CFR § 668.164 (stating that educational institutions credit a student’s ledger with student assistance funding received from the Department of Education).

<sup>46</sup> Memorandum Opinion for the Deputy General Counsel, Department of Health and Human Services, Interpretation of “Federal Means-Tested Public Benefit” in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Office of Legal Counsel, at 8 (Dec. 16, 2025), <https://www.justice.gov/olc/media/1421356/dl>. This is consistent with the definition included in legislation before passage noted above.

<sup>47</sup> See 8 U.S.C. § 1613(a).

<sup>48</sup> See 8 U.S.C. § 1613(a).

public benefit? Similarly, we ask the same question to the extent we determine that the Lifeline benefit is a “means-tested public benefit” under the PRWORA. Do Lifeline program eligibility requirements sufficiently account for spouse or immigration sponsor income and resources as required for “means-tested public benefits” for qualified aliens under the PRWORA?<sup>49</sup> Would restrictions under the PRWORA apply only to the Lifeline applicant, or would they also apply to a benefit qualifying person, that is, a dependent whose enrollment in a government assistance program makes the applicant’s household eligible for the Lifeline program, associated with the applicant?<sup>50</sup>

23. Finally, we seek comment on other potential changes regarding who should be eligible for Lifeline program support. Should eligibility for the Lifeline program be more limited or otherwise changed? Should the Commission adopt eligibility requirements in line with the Working Families Tax Cut Act’s Medicaid eligibility requirements for non-citizens, under which the only non-citizens eligible were certain lawfully admitted permanent residents, certain Cuban and Haitian entrants, or individuals lawfully residing in the U.S. in accordance with the Compact of Free Association?<sup>51</sup> Are there other standards for Lifeline eligibility that the Commission should consider applying?

24. We seek comment on additional measures the Commission can take to enhance protections to ensure that program participants are qualified to receive Lifeline program discounts, including whether there are resources that can be used to combat waste, fraud and abuse.

## 2. Enhancing Identity Verification and Lawful Status of Applicants

25. We seek comment on ways to enhance the integrity of the identity verification process for Lifeline program applicants, including potentially collecting the full nine-digit SSN from applicants and ensuring that we are taking advantage of all available resources to verify the identity and lawful status of Lifeline program applicants. Verifying an applicant’s identity is an integral step to confirming eligibility.<sup>52</sup>

26. *Full Social Security Number Verification.* Currently, Lifeline applicants must provide the last four digits of their SSN (or Tribal Identification number, for those who lack a SSN and are a member of a Tribal nation) along with their full name, address, and date of birth for identity verification.<sup>53</sup> We seek comment on whether we should change the verification process to require the full nine digits of applicants’ SSNs, rather than only the last four digits. What impact would this change have on our program’s goals of reducing waste, fraud, and abuse? Is collecting the full SSN necessary for identity verifications? What should we consider when balancing such potential reductions in waste, fraud, and abuse against the increased privacy and security considerations (including any increased security costs) of collecting and protecting full SSNs? Would this change bring Lifeline into greater or lesser alignment with similar programs, including those that can form the basis for eligibility for Lifeline, and what impact would the change have on administrative efficiencies and cross-agency data matching? What other programs require the full SSN? Are there deficiencies in verifying identity based on name, address, date of birth, and last four digits of the SSN that would be cured by collecting the full SSN; are there alternatives to collecting the full SSN that would address those deficiencies that present fewer privacy concerns? Have any other such programs undergone a change from requiring four to nine digits of applicant SSNs, and what lessons can be learned from those transitions? What legal considerations would

<sup>49</sup> 8 U.S.C. § 1631(a).

<sup>50</sup> Universal Service Administrative Company, Lifeline Program Application (FCC Form 5629) Instructions, [https://www.lifelinesupport.org/wp-content/uploads/Lifeline-Paper-Application-Instructions\\_English.pdf](https://www.lifelinesupport.org/wp-content/uploads/Lifeline-Paper-Application-Instructions_English.pdf) (dated Jan. 16, 2026).

<sup>51</sup> Working Families Tax Cut Act, Pub. L. No. 119-21, § 71109, 139 Stat. 72, 85 (2025) (codified at 42 U.S.C. § 1396b(v)). Under the Working Families Tax Cut Act, refugees, asylees, and those with Temporary Protected Status are not eligible for federal Medicaid funding.

<sup>52</sup> 2012 Lifeline Report and Order, 27 FCC Rcd at 6743, para. 201.

<sup>53</sup> See 47 CFR §§ 54.404(b)(6), 54.410(d)(2)(vi).

impact this potential collection of full SSNs? The Federal Information Security Modernization Act (coupled with the specific requirements of NIST 800-53),<sup>54</sup> the E-Government Act of 2002,<sup>55</sup> and related OMB guidance and Executive Orders related to those two acts address processes for protecting highly-sensitive, personally identifiable information such as full SSNs; are there other federal laws or guidance that should be considered in collecting full SSNs? As these laws already apply to the collection and use of partial SSNs, what impact would they have on the collection of a full SSN?

27. We also seek comment from Lifeline providers on compliance with this potential collection and enhanced security measures needed to safeguard consumer data. How much time should we provide to carriers to come into compliance with the changed requirement? Would carriers need to collect and store SSNs and if so, why? Should carriers be allowed to enroll subscribers using enrollment representatives' devices? What information or documents are retained by the representative or the marketing company if that means that these entities and persons (who may be unknown to the government) may be left with even more personally identifiable information (PII) of the enrollees? What can the Commission do so that providers and their agents do not retain and illegally use applicants' PII? Are there other ways that full SSNs could be used or checked that would not require carriers to collect and store that information, including some form of a verifier program? What security standards, if any, should we impose on carriers or others collecting full SSNs to ensure SSNs are appropriately protected? In addition, we seek comment on the impact of this potential change on Lifeline applicants, including whether there are any groups that may be disproportionately affected. What are the costs in terms of applicant privacy and security considerations compared to the current practice of requiring the last four digits of the applicant's SSN? Are there special privacy concerns unique to Lifeline applicants that need to be considered? What might be the impact on customer enrollment in Lifeline due to potential applicant reluctance to provide full SSNs? Are there any additional costs, benefits, or legal issues we should consider before also applying the full SSN requirement, as described, to individuals applying for Tribal Link Up<sup>56</sup> or Lifeline emergency support for survivors of domestic violence?<sup>57</sup> How are these potential concerns weighed against the potential benefits to program integrity and safeguarding public funds?

28. *Resources for Verification of Identity and Lawful Status.* To ensure that identity verifications are as thorough as possible, and to ensure that applicants satisfy the FCC's eligibility criteria as discussed above, we propose requiring USAC to use the SAVE program<sup>58</sup> to conduct sufficiently thorough identity verifications to ensure that the Lifeline program has the most up to date and valid information on the identity of potential Lifeline subscribers and seek comment on this approach.<sup>59</sup>

29. We also seek comment on other resources available to conduct identity verifications of Lifeline program applicants, including the U.S. Department of Treasury's Do Not Pay system and other

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<sup>54</sup> See 44 U.S.C. § 3551 *et seq.*; NIST Special Publication 800-53 Revision 5, *Security and Privacy Controls for Information Systems and Organizations* (Sept. 2020).

<sup>55</sup> 44 U.S.C. § 3501 *et seq.*

<sup>56</sup> See 47 CFR § 54.404(c)(4).

<sup>57</sup> See SCA Order, 38 FCC Rcd at 11364, para. 168 (2023) (requiring the current amount of personal information necessary for enrollment into the Lifeline program).

<sup>58</sup> SAVE is a service administered by the Department of Homeland Security that provides immigration status and U.S. citizenship information to federal, state, local, territorial, and tribal agencies. It is utilized today by more than 1,200 state and federal agencies nationwide. U.S. Citizenship and Immigration Services, *SAVE*, <https://www.uscis.gov/save> (last visited Jan. 27, 2026); U.S. Citizenship and Immigration Services, *Current User Agencies*, <https://www.uscis.gov/save/current-user-agencies> (last visited Jan. 27, 2026).

<sup>59</sup> See OIG *Deceased and Duplicate Lifeline Subscribers Advisory* at 10 (recommending that the Commission identify new sources of identity verification information).

available federal government resources.<sup>60</sup> How does the accuracy of identity verifications under federal government resources compare to identity verifications using commercial databases? We seek comment on the cost-effectiveness of these resources.<sup>61</sup> How would administrative costs to implement these programs compare with costs to use commercial services?

30. Are there data points other than the applicant's name, address, date of birth and SSN (or Tribal identification number for Tribal applicants that lack an SSN) that should be collected to facilitate identity verifications? Could collecting the alien registration number, arrival/departure record number, or naturalization/citizenship certificate number facilitate identity verifications for certain immigrants?

### 3. Consumer Choice During Enrollment and Transfer

31. We propose changes to enhance the Lifeline program's requirements regarding consumer consent for enrollment and transfers to a different service provider and seek comment on other ways to protect consumers and prevent fraud during the transfer process.

32. *Consent requirements.* We propose to require secondary verification of a consumer's consent to enroll in the Lifeline program or transfer to a new service provider and seek comment on other ways that the Commission can protect consumers in the enrollment and transfer processes, such as specifying the methods by which consumers can provide consent. In the Lifeline program, providers are required to obtain consumer consent prior to submitting a subscriber's personal information to the NLAD when enrolling or transferring the subscriber.<sup>62</sup> When enrolling a prospective subscriber, ETCs must provide prospective subscribers with an eligibility certification form that, in part, requires each prospective subscriber to initial his or her acknowledgement of certain certifications.<sup>63</sup> For example, prospective subscribers must certify that they meet the income-based or program-based eligibility criteria for receiving Lifeline,<sup>64</sup> that the subscriber will notify the carrier if for any reason he or she no longer satisfies the criteria for receiving Lifeline,<sup>65</sup> and the subscriber acknowledges that providing false or fraudulent information to receive Lifeline benefits is punishable by law.<sup>66</sup>

33. We propose to require a secondary verification of consent, that is, confirmation of consent via a method separate from the application or transfer request, from a consumer before an enrollment or transfer is effectuated. Current rules for enrollment require providers to obtain completed application certification forms from subscribers.<sup>67</sup> Current procedures for benefit transfers require

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<sup>60</sup> If such a federal government resource is used, the Commission will, to the extent required, ensure that such use is consistent with the requirements of the Privacy Act of 1974, including updating existing systems of records notices (SORNs) or creating new SORNs, and updating existing Computer Matching Agreements (CMAs) or executing new CMAs. *See* Privacy Act of 1974, as amended, 5 U.S.C. § 552a.

<sup>61</sup> The Do Not Pay system is free for federal agencies and the SAVE database has a pay schedule. *See* U.S. Department of the Treasury, Bureau of the Fiscal Service, *Frequently Asked Questions, What is Do Not Pay?*, <https://fiscal.treasury.gov/dnp/faqs.html> (last visited Jan. 27, 2026); *see also* U.S. Citizen and Immigration Services, *Transaction Charges*, <https://www.uscis.gov/save/about-save/transaction-charges> (last visited Jan. 27, 2026).

<sup>62</sup> 47 CFR § 54.404(b)(9); *see* *Wireline Competition Bureau Reminds Eligible Telecommunications Carriers of NLAD Processes Regarding Benefit Transfers, Exceptions Management And Dispute Resolution*, Public Notice, 29 FCC Rcd 1144 (“The initiating ETC must obtain the affirmative consent of the subscriber to transfer the Lifeline benefit prior to the initiation of the transfer in the NLAD.”); *see also Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 et al., Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, 6714, para. 128 (2012).

<sup>63</sup> 47 CFR § 54.410(d)(3).

<sup>64</sup> *Id.* § 54.410(d)(3)(i).

<sup>65</sup> *Id.* § 54.410(d)(3)(ii).

<sup>66</sup> *Id.* § 54.410(d)(3)(vii).

<sup>67</sup> *Id.* § 54.410(d).

providers to obtain a new, completed application form; review proof of eligibility; and send the subscriber either a paper or electronic consent request.<sup>68</sup> The FCC OIG recommended that the Commission require households to independently verify their new enrollment or transfer requests through an affirmative response to a text or email in the FCC’s temporary Affordable Connectivity Program (ACP) and Emergency Broadband Benefit (EBB) program.<sup>69</sup> FCC OIG investigations have shown that too many consumers were enrolled in the Commission’s affordability programs without their knowledge or consent and without receiving service.<sup>70</sup> The enrollment of consumers who do not actually receive services wastes limited universal service funds, and a transfer to a new ETC without the consumer’s consent violates principles of consumer choice.

34. We seek comment on whether the Commission should require households to independently verify their new enrollment and transfer requests through an affirmative response to a text or email. Would secondary verification of consent better protect consumers against enrollments or transfers against their will? What privacy considerations would be germane to requiring secondary verifications of consent?

35. We also seek comment on processes for secondary verifications of consent. Should USAC contact the consumer to confirm that the consumer consented to the enrollment or transfer before an enrollment or transfer is effectuated in the NLAD? In the alternative, should the ETC contact the consumer and maintain records of the secondary verification? What safeguards should be established to prevent excessive outreach to consumers about enrollments and transfers? What method(s) should be used for such a verification—text message, email, physical address or another method? What effect would requiring a form of secondary verification have on providers and consumers, including the effect, if any, on survivors of domestic abuse seeking to switch between participating providers?<sup>71</sup>

36. As to *initial* consent to enroll or transfer, we seek comment on whether Commission rules should specify the method by which consumers convey their initial consent to enroll or transfer a consumer. ETCs are currently responsible for obtaining consent for an enrollment or transfer and providing USAC with evidence of the consent upon request.<sup>72</sup> When enrolling a prospective subscriber, ETCs must provide prospective subscribers with an eligibility certification form that, in part, requires each prospective subscriber to initial his or her acknowledgement of certain certifications.<sup>73</sup> For example, prospective subscribers must certify that they meet the income-based or program-based eligibility criteria for receiving Lifeline,<sup>74</sup> that the subscriber will notify the carrier if for any reason he or she no longer satisfies the criteria for receiving Lifeline,<sup>75</sup> and the subscriber acknowledges that providing false or

<sup>68</sup> USAC, *Benefit Transfers: How to Obtain Consent*, <https://www.usac.org/lifeline/national-lifeline-accountability-database-nlad/benefit-transfers/>.

<sup>69</sup> See Federal Communications Commission, Office of Inspector General, Semiannual Report to Congress, October 1, 2021 – March 31, 2022, at 16, [https://www.fcc.gov/sites/default/files/fcc\\_oig\\_sar\\_03312022.pdf](https://www.fcc.gov/sites/default/files/fcc_oig_sar_03312022.pdf).

<sup>70</sup> *Id; see also Advisory Regarding Provider Efforts to Deceive Lifeline Consumers to Enroll for Unwanted Government-Subsidized ACP Services*, (FCC OIG March 11, 2022), <https://docs.fcc.gov/public/attachments/DOC-381268A1.pdf>.

<sup>71</sup> See, e.g., Safe Connections Act of 2022, Pub. L. No. 117-223, 116 Stat. 2280 (Safe Connections Act); 47 U.S.C. § 345; *Supporting Survivors of Domestic and Sexual Violence et al.*, WC Docket No. 22-238 et al., Report and Order, 38 FCC Rcd 11280 (2023).

<sup>72</sup> See 47 CFR § 54.404(b)(9) (requiring ETCs to obtain consent to transmit subscriber information in NLAD); *id.* § 54.417 (requiring, in part, that ETCs maintain records to document compliance with all Commission and state requirements governing the Lifeline program and recordkeeping requirements and provide that documentation to the Commission USAC upon request).

<sup>73</sup> *Id.* § 54.410(d)(3).

<sup>74</sup> *Id.* § 54.410(d)(3)(i).

<sup>75</sup> *Id.* § 54.410(d)(3)(ii).

fraudulent information to receive Lifeline benefits is punishable by law.<sup>76</sup> Should the Commission require providers to submit evidence of consumer consent for each transfer transaction to USAC? If so, what evidence would ensure or demonstrate consensual enrollments and transfers? If providers are required to submit evidence of consumer consent for each transfer transaction, what burdens and administrative costs would this present? Is there a way to minimize such burdens—e.g., have providers submit consumer consent data in the NLAD to be reviewed on a sample basis according to certain criteria? How should such submission of evidence take place?

37. There is currently no standard language used to obtain consent for transfers to a new ETC from a consumer. How can the Commission ensure that it is the enrolled subscribers who provide consent? With the emergence of Artificial Intelligence (AI), how can the Commission better protect the program from new types of identity theft and identity fraud? Would a standardized language requirement better enable the Commission to enforce the consent rules? What are some best practices from other types of federal benefit programs that could be utilized in the Lifeline program to obtain enrollment or transfer consent? Should specific consent be required for changes to devices, telephone numbers, email and residential addresses or other items? Finally, we seek comment on whether the Commission should implement requirements that providers input a consent timestamp in the NLAD when enrolling or transferring a subscriber.<sup>77</sup> Would this enhancement prevent improper consumer transfers by ensuring the most recent consent from the consumer was properly documented? We also seek comment on best practices for encouraging providers to properly notify consumers of their privacy policies and on how best to handle personal information.

38. *Transfer Prohibitions.* We seek comment on how significant of an issue unwanted transfers are for Lifeline consumers today and whether it is necessary to impose additional restrictions on transfers in the Lifeline program. Currently, under the Commission’s Lifeline rules, subscribers are able to transfer their Lifeline-supported service from one ETC to another with few restrictions.<sup>78</sup> To accomplish a benefit transfer, the initiating ETC must obtain the affirmative consent of the subscriber to transfer the Lifeline benefit prior to the initiation of the transfer in the NLAD.<sup>79</sup> When an ETC initiates a transfer in the NLAD, the system automatically transfers the subscriber out of the old ETC’s database and into the new ETC’s database.<sup>80</sup>

39. In the event additional restrictions on transfers are warranted, we seek comment on applying the one transfer per calendar month limitation adopted for the ACP to the Lifeline program.<sup>81</sup>

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<sup>76</sup> *Id.* § 54.410(d)(3)(vii).

<sup>77</sup> In the ACP, service providers were required to enter in the NLAD the date and time that they collected a consumer’s consent to enroll or transfer them. *See, e.g.*, USAC, *Upcoming System Enhancements* (Sept. 18, 2023), <https://www.usac.org/wp-content/uploads/about/documents/acp/bulletins/Upcoming-System-Enhancements-1.pdf>; USAC, *Extended Timeline for Required Consumer Consent Fields in NLAD* (Nov. 1, 2023), <https://www.usac.org/wp-content/uploads/about/documents/acp/bulletins/Extended-Timeline-for-Consumer-Consent-Fields.pdf>.

<sup>78</sup> *See 2012 Lifeline Report and Order*, 27 FCC Rcd at 6744, para. 205.

<sup>79</sup> *See* 47 CFR § 54.404(b)(9) (requiring ETC’s to obtain consumer consent); *Wireline Competition Bureau Reminds Eligible Telecommunications Carriers of NLAD Processes Regarding Benefit Transfers, Exceptions Management and Dispute Resolution*, Public Notice, 29 FCC Rcd 11443, 11444 (WCB 2014) (summarizing the procedures for benefit transfers in NLAD).

<sup>80</sup> *See* USAC, *Benefit Transfers*, <https://www.usac.org/lifeline/national-lifeline-accountability-database-nlad/benefit-transfers/> (last visited Jan. 27, 2026).

<sup>81</sup> *ACP Report and Order*, 37 FCC Rcd at 570–71, paras. 187–89; *see also* 47 CFR § 54.1810(b)(3) (“Participating subscribers can only transfer their affordable connectivity benefit between providers once in a given service month, with . . . exceptions.”).

Should the limitation be modified, and if so, what modifications should be made?<sup>82</sup> How would freezing the ability to transfer for a specified period, such as 60 or 90 days after enrollment, limit consumer choice? Are there lessons from the Commission’s codification and subsequent elimination of port freezes in Lifeline that we should consider?<sup>83</sup> Would eliminating the transfer framework altogether and instead requiring a subscriber who wants to change ETCs to de-enroll and re-apply reduce incidents of transfer issues and/or produce other benefits? We seek comment on whether transfer-related rules should be applied differently to fixed providers versus mobile providers, and if so, how.

40. Finally, we seek comment on number portability issues arising from the benefit transfer process in Lifeline. Are there currently concerns associated with benefit transfers where service providers fail to port subscriber phone numbers to newly identified service providers in a manner consistent with the Commission’s rules?<sup>84</sup> Should there be additional requirements or certain penalties for providers that fail to port consumers’ numbers in connection with Lifeline service?

41. *Disclosure language.* We seek comment on whether we should require ETCs to make additional disclosures to consumers before enrolling or transferring them. Although the Lifeline program does not have extensive disclosure requirements, all materials describing the service must clarify, in easily understood language, that it is a Lifeline service, that Lifeline is a federal assistance program, that the benefits are non-transferable to another individual, that only eligible consumers may enroll, and that the program benefit is limited to one discount per household.<sup>85</sup> We seek comment on the value of providing new or adjusted disclosures to consumers at the time of enrollment or transfer, as well as the burden, if any, on providers.

#### 4. Workable Minimum Service Standards

42. We next inquire whether any changes are needed to ensure a workable framework for minimum service standards in the Lifeline program. In the *2016 Lifeline Report and Order*, the Commission established Lifeline minimum service standards with the goal of ensuring that the service available to Lifeline subscribers was adequate to meet modern needs.<sup>86</sup> The Commission concluded that creating minimum service standards furthered the Commission’s statutory principle of ensuring that low-income Americans have access to quality services, particularly those “subscribed to by a substantial

<sup>82</sup> See, e.g., Letter from John J. Heitmann, Counsel, National Lifeline Association, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 21-450 et al., at 2 (filed May 11, 2023); Letter from John J. Heitmann, Counsel, National Lifeline Association, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 21-450 et al., at 4–5 (filed Feb. 17, 2023) (advocating, in part, that “to avoid customer confusion, implementation of the ACP one-per-month benefit transfer limit should be changed to apply to the customer’s service month (i.e., a 30-day “monthiversary” from the NLAD enrollment date”)).

<sup>83</sup> See *Bridging the Digital Divide for Low-Income Consumers; Lifeline and Link Up Reform and Modernization; Telecommunications Carriers Eligible for Universal Service Support*, WC Docket Nos. 17-287 et al., Fourth Report and Order, and Order on Reconsideration, and Memorandum Opinion and Order, and Notice of Proposed Rulemaking, and Notice of Inquiry, 32 FCC Rcd 10475, 10487–90, paras. 33–39 (2017) (eliminating the port freezes for voice and broadband service established by the *2016 Lifeline Report and Order*).

<sup>84</sup> See generally *Local Number Portability Porting Interval and Validation Requirements; Telephone Number Portability*, WC Docket No. 07-244, CC Docket No. 95-116, Report and Order and Further Notice of Proposed Rulemaking, 24 FCC Rcd 6084, 6085, 6088–90, paras. 3, 7–8 (2009).

<sup>85</sup> See 47 CFR § 54.405(c).

<sup>86</sup> See *2016 Lifeline Report and Order*, 31 FCC Rcd at 3986–4000, paras. 65–105; Wireline Competition Bureau, Report on the State of the Lifeline Marketplace at 15–16 (2021), <https://docs.fcc.gov/public/attachments/DOC-373779A1.pdf> (*Lifeline Marketplace Report*). Broadband plans that do not meet these minimum service standards are ineligible for Lifeline reimbursement. Bundled plans that contain broadband and meet the voice-only minimum service standards are only eligible to receive the reduced voice-only benefit amount; whereas, all bundled broadband services receive the larger broadband benefit amount if they meet the fixed or mobile broadband minimum service standards.

majority of residential customers,” at “just, reasonable, and affordable rates.”<sup>87</sup> The Commission further determined that “[b]ecause technology develops at a rapid pace, any minimum standards we set would quickly become outdated without a timely updating mechanism,” and thus established formulas to update these standards on an annual basis.<sup>88</sup> The Commission established minimum service standards and update mechanisms for fixed broadband data usage allowance, fixed broadband speed, mobile broadband data usage allowance, mobile broadband speed, and mobile voice minutes allowance in the *2016 Lifeline Report and Order* and instructed the Bureau to annually publish updated standards on or before July 31, becoming effective on December 1 of that year.<sup>89</sup> We now seek comment on the minimum service standards and any update mechanisms.

43. To better inform our decisions in this area, the Commission seeks comment on the low-income communications market more broadly and how increased minimum service standards would alter it. Do any existing Lifeline providers offer free-to-the-subscriber service that is more robust than the minimum service standards? Do any existing Lifeline providers offer any other benefits beyond talk, text, and data that meet the minimum service standards? If providers offer additional benefits, are they able to do so on the current subsidy level? What effect could increased minimum service standards have on the market for low-income communications service and on the number of providers who offer Lifeline? What would be the effect if the Commission raised minimum service standards to the point that providers are no longer able to provide service without requiring a payment from customers? How would this affect existing Lifeline subscribers or eligible households who are not enrolled but are considering participating in the program? Should minimum service standards be static or adjusted periodically? Have service providers explored options to support the need for increased usage allowances for Lifeline subscribers who are deaf, hard of hearing, or have a speech disability and rely on video connection for Video Relay Services and point-to-point calls and other bandwidth-intensive accessibility functions?<sup>90</sup> What role, if any, could AI tools play in establishing minimum service standards?

44. *Mobile broadband data capacity.* The current mobile broadband usage allowance minimum service standard is 4.5 GB per month.<sup>91</sup> In the *2016 Lifeline Report and Order*, the Commission established an initial minimum service standard schedule, setting a 500 MB per month standard beginning on December 1, 2016 that ramped up to 2 GB per month on December 1, 2018 before switching to annual updates determined by formulas and communications market data on December 1, 2019.<sup>92</sup> The rules provided that one formula should be used if broadband data was published in the past 18 months, and another should be used if it was not.<sup>93</sup>

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<sup>87</sup> 47 U.S.C. § 254(b)(1), (3) (requiring the Commission to base policies on ensuring affordable rates and the availability of reasonably comparable services); *id.* § 254(c)(1)(B); *see 2016 Lifeline Report and Order*, 31 FCC Rcd at 3988, paras. 69–70.

<sup>88</sup> *See 2016 Lifeline Report and Order*, 31 FCC Rcd at 3990, para. 77.

<sup>89</sup> *Id.* at 3989, 3994, 3997, paras. 74, 89–90, 97; *see also* 47 CFR § 54.408(c).

<sup>90</sup> *See 2016 Lifeline Report and Order*, 31 FCC Rcd at 3992–93, para. 84, n.248.

<sup>91</sup> *See Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42 et al., Order, 40 FCC Rcd 4325, 4325, para. 1 (WCB 2025) (*2025 Standards Waiver Order*). When the *2015 Lifeline Notice*, which initially proposed establishing minimum service standards, was published, the average American consumer used 1.8 GB per month. *See Lifeline and Link Up Reform and Modernization et al.*, Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order, 30 FCC Rcd 7818, 7840, para. 44 (2015) (*2015 Lifeline Notice*); *2016 Lifeline Report and Order*, 31 FCC Rcd at 3994–95, para. 92.

<sup>92</sup> *See* 47 CFR § 54.408(b)(2), (c)(2); *2016 Lifeline Report and Order*, 31 FCC Rcd at 3995, para. 93.

<sup>93</sup> *Compare* 47 CFR § 54.408(c)(2)(ii) (providing a default formula for calculating mobile broadband minimum service standards based cellular subscriptions in the United States, percentage of Americans who own a smartphone and average data use per subscriber) with 47 CFR § 54.408(c)(2)(iii) (specifying an alternative formula based on

(continued....)

45. However, minimum service standards based on either of the *2016 Lifeline Report and Order*'s annual mobile broadband data usage allowance formulas have never been implemented. Instead, the Commission or the Bureau issued partial waivers of the Commission's rules on updating the mobile broadband data usage minimum service standard in 2019,<sup>94</sup> 2020,<sup>95</sup> 2021,<sup>96</sup> 2022,<sup>97</sup> 2023,<sup>98</sup> 2024,<sup>99</sup> and 2025<sup>100</sup> concluding that strict application of the Commission's rules would not have been consistent with the public interest.<sup>101</sup> In each waiver order, it was noted that the automatic formula, if not waived, would produce minimum mobile broadband data capacity amounts larger than the amounts likely contemplated when the *2016 Lifeline Report and Order* was adopted and could result in price increases that make Lifeline service unaffordable, even after factoring in Lifeline support, or could otherwise disrupt the low-income broadband market. Using the formula prescribed by the Commission's rules would have "risk[ed] upsetting the careful balance [of service quality and affordability] the Commission struck when establishing the Lifeline minimum service standards in the *2016 Order*."<sup>102</sup> The mobile broadband data capacity standard was increased in 2019 and 2020, at pre-set, more modest amounts than the default level the formula would have set, increasing it to 3 GB rather than 8.75 GB in 2019 and 4.5 GB rather than 11.75 GB in 2020.<sup>103</sup> The Bureau paused the most recent scheduled mobile data usage allowance update,

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national year-over-year changes if either the data needed to calculate minimum service standards is older than 18 months, or the Bureau does not publish minimum service standards by July 31).

<sup>94</sup> See *Lifeline and Link Up Reform and Modernization et. al.*, WC Docket No. 11-42, Order, 34 FCC Rcd 11020, 11022–25, paras. 8–16 (2019) (2019 Standards Waiver Order).

<sup>95</sup> *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42, Order, 35 FCC Rcd 12958, 12960–63, paras. 8–15 (WCB 2020) (2020 Standards Waiver Order).

<sup>96</sup> *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42, Order, 36 FCC Rcd 15539, 15546–47, paras. 19–23 (WCB 2021) (2021 Standards Waiver Order).

<sup>97</sup> *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42, Order, 37 FCC Rcd 7692, 7698–99, paras. 18–23 (WCB 2022) (2022 Standards Waiver Order).

<sup>98</sup> *Lifeline and Link Up Reform and Modernization et al.*, WC Docket Nos. 11-42 et al., Order, 38 FCC Rcd 6096, 6101–02, paras. 14–17 (WCB 2023) (2023 Standards Waiver Order).

<sup>99</sup> *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42, Order, 39 FCC Rcd 7000, 7005–06, paras. 14–16 (WCB 2024) (2024 Standards Waiver Order).

<sup>100</sup> *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42, Order, 40 FCC Rcd 4325, 4329–30, paras. 12–15 (WCB 2025) (2025 Standards Waiver Order).

<sup>101</sup> See *2019 Standards Waiver Order*, 34 FCC Rcd at 11023, para. 10; *2020 Standards Waiver Order*, 35 FCC Rcd at 12960–61, para. 8 ("An agency must to preserve incentives for compliance and to realize the benefits of easy administration that the rule was designed to achieve" unless "strict compliance inconsistent with the public interest."); *2021 Standards Waiver Order*, 36 FCC Rcd at 15543, para. 11; *2022 Standards Waiver Order*, 37 FCC Rcd at 76986, para. 12; *2023 Standards Waiver Order*, 38 FCC Rcd at 6099–6100, para. 10; *2024 Standards Waiver Order*, 39 FCC Rcd at 7004, para. 10; *2025 Standards Waiver Order*, 40 FCC Rcd at 4327–28, para. 9.

<sup>102</sup> *2019 Standards Waiver Order*, 34 FCC Rcd at 11022, para. 8; see *2019 Standards Waiver Order*, 34 FCC Rcd at 11023, para. 10; *2020 Standards Waiver Order*, 35 FCC Rcd at 12961, para. 9; *2021 Standards Waiver Order*, 36 FCC Rcd at 15546–47, paras. 19–23; *2022 Standards Waiver Order*, 37 FCC Rcd at 7698–99, paras. 19–21; *2023 Standards Waiver Order*, 38 FCC Rcd at 6101, paras. 14–15; *2024 Standards Waiver Order*, 39 FCC Rcd at 7005, paras. 14–15; *2025 Waiver Standards Order*, 40 FCC Rcd at 4329, para. 14.

<sup>103</sup> See *2019 Standards Waiver Order*, 34 FCC Rcd at 11022–24, paras. 8–13; *2020 Standards Waiver Order*, 35 FCC Rcd at 12960–63, 12965, paras. 8–15, 20. In 2019, the Commission waived application of section 54.408(c)(2)(ii), which would have increased the minimum service standard for data usage allowance from 2 GB/month to 8.75 GB/month, instead raising it to 3GB/month. The Bureau again waived application of the same rule in 2020, which would have increased the standard from 3 GB/month to 11.75 GB/month, and instead increased the standard to 4.5 GB/month.

which would have increased the standard more than sixfold to 29 GB on December 1, 2025, nearly double the average monthly consumption amount of all smartphone users.<sup>104</sup>

46. The Commission tentatively concludes that we should revise or eliminate the existing mobile broadband usage allowance update rule. The *Delete, Delete, Delete Public Notice* suggests that rules that have been repeatedly waived or that generate unexpected or highly varied benefit and burden outcomes are rules likely to be ill-suited to their purpose and therefore in need of revision or deletion.<sup>105</sup> The mobile broadband usage allowance update rule meets this standard. Why has the existing mechanism produced results that are so far out of step with actual data usage? How should the Commission update this standard moving forward? How should a new update mechanism operate? Assuming the 4.5 GB minimum service standard for data allowance should be adjusted, what would the ideal standard be when a new formula goes into effect? Should minimum service standards reflect the broadband needs of an individual or the needs of a household, assuming that the household would share the device for mobile broadband use?

47. The Commission requests comment on a new approach that could be used to adjust the minimum service standard. What formula should the Commission or Bureau use to determine the minimum service standards? Should minimum service standards be a static amount or updated at a regular cadence? If the minimum service standards increase, should the standard increase by a set amount or a variable amount based on marketplace and demographic data? For example, should minimum service standards be tied to a measure of mobile data usage like average mobile data usage in the U.S. or should it be tied to some other measure like the federal poverty level or an inflation measure? How are the costs of increased minimum service standards actually borne by providers—do providers actually purchase the capacity necessary to support the maximum allowance for each subscriber, or do they purchase the actual capacity or the estimated capacity needed understanding that some subscribers do not approach the maximum data capacity their plan allows?

48. We also seek comment on the data sources the Commission should use to support any updated formula that is used to determine mobile broadband minimum service standards. Should the Commission continue to exclusively rely on the same data sources (i.e., the U.S. Census and *Communications Marketplace Report*)<sup>106</sup> but alter the formulas? What are the third-party data sources that can be used to support a formula for updated minimum service standards? If the Commission chooses to adopt a new formula for predictable increases, how would the timing of publications data sources be considered? Should the Commission use onetime snapshots of the marketplace or data usage to inform minimum service standards? Is there information available on mobile phone plan offerings that the Commission can use? Can commenters provide information on mobile phone plan offerings? How should the Commission utilize any data about available plan offerings to inform its decision on minimum service standards? If the Commission were to use this data in an analysis, how should staff account for differences between plan features like hotspot data, speeds, data thresholds, and congestion throttling? Should the Commission rely on the data it collected on usage and costs from the 2021 *State of the Lifeline*

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<sup>104</sup> 2025 Standards Waiver Order, 40 FCC Rcd at 4325, paras. 1–2; 2024 Communications Marketplace Report, 39 FCC Rcd at 14170, para. 66.

<sup>105</sup> See *Delete, Delete, Delete Public Notice*, 40 FCC Rcd at 1603.

<sup>106</sup> The Commission originally prescribed using the *Mobile Competition Report* as the data source for calculating mobile broadband minimum service standards; however, the *Communications Marketplace Report*, which contains the required formula inputs, is now used because the *Mobile Competition Report* is no longer published. See 47 CFR § 54.408(c)(2)(ii)-(iii).

*Marketplace Report*, even though the data collection was limited to nine providers?<sup>107</sup> Should the Commission use data from the *Urban Rate Survey* or other sources?<sup>108</sup>

49. We seek to understand how changes in the minimum service standards may impact the Lifeline marketplace and whether changes in minimum service standards would impact provider participation. How would minimum service standard changes impact provider ability to offer no cost to the consumer plans and at what data usage allowance? If providers that currently offer no cost to the consumer service were to increase prices, at what price point do low-income Americans choose not to subscribe to Lifeline service?

50. *Mobile broadband speeds.* Updates to the mobile broadband speed minimum service standard are subject to Bureau discretion, with the Bureau instructed to alter it only “if the Bureau determines that it ought to be adjusted after determining that, based on Form 477 data or other relevant sources, the ‘substantial majority’ principle is best satisfied by an adjusted speed standard.”<sup>109</sup> The Commission reasoned in the *2016 Lifeline Report and Order* that “the minimum service standards for mobile broadband speeds may not need to be updated as frequently as the mobile data usage allowance standard given the pace at which new mobile technology generations are deployed.”<sup>110</sup> The Bureau has never updated the standard. The current minimum service standard for mobile services speed is 3G.<sup>111</sup>

51. We seek comment on the existing mobile broadband speed minimum service standard and whether it should be revised and whether the Bureau should retain discretion to increase mobile broadband speed minimum service standards. One argument against making changes at this stage is that current market conditions do not necessarily indicate a need to increase the standard. It is our understanding that mobile broadband Lifeline subscribers often receive 4G LTE or 5G service and that some providers have phased out providing 3G service entirely, but in some areas, particularly rural ones, 3G remains the fastest mobile service available at any price point.<sup>112</sup> We seek comment on these conclusions.

52. *Fixed broadband data.* Section 54.408(c)(1)(ii) states that the fixed broadband usage allowance minimum service standard shall be the greater of “[a]n amount the Wireline Competition Bureau deems appropriate, based on what a substantial majority of American consumers already subscribe to” or “[t]he minimum standard for data usage allowance for rate-of-return fixed broadband providers set in the Connect America Fund.”<sup>113</sup> The Commission expressed the “belie[f] that 70 percent of consumers constitutes a “substantial majority” in the context of fixed broadband speeds.”<sup>114</sup> The

<sup>107</sup> *State of the Lifeline Marketplace Report*, WC Docket No. 20-437, Order, 35 FCC Rcd 14766 (WCB 2020) (*State of the Lifeline Marketplace Report*); *id.* at 14770, para. 13.

<sup>108</sup> FCC, *Urban Rate Survey Data & Resources*, <https://www.fcc.gov/economics-analytics/industry-analysis-division/urban-rate-survey-data-resources> (last visited Jan. 27, 2026).

<sup>109</sup> *2016 Lifeline Report and Order*, 31 FCC Rcd at 3997, para. 98; 47 CFR § 54.408(c)(2)(i). The “substantial majority” principle is that consumers must have access to services that a substantial majority of American consumers have already subscribed to. *See* 47 U.S.C. § 254(c)(1)(B).

<sup>110</sup> *2016 Lifeline Report and Order*, 31 FCC Rcd at 3997, para. 98.

<sup>111</sup> *See* 47 CFR § 54.408(b)(2).

<sup>112</sup> *See* FCC, FCC National Broadband Map, *Area Summary*, <https://broadbandmap.fcc.gov/area-summary/mobile?version=jun2024&zoom=4&tech=tech3g&env=0> (last visited Jan. 27, 2026) (showing available speeds throughout the country); *see, e.g.*, Stand Up Wireless, *5G Network Coverage*, <https://standupwireless.com/lifeline/coverage/> (last visited Jan. 27, 2026) (indicating that 3G Lifeline service is not available, but 4G LTE and 5G Lifeline service is available); SafeLink Wireless, *Plan Features*, <https://www.safelinkwireless.com/en/#!/planFeatures> (last visited Jan. 27, 2026) (stating that Lifeline plans include 5G and 4G LTE service).

<sup>113</sup> 47 CFR § 54.408(c)(1)(ii).

<sup>114</sup> *2016 Lifeline Report and Order*, 31 FCC Rcd at 3992, para. 81.

Bureau has used this appropriateness standard every year this increase mechanism has been in effect and has never waived the increase or used the alternate Connect America Fund standard. This resulted in a 1280 GB per month standard in the most recent adjustment.<sup>115</sup>

53. In 2016, the year the fixed broadband data usage allowance standard was enacted, 52% of fixed broadband plans allowed for unlimited data.<sup>116</sup> This figure rose to 75% in 2024.<sup>117</sup> While the Bureau has considerable latitude under the appropriateness standard to set the fixed broadband data usage allowance, it is difficult to argue that the “substantial majority” of consumers does not already or will not soon subscribe to an unlimited data offering. For this reason, the Commission tentatively concludes that it should provide additional clarification regarding revisions to the fixed broadband data usage allowance minimum service standard. While it is not fiscally responsible to have an unlimited fixed broadband usage allowance minimum service standard, are ETCs amenable to providing unlimited fixed broadband data to Lifeline subscribers at an affordable price? What would the price of unlimited fixed broadband data be after the Lifeline benefit is applied? Should an appropriateness standard be retained if it is no longer based on what a “substantial majority” of consumers subscribe to? Would an appropriateness standard that excludes unlimited data from the substantial majority consideration sufficiently improve the formula? If not, what alternate formula should be used to adjust the fixed broadband data allowance minimum service standard? Is the current 1280 GB standard sufficient? Note that even after the Lifeline benefit is applied, many fixed broadband plans require a substantial monthly fee.<sup>118</sup>

54. *Fixed broadband speed.* Per Commission rules, the Bureau sets the fixed broadband speed minimum service standard at the 30th percentile of subscribed broadband speeds.<sup>119</sup> However, if the Bureau does not publish the minimum service standard on or before July 31, the minimum service standard for the upcoming year will be the greater of the current minimum service standard or the Connect America Fund speed standard for rate-of-return fixed broadband providers (the Bureau has used the Connect America Fund Broadband Loop Support speed, which is currently 25/3 Mbps).<sup>120</sup> To maintain the minimum service standard at its current level, 25/3 Mbps, after increasing it in 2020,<sup>121</sup> 2019<sup>122</sup>, 2018<sup>123</sup>, and 2017<sup>124</sup> from the initial 10/1 Mbps standard,<sup>125</sup> the Bureau has not published a new

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<sup>115</sup> *Wireline Competition Bureau Announces Updated Lifeline Minimum Service Standards and Indexed Budget Amount*, WC Docket No. 11-42, Public Notice, 40 FCC Rcd 4984, 4984 (WCB 2025).

<sup>116</sup> Federal Communications Commission, *Urban Rate Survey Data & Resources: 2016 Results*, <https://www.fcc.gov/file/3706/download> (last visited Jan. 27, 2026).

<sup>117</sup> Federal Communications Commission, *Urban Rate Survey Data & Resources: 2024 Results*, [https://www.fcc.gov/sites/default/files/2024\\_urs\\_broadband\\_website\\_data%202023-12-26.xlsx](https://www.fcc.gov/sites/default/files/2024_urs_broadband_website_data%202023-12-26.xlsx) (last visited Jan. 27, 2026).

<sup>118</sup> See, e.g., Lifeline, *All Points Broadband*, <https://allpointsbroadband.com/lifeline/> (last visited Jan. 27, 2026); Verizon, *Verizon Forward*, <https://www.verizon.com/discounts/verizon-forward> (last visited Jan. 27, 2026); Cellcom, *Lifeline Program*, <https://www.cellcom.com/plans/lifeline-program> (last visited Jan. 27, 2026).

<sup>119</sup> See 47 CFR § 54.408(c)(1)(i).

<sup>120</sup> See 47 CFR §§ 54.408(c)(1)(i), 54.308(a)(2).

<sup>121</sup> *Wireline Competition Bureau Announces Updated Lifeline Minimum Service Standards and Indexed Budget Amount*, WC Docket No. 11-42, Public Notice, 35 FCC Rcd 8121, 8121 (WCB 2020) (increased to 25/3 Mbps).

<sup>122</sup> *Wireline Competition Bureau Announces Updated Lifeline Minimum Service Standards and Indexed Budget Amount*, WC Docket No. 11-42, Public Notice, 34 FCC Rcd 6363, 6363 (WCB 2019) (increased to 20/3 Mbps).

<sup>123</sup> *Wireline Competition Bureau Announces Updated Lifeline Minimum Service Standards and Indexed Budget Amount*, WC Docket No. 11-42, Public Notice, 33 FCC Rcd 6769, 6769 (WCB 2018) (increased to 18/2 Mbps).

<sup>124</sup> *Wireline Competition Bureau Announces Updated Lifeline Minimum Service Standards and Indexed Budget Amount*, WC Docket No. 11-42, Public Notice, 32 FCC Rcd 5087, 5087 (WCB 2017) (increased to 15/2 Mbps).

<sup>125</sup> See 47 CFR § 54.408(b)(1)(i); *2016 Lifeline Report and Order*, 31 FCC Rcd at 3993, para. 86.

calculated fixed broadband speed minimum service standard since 2020, instead relying on its ability to rely on the greater of the current standard or the Connect America Fund standard.

55. We are not inclined to alter the fixed broadband speed minimum service standard or its update mechanism. Fixed broadband subscriptions make up a small percentage of the Lifeline program and already tend to require an end-user fee. Fixed broadband speeds at or above 25/3 Mbps may be unavailable from Lifeline ETCs in some rural areas. The current mechanism allows for flexibility in whether to increase it in light of these factors, while retaining a floor preventing the minimum service standard from falling below the Connect America Fund standard, an important baseline for rural service performance. Raising the standard higher and regularly increasing it could leave large portions of the country without Lifeline service that meets this standard and increase prices to prohibitive rates in areas where qualifying service is available, thus effectively leaving many Lifeline consumers without a viable option for fixed broadband. We seek comment on these conclusions. The Commission's rules contemplate an exception from the minimum service standards for certain fixed service providers who do not offer any service in an area that meets our minimum service standards.<sup>126</sup> Should this exception be changed or eliminated, and if so, why and how? Are there ways that the Commission can better understand consumer usage of fixed services supported by the Lifeline program and how these differ from mobile uses? Are there existing resources documenting such usage, or can service providers readily share that information with the Commission?

## 5. Support for Consumers Reliant on Voice Services

56. We seek comment on whether to maintain support for voice-only services in the Lifeline program and whether changes to the ongoing phase-down of support for voice service are necessary. In the *2016 Lifeline Report and Order*, the Commission enacted a rule to gradually phase out Lifeline support for voice-only service.<sup>127</sup> The Commission reasoned that focusing Lifeline on broadband service, which has become more vital to current communications needs than voice service, best fulfills its section 254 "responsibility to be a prudent guardian of the public's resources."<sup>128</sup> The Commission noted, however, that "consumer migration to new technologies is not always uniform, and certain measures to continue addressing the affordability of voice service may be appropriate."<sup>129</sup>

57. In accordance with the *2016 Lifeline Report and Order*, the Bureau carried out the first step of the phase-down in Lifeline support for voice-only services on December 1, 2019, when it allowed support to reduce from \$9.25 to \$7.25.<sup>130</sup> The second step occurred on December 1, 2020, from \$7.25 to \$5.25.<sup>131</sup> The *Report and Order* scheduled a complete phase-out of Lifeline support for voice-only services on December 1, 2021, when support for such services was to be eliminated in most areas.<sup>132</sup> The Bureau, however, has issued one-year waiver extensions every year since to pause the phase-out of voice-

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<sup>126</sup> See 47 CFR § 54.408(d).

<sup>127</sup> See *2016 Lifeline Report and Order*, 31 FCC Rcd at 4003–05, paras. 117–23; 47 CFR § 54.403(a)(2). Note that the Order provided for continued voice-only support beyond December 1, 2020, "for the provision of voice-only service to eligible subscribers by a provider that is the only Lifeline provider in a Census block." *2016 Lifeline Report and Order*, 31 FCC Rcd at 4003, para. 118.

<sup>128</sup> *2016 Lifeline Report and Order*, 31 FCC Rcd at 4004, para. 119 (quoting *High-Cost Universal Service Support et al.*, Order on Remand and Memorandum Opinion and Order, 25 FCC Rcd 4072, 4088, para. 29 (2010) *aff'd Vt. Pub. Serv. Bd. v. FCC*, 661 F.3d 54 (D.C. Cir. 2011)).

<sup>129</sup> *Id.*

<sup>130</sup> See *2019 Standards Waiver Order*, 34 FCC Rcd at 11026–27, paras. 18–21; 47 CFR § 54.403(a)(2)(ii).

<sup>131</sup> See *2020 Standards Waiver Order*, 35 FCC Rcd at 12965–66, paras. 21–24; 47 CFR § 54.403(a)(2)(iii).

<sup>132</sup> 47 CFR § 54.403(a)(2)(iv)

only service.<sup>133</sup> The most recent temporary waiver is currently in effect and ends on December 1, 2026.<sup>134</sup> Reasons for the waivers have included the minority of Lifeline subscribers that continue to subscribe to voice-only services,<sup>135</sup> the heightened reliance on voice service during the COVID-19 pandemic,<sup>136</sup> the existence of alternative low-income broadband benefit programs,<sup>137</sup> the potential harm from subscribers' lack of access to emergency services hotlines,<sup>138</sup> the fact that bundled services may not be fully utilized,<sup>139</sup> and maintaining service until the Commission determines whether to implement Commission report recommendations and deregulatory Commission priorities.<sup>140</sup>

58. We seek comment on whether we should maintain support for voice-only service at the current \$5.25 amount. There are still more than 160,000 subscribers to Lifeline voice-only or bundled plans that do not meet the broadband minimum service standards, though this figure is slowly but regularly decreasing.<sup>141</sup> How vital is voice service to consumers' ability to access public safety resources or to participate in today's society? Does broadband service fulfill all the needs that voice service does? How would ending support for voice-only services affect accessibility for certain individuals with disabilities? Should we continue on the path toward ending Lifeline support for voice-only service, but at a later date? Should we establish a metric that would trigger the phaseout of voice-only support, such as when under a certain percentage of Lifeline subscribers apply their benefit to voice-only service? If so, which metric would be the most reliable method of assessing the need for voice-only services? Can voice-only Lifeline subscribers find alternative, affordable voice-only service? Will these subscribers transition to qualifying bundled plans or stop subscribing to communications service altogether? Would subscribers that switch to bundled plans use their broadband component? How does offering a cheaper alternative to the \$9.25 standard broadband support amount affect the contribution factor and USF solvency?

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<sup>133</sup> See *2021 Standards Waiver Order*, 36 FCC Rcd at 15544–46, paras. 13–17; *2022 Standards Waiver Order*, 37 FCC Rcd at 7697–98, paras. 14–17; *2023 Standards Waiver Order*, 38 FCC Rcd at 6100–01, paras. 12–13; *2024 Standards Waiver Order*, 39 FCC Rcd at 7004–05, paras. 12–13; *2025 Standards Waiver Order*, 40 FCC Rcd at 4328, paras. 11–12.

<sup>134</sup> *2025 Standards Waiver Order*, 40 FCC Rcd at 4325, para. 1.

<sup>135</sup> See *2021 Standards Waiver Order*, 36 FCC Rcd at 15544–45, paras. 12–13, 16; *2022 Standards Waiver Order*, 37 FCC Rcd at 7697, paras. 14–15; *2023 Standards Waiver Order*, 38 FCC Rcd at 6100–01, paras. 12–13; *2024 Standards Waiver Order*, 39 FCC Rcd at 7004–05, paras. 11–13; *2025 Standards Waiver Order*, 40 FCC Rcd at 4328, para. 11.

<sup>136</sup> See *2021 Standards Waiver Order*, 36 FCC Rcd at 15544–45, paras. 12–17; *2022 Standards Waiver Order*, 37 FCC Rcd at 7696–97, paras. 13–14.

<sup>137</sup> See *2021 Standards Waiver Order*, 36 FCC Rcd at 15544–45, paras. 13, 15, 17; *2022 Standards Waiver Order*, 37 FCC Rcd at 7696, paras. 13–14, 16; *2023 Standards Waiver Order*, 38 FCC Rcd at 6100–01, para. 13.

<sup>138</sup> See *2021 Standards Waiver Order*, 36 FCC Rcd at 15544, para. 14; *2022 Standards Waiver Order*, 37 FCC Rcd at 7697, paras. 14–15; *2023 Standards Waiver Order*, 38 FCC Rcd at 6100, para. 12; *2024 Standards Waiver Order*, 39 FCC Rcd at 7005, para. 12.

<sup>139</sup> See *2021 Standards Waiver Order*, 36 FCC Rcd at 15545, para. 16; *2022 Standards Waiver Order*, 37 FCC Rcd at 7697, para. 15; *2023 Standards Waiver Order*, 38 FCC Rcd at 6100, para. 12; *2024 Standards Waiver Order*, 39 FCC Rcd at 7005, para. 12; *2025 Standards Waiver Order*, 40 FCC Rcd at 4328, para. 11.

<sup>140</sup> See *Report on the Future of the Universal Service Fund*, WC Docket No. 21-476, Report, 37 FCC Rcd 10041, 10075–76, paras. 67–68 (2022) (*Future of USF Report*); *2022 Standards Waiver Order*, 37 FCC Rcd at 7697–98, para. 17; *2023 Standards Waiver Order*, 38 FCC Rcd at 6100–01, paras. 11–13; *2024 Standards Waiver Order*, 39 FCC Rcd at 7004–05, paras. 11, 13; *2025 Standards Waiver Order*, 40 FCC Rcd at 4328, para. 12.

<sup>141</sup> See USAC, Board Materials for April 2024, *High Cost & Low Income Committee Briefing Book* at 62–63 (Oct. 2025), <https://www.usac.org/wp-content/uploads/about/documents/leadership/materials/hcli/2025/2025-10-27-HCLI-Briefing-Book-Public.pdf>.

59. Finally, we seek comment on ancillary rule or guidance changes to support changes to the existing minimum service standards and their adjustment mechanisms proposed here and by commenters.

## 6. Preventing Duplicative Support

60. We seek comment on whether changes to the one-per-household rule are necessary or warranted to achieve program goals and minimize waste, fraud, and abuse. Currently our rules limit Lifeline service to one Lifeline discount per household.<sup>142</sup> However, based on the definition of household, there can be multiple households within a single residence or address if they do not share income and expenses, such as at group living facilities.<sup>143</sup> A household already receiving a Lifeline discount is therefore ineligible to receive an additional Lifeline discount and ETCs must not seek reimbursement for such duplicative discounts.<sup>144</sup> In order to better enforce the one-per-household rule and help prevent duplicative support, the Commission established the National Verifier and the NLAD,<sup>145</sup> which were fully launched and implemented by 2020.<sup>146</sup> In addition, in February 2018, the Commission announced the availability of the Independent Economic Household Worksheet, which subscribers were required to complete beginning on July 1, 2018, certifying compliance with the one-per-household rule in the event a subscriber shared an address with one or more additional Lifeline subscribers.<sup>147</sup> Although these mechanisms help facilitate eligibility determinations in accordance with the one-per-household rule,<sup>148</sup> the ultimate responsibility to ensure compliance with the rule remains with ETCs.<sup>149</sup> In December 2019, the Enforcement Bureau emphasized that “[n]either the NLAD nor the National Verifier creates a ‘safe harbor’ that relieves ETCs of their responsibility for only claiming Lifeline consumers who are actually eligible for the program under the Commission’s rules.”<sup>150</sup> Instead, ETCs “remain fully liable if

<sup>142</sup> 47 CFR §§ 54.404(b)(3), 54.409(c), 54.410(d)(1)(ii)–(v). The Lifeline program defines a household as “any individual or group of individuals who live together at the same address and share income and expenses.” 47 CFR § 54.410(d)(1)(iii).

<sup>143</sup> See, e.g., *2012 Lifeline Report and Order*, 27 FCC Rcd at 6690, para. 77.

<sup>144</sup> 47 CFR §§ 54.400(g), 54.405(e)(2), 54.407(a).

<sup>145</sup> See *2016 Lifeline Report and Order*, 31 FCC Rcd at 4009–17, paras. 132, 134, and 149.

<sup>146</sup> See USAC, *Launches*, <https://www.usac.org/lifeline/national-verifier/how-to-use-nv/launches/> (detailing the National Verifier launch schedule that was completed in Dec. 2020) (last visited Jan. 27, 2026).

<sup>147</sup> 47 CFR § 54.410(g); see also *Wireline Competition Bureau Provides Guidance on Universal Forms for the Lifeline Program*, Public Notice, 33 FCC Rcd 1920 (WCB 2018). FCC form 5631, the Lifeline Program Household Worksheet, is available on USAC’s website, <https://www.usac.org/lifeline/additional-requirements/forms/>.

<sup>148</sup> 47 CFR § 54.400(i) (stating NLAD “is an electronic system, with associated functions, processes, policies and procedures, to facilitate the detection and elimination of duplicative support, as directed by the Commission”) (emphasis added); *id.* § 54.400(o) (stating the National Verifier “is an electronic and manual system with associated functions, processes, policies and procedures, to facilitate the determination of consumer eligibility for the Lifeline program, as directed by the Commission”) (emphasis added).

<sup>149</sup> Compare 47 CFR § 54.410(b)(1), (c)(1) (noting the National Verifier is at times “responsible for the *initial* determination” of eligibility) (emphasis added), with *id.* § 54.410(a) (stating that all ETCs “must implement policies and procedures for ensuring that their Lifeline subscribers are eligible to receive Lifeline services”) and *id.* § 54.416(a)(1) (requiring an ETC officer to “certify that the carrier has policies and procedures in place to ensure that its Lifeline subscribers are eligible to receive Lifeline services”) (emphasis added).

<sup>150</sup> *FCC Enforcement Advisory: Lifeline Providers Remain Liable For Ensuring the Eligibility of Their Subscribers to Receive Lifeline Service*, Public Notice, 34 FCC Rcd 11934, 11934 (EB 2019) (2019 Enforcement Advisory) (citing *Wireline Competition Bureau Reminds Eligible Telecommunications Carriers of Their Ongoing Responsibility to Claim Lifeline Support Only for Eligible Low-Income Consumers*, Public Notice, 32 FCC Rcd 5129, 5129 (WCB 2017) (2017 ETC Reminder)); see also *2017 ETC Reminder*, 32 FCC Rcd at 5129 (emphasizing that “[t]he Commission has been clear on this point. In the *2016 Lifeline Modernization Order*, the Commission stated that the National Verifier would ‘reduc[e],’ but not eliminate, providers’ ‘risks of facing a verification-related enforcement action,’ and that the National Verifier would ‘remove many’—but not all—‘opportunities for Lifeline

(continued....)

they provide false, misleading, or fraudulent information” and if they provide duplicate Lifeline discounts.<sup>151</sup>

61. Recently, a commenter noted that ETCs are unable to see how many households are enrolled in Lifeline with other ETCs at a single address.<sup>152</sup> Lifeline rules require ETCs to query the NLAD to determine whether a household is already receiving a Lifeline service.<sup>153</sup> However, the NLAD does not identify for ETCs the number of discounts provided by other ETCs at an address. This shortcoming may, in some instances, make it so an ETC cannot implement a reasonable system for preventing duplicate discounts. We seek comment on whether USAC should change the functionality of the NLAD to allow any ETC to see the total number of discounts provided (across all ETCs) at a single address. How could USAC prevent providers from using this information inappropriately? Should USAC update this information in real time, each month, at annual recertification, or at some other interval? Should ETCs be required to check for this information only at initial enrollment, each month, at annual recertification, or at some other interval? Should USAC treat addresses it identifies as non-residential differently? If so, how? What, if any, additional information is needed for ETCs to implement a reasonable system for preventing duplicate discounts? What are the costs and benefits of making this information available and requiring ETCs to query the database for it? Would the changes described to the NLAD also require changes to Lifeline rules? What other internal controls could the Commission or USAC adopt to prevent duplicative support?<sup>154</sup> Could AI tools help USAC identify instances of duplicative support?

62. We also seek comment on whether the Commission should revisit the one-per-household rule. Should the Commission revise its rule to make it a one-per-residence rule?<sup>155</sup> If we moved to a one-per-residence rule, how should we handle instances where more than one household receiving Lifeline benefits currently resides at the same address—for example, should such current Lifeline beneficiaries be allowed to keep their discount, despite the rule change? For new applicants, how should we handle multiple households applying for Lifeline at the same residence—for example, should we provide benefits to the first applicant to enter an approved application into the NLAD? What dispute resolution processes do we need to have in place if such a rule change were made?

63. Alternatively, should we adopt a cap on the number of households who receive discounts at a particular address (and if so, should this cap differ for non-residential addresses)? Should we make any one-per-residence limit or larger cap on the number of households at an address a rebuttable

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providers to inappropriately enroll subscribers.”) (WCB 2017) (emphasis in original) (quoting *2016 Lifeline Report and Order*, 31 FCC at 3964, para. 7).

<sup>151</sup> *2019 Enforcement Advisory*, 34 FCC Rcd at 11934–36 (EB 2019); *see also* 47 CFR §§ 54.404(b)(1), 54.407(e), 54.407(a), 54.410, 54.417(a). Likewise, in the context of the Affordable Connectivity Program, carriers were required to “take reasonable steps to confirm households’ eligibility and enact appropriate program integrity controls.” *Request for Review of the Decision of the Universal Service Administrator by Dish Wireless, L.L.C. AT&T Services, Inc. on Behalf of AT&T Mobility LLC and Excess Telecom, Inc. et al.*, WC Docket Nos. 20-445 and 21-450, Order, 40 FCC Rcd 524, 527–28, para. 10 (2025).

<sup>152</sup> National Lifeline Association Comments, GN Docket No. 25-133, at 11 (rec. Apr. 14, 2025), <https://www.fcc.gov/ecfs/document/10411071685351/1>.

<sup>153</sup> 47 CFR § 54.404(b)(1).

<sup>154</sup> *See OIG Deceased and Duplicate Lifeline Subscribers Advisory* at 9 (recommending that the Commission implement additional internal controls to prevent duplicate subscriber claims).

<sup>155</sup> The Commission has previously considered adopting, but rejected, a one-per-residential address rule—i.e., limiting the Lifeline discount to a single subscription per residence, where “residence” is defined as a U.S. Postal Service Address. *2012 Lifeline Report and Order*, 27 FCC Rcd at 6688, 6692, paras. 72, 80–81. Likewise, the Commission rejected a one-per-person rule. *Id.* at 6693–94, paras. 81–83.

presumption, and if so, what types of evidence should we consider to rebut that presumption?<sup>156</sup> Should we redefine an independent economic household, and if so, how should we redefine it?<sup>157</sup> Have circumstances changed since the Commission last considered whether to keep the one-per-household rule in 2012? What would be the likely effect of different approaches on the cost of the Lifeline program, its ability to serve low-income individuals and households, and the Universal Service Fund contribution factor? How often have commenters found that subscribers were wrongfully rejected as receiving duplicate discounts? How often do commenters estimate that duplicate Lifeline support has been improperly granted under the current system? Would program integrity and low-income household needs be better served by focusing on tracking usage requirements rather than duplicates? If so, why?

64. In addition, we propose to codify the rule, established over a decade ago, that in addition to querying the NLAD for duplicate discounts at a single residence an “ETC must also search its own internal records to ensure that it does not already provide Lifeline-supported service to someone at that residential address.”<sup>158</sup> We propose codifying this rule in section 54.410(a), because this internal check is one example of a policy and procedure ETCs must implement “for ensuring that their Lifeline subscribers are eligible to receive Lifeline services.”<sup>159</sup> Our codification of this rule is not intended to suggest that this requirement was not already in force. Nor is the codification intended to suggest that every specific policy and procedure required by section 54.410(a) must be explicitly cited in that rule in order to apply to ETCs. The standard for such internal policies and procedures is that they must at least encompass a “reasonable system for preventing duplicates” or other violations of Lifeline rules, under the totality of the circumstances.<sup>160</sup>

## **B. Optimizing Lifeline Program Processes for Integrity and Efficiency**

65. In this section, we seek comment on whether we should undertake additional changes to optimize Lifeline program processes, including whether the Lifeline program should continue to permit different eligibility verification processes for NLAD opt-out states and whether we should streamline the annual reporting forms for ETCs.

### **1. Opt-Out State Reforms**

66. We seek comment on whether we should continue to permit the Lifeline program “opt-out” states to utilize their own program integrity processes different from federal processes. When the Commission implemented the NLAD to help prevent consumers from receiving duplicative Lifeline support, it allowed states to opt out of using the NLAD if they had their own systems to check for

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<sup>156</sup> Although the Commission previously rejected a one-per-residence cap, it has not rejected a larger cap or the use of a rebuttable presumption. Certifications in Independent Economic Household Worksheets might be one factor to consider in rebutting such a presumption, but the Wireline Competition Bureau has held that, standing alone, the worksheets are mere “cursory evidence” and is “not persuasive evidence” that households are unique, due at least in part to the ease with which they are subject to fraud. *Requests for Review of Decisions of the Universal Service Administrator by Assist Wireless, Inc. et al.*, WC Docket Nos. 11-42, 03-109, Order, 33 FCC Rcd 4579, 4585, para. 12 n.43 (2018) (*Assist Order*).

<sup>157</sup> The Commission has recently reaffirmed using the current definition of “household.” *See Supporting Survivors of Domestic and Sexual Violence et al.*, WC Docket Nos. 22-238, 11-42, and 21-450, Report and Order, 38 FCC Rcd 11280, 11285, para. 12 & n.30 (*SCA Order*) (applying section 47.400(h)’s definition of “household” to survivors); *see also 2012 Lifeline Report and Order*, 27 FCC Rcd at 6689, para. 74 (defining “household” for purposes of Lifeline).

<sup>158</sup> *2012 Lifeline Report and Order*, 27 FCC Rcd at 6691, para. 78; *see also ACP Report and Order*, 37 FCC Rcd at 508, para. 48 (reiterating this rule and noting no objections to codifying the rule for the ACP as well).

<sup>159</sup> 47 CFR § 54.410(a).

<sup>160</sup> *See, e.g., Assist Order*, 33 FCC Rcd 4583, paras. 7–8 (finding “in the types of specific scenarios described” in that case, ETCs “failed to implement reasonable internal procedures to investigate nearly identical and substantially similar records of the type flagged by USAC”).

duplicative Lifeline support that were at least as robust as the NLAD and covered all ETCs operating in the state and their subscribers.<sup>161</sup> After the launch of the National Verifier, the Bureau elected to allow the National Verifier to rely on state processes to facilitate eligibility determinations in NLAD opt-out states.<sup>162</sup> Although the National Verifier has been deployed in all states and territories, in Lifeline it operates differently in Texas and Oregon, which are “NLAD opt-out” states.<sup>163</sup> In those states, the state public utility commissions, or their administrators, facilitate verification of a consumer’s eligibility to participate in Lifeline. With respect to the opt-out states, USAC uses state Lifeline subscriber files to populate the NLAD.<sup>164</sup> In partnership with these states, USAC also samples state eligibility information and documentation to assess whether that state eligibility determinations are made in accordance with Commission rules.<sup>165</sup> In contrast, under the ACP, the Commission did not permit states to opt out of the NLAD or take a modified approach to use of the National Verifier.<sup>166</sup>

67. We have concerns that the current approach, which allows opt-out states to conduct their own verification processes, creates greater opportunities for waste, fraud, and abuse in the Lifeline program. For example, the Bureau recently revoked California’s opt-out status because, among other things, recent changes to California state law no longer requiring applicants to submit SSNs for verification purposes impaired the efficacy of California’s eligibility verification, duplicate detection, and identify theft prevention procedures.<sup>167</sup> More broadly, FCC OIG recently found that providers across opt-out states received nearly \$5 million in Lifeline reimbursements for deceased individuals.<sup>168</sup> We seek comment on whether the Lifeline program should continue to permit different eligibility verification

<sup>161</sup> *2012 Lifeline Report and Order*, 27 FCC Rcd at 6752, para. 221; 47 CFR § 54.404(a).

<sup>162</sup> See *Wireline Competition Bureau Announces the Next National Lifeline Eligibility Verifier Launch in Three States*, WC Docket No. 11-42, Public Notice, 34 FCC Rcd 12302 (WCB 2019) (National Verifier Launch Public Notice).

<sup>163</sup> USAC, National Verifier Annual Report and Data, Report, WC Docket No. 11-42, at 5, <https://www.fcc.gov/ecfs/document/10131105999178/1>. On November 20, 2025, the Bureau issued an order (1) revoking the exemption that enabled the California Public Utilities Commission (CPUC) to opt out of the use of the NLAD for the federal Lifeline program, and (2) adjusted the federal National Verifier processes in California to end reliance on California state eligibility results for enrollment in the federal Lifeline program. *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, Order, DA 25-965, at 1 (WCB 2025) (*California Revocation Order*). The Bureau previously revoked the opt-out status of two other states at their request. See *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, Order, 30 FCC Rcd 12322 (WCB 2015) (*Puerto Rico Opt-In Order*) (granting petition from the Telecommunications Regulatory Board of Puerto Rico to rescind Puerto Rico’s NLAD opt-out designation); *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, Order, 32 FCC Rcd 5797 (WCB 2017) (*Vermont Opt-In Order*) (granting petition from Vermont Department of Public Service to rescind Vermont’s NLAD opt-out designation).

<sup>164</sup> See USAC, National Verifier Annual Report and Data, Report, WC Docket No. 11-42, at 6 (Jan. 31, 2025), <https://www.fcc.gov/ecfs/document/10131105999178/1>; *Wireline Competition Bureau Announces the Launch of the National Lifeline Eligibility Verifier in Oregon and Texas*, WC Docket No. 11-42, Public Notice, 35 FCC Rcd 11721, 11722 (2020).

<sup>165</sup> See USAC, National Verifier Annual Report and Data, Report, WC Docket No. 11-42, at 5, <https://www.fcc.gov/ecfs/document/10131105999178/1>.

<sup>166</sup> *ACP Report and Order*, 37 FCC Rcd at 515, para. 58; USAC, National Verifier Annual Report and Data, Report, WC Docket No. 11-42, at 7, <https://www.fcc.gov/ecfs/document/1013182078862/1> (noting that because participation in Lifeline is a qualifying program for the ACP, USAC had specific processes to validate ACP consumers against Lifeline enrollment data that is submitted to USAC by opt-out states).

<sup>167</sup> *California Revocation Order*, at 4–5. The Bureau also found that California failed to timely and responsibly implement federal Lifeline requirements, including by failing to implement Lifeline’s strengthened eligibility recertification rules for six years (in violation of federal rules) and delaying implementation of the Veterans Pension and Survivors Benefit basis for Lifeline qualification for 18 months. *California Revocation Order*, at 5–6.

<sup>168</sup> *OIG Deceased and Duplicate Lifeline Subscribers Advisory* at 2.

processes for NLAD opt-out states and whether the experience in opt-out states has demonstrated that allowing for alternative systems provides net benefits to states, providers, consumers, and the Lifeline program in general.

68. We seek comment on whether states and ETCs have found that state alternatives were more or less efficient or confusing than the federal system. What are some examples or insights that demonstrate the efficiency or inefficiency of state-specific Lifeline verification processes compared to the federal system? In particular, have ETCs working in both NLAD states and opt-out states found it difficult to navigate the different systems or receive accurate and timely reimbursements? Are there benefits to having uniform Lifeline eligibility verification and duplicate checking processes nationwide? Are there any differences in eligibility verification accuracy between the processes in NLAD opt-out states and the typical National Verifier eligibility verification process? Do NLAD opt-out states and states with a modified National Verifier approach that relies on state eligibility determinations adhere to requirements that their processes be as robust as federal processes and that state eligibility determinations meet the objectives of the National Verifier?<sup>169</sup> Would moving to a single administrator system that covers all states address the concerns underlying FCC OIG recommendations for greater coordination between USAC and opt-out states and for opt-out states to maintain databases similar to the Representative Accountability Database?<sup>170</sup> What are the benefits of utilizing state-specific processes for Lifeline eligibility verification compared to the federal National Verifier system? Could those be adopted by the National Verifier? Is the additional administrative complexity associated with coordinating eligibility verification with NLAD opt-out states justified by commensurate benefits, such as streamlining the process of applying for both federal and state benefits in one application?<sup>171</sup> Would moving all processes to the standardized process allow the Commission to make any needed changes to processes on a quicker timeline? If the Commission were to require NLAD opt-out states to use the National Verifier for eligibility checks for Lifeline in the same manner as in other states, how would this affect those opt-out states and how much time should be afforded for the transition? Have there been any lessons learned from the California transition?

69. How does the consumer experience with the Lifeline application and recertification differ in NLAD opt-out states versus other states? Do commenters have specific consumer feedback or complaints that highlight these differences? If the Commission requires a single federal Lifeline verification system across all states, would service providers be able to integrate federal Lifeline applications with state Lifeline applications to minimize administrative burdens on consumers? What changes would help service providers with this integration? Are there different state documentation practices that benefit consumers while protecting program integrity that should be adopted by the National Verifier, if we were to consider mandating nationwide reliance on the National Verifier for Lifeline? What are other potential impacts on consumers that we should consider?

## 2. Minimizing Reporting Burdens

70. We seek comment on ways to improve program efficiency while also reducing regulatory reporting burdens on ETCs participating in Lifeline, particularly small businesses, while ensuring that the integrity of the program is protected. Several commenters in the *Delete, Delete, Delete* proceeding have

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<sup>169</sup> See, e.g., *California Revocation Order*, at 3–6 & n.18, paras. 6–14 (finding California’s eligibility verification and duplicate detection procedures did not meet the required standard of robustness).

<sup>170</sup> *OIG Deceased and Duplicate Lifeline Subscribers Advisory* at 9; see also 47 CFR § 54.406(a).

<sup>171</sup> See *ACP Report and Order*, 37 FCC Rcd at 516, para. 62 (directing USAC to explore ways to streamline and improve the efficiency of enrolling Lifeline subscribers in the opt-out states and noting that “[s]ome commenters expressed concern that the process with the Lifeline NLAD opt-out states is still causing delayed enrollment of Lifeline subscribers in these states”).

suggested various ways of streamlining FCC Form 481<sup>172</sup> and FCC Form 555,<sup>173</sup> the two Lifeline program forms that ETCs are required to file annually, including combining the forms, having those (and other) forms' filing deadlines set for the same date, limiting the number of entities to which the forms must be submitted, removing certain filing requirements from the forms, or eliminating the forms outright.<sup>174</sup> ETCs report financial and operations data on the FCC Form 481 and recertification results on the FCC Form 555.<sup>175</sup>

71. Some commenters raised the possibility of combining all or parts of FCC Form 481 and FCC Form 555, and possibly other FCC forms.<sup>176</sup> We note that these forms differ (at least currently) in various ways, including who must submit the form (all ETCs or Lifeline-only ETCs), when and to what entities they must be submitted, and what the specific consequences are for failing to submit the form. We seek comment on whether combining these forms would reduce reporting burdens, how best to combine these forms, whether combining them would create more or less confusion for ETCs, what rules would need to be amended to combine the forms, and a reasonable deadline for combining these forms.

72. Alternatively, we seek comment on the costs and benefits of synchronizing the filing deadlines for the FCC Form 481 (currently due annually on July 1) and FCC Form 555 (currently due annually on January 31).<sup>177</sup> Would it be preferable to synchronize filing dates for those two forms (or even additional FCC forms)? Would it be more or less burdensome on ETCs to file many separate (or combined) forms all at once, particularly for those ETCs that are small businesses?

73. As to commenters' request that we limit the entities to which these forms must be submitted or create a coordinated portal where the FCC, USAC, and other relevant entities can access the

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<sup>172</sup> The requests for information in FCC Form 481 are primarily based on requirements in section 54.422 of the Lifeline rules.

<sup>173</sup> The requests for information in FCC Form 555 are primarily based on requirements in sections 54.405(e)(3) and 54.416 of the Lifeline rules.

<sup>174</sup> See Reply Comments of WISPA – The Association of Broadband Without Boundaries, GN Docket No. 25-133, at 9 (rec. Apr. 29, 2025) (WISPA Comments); Reply Comments of Alaska Power & Telephone Company, GN Docket No. 25-133, at 3 (rec. Apr. 28, 2025) (AP&T Comments); Reply Comments of Mattey Consulting, LLC, GN Docket No. 25-133 et al., at 5, 8 (rec. Apr. 28, 2025) (Mattey Comments); Reply Comments of NTCA – The Rural Broadband Association, GN Docket No. 25-133, at 4–5 (rec. Apr. 28, 2025) (NTCA Comments); Comments of U.S. Small Business Administration, GN Docket No. 25-133, at 13 (rec. Apr. 14, 2025); Comments of USTelecom – The Broadband Association, GN Docket No. 25-133, at 26 (rec. Apr. 14, 2025); Comments of WTA – Advocates for Rural Broadband, GN Docket No. 25-133, at 2–4 (rec. Apr. 14, 2025) (WTA Comments); NaLA Comments at 11; Comments of Small Company Coalition, GN Docket No. 25-133, at 7–8 (rec. Apr. 10, 2025) (SCC Comments).

<sup>175</sup> USAC, Annual Filings, <https://www.usac.org/lifeline/rules-and-requirements/forms/annual-filings/#555> (last visited Jan. 27, 2026). The FCC Form 481 includes requests for information related to company names and ownership, the terms and conditions of offered Lifeline plans, network outages, and subscriber complaints, and also requests that the carrier certify that it is able to function in emergency situations and that it is in compliance with applicable minimum service standards, service quality standards, and consumer protection rules. See 47 CFR § 54.422; FCC, *FCC Form 481 and Instructions*, <https://www.fcc.gov/document/fcc-form-481-and-instructions> (last visited Jan. 27, 2026). FCC Form 555 includes requests for information related to company name, ownership, and affiliation; statistics related to subscriber enrollment, de-enrollment, and recertification; and officer certifications that the ETC is in compliance with Lifeline rule. See 47 CFR §§ 54.405(e)(3), 54.416; FCC, *Annual Lifeline Eligible Telecommunications Carrier Certification Form* (June 2023), <https://www.reginfo.gov/public/do/DownloadDocument?objectID=142498101>.

<sup>176</sup> See, e.g., SCC Comments at 8.

<sup>177</sup> See Mattey Comments at 8.

filings,<sup>178</sup> we seek comment on the costs and benefits, including the effect on ease of access to the information and any concerns regarding privacy or confidential information, including how such concerns could be mitigated. In addition, we seek comment on experiences with One Portal, where some carriers can submit certain portions of FCC Form 481 (which states and other entities cannot access directly) and FCC Form 555 (which states and other entities can access directly).<sup>179</sup>

74. Commenters in the *Delete, Delete, Delete* proceeding have suggested revising or eliminating certain reporting requirements.<sup>180</sup> We seek comment on what, if any, specific reporting requirements should be eliminated in connection with FCC Form 481 and FCC Form 555. For example, the same or similar reporting requirements in FCC Form 481's High-Cost portion were previously eliminated: (1) network outage reporting, (2) complaint reporting, and (3) certification of compliance with service quality standards and consumer protection rules.<sup>181</sup> We seek comment on whether we should eliminate these and other requirements in the Lifeline portion of FCC Form 481, including: (1) certification of compliance with Lifeline rules regarding applicable minimum service standards,<sup>182</sup> (2) certification that the carrier is able to function in emergency situations in compliance with Lifeline rules,<sup>183</sup> and (3) descriptions of the terms and conditions of voice telephony service plans offered to Lifeline subscribers.<sup>184</sup> Similarly, we seek comment on whether to amend or eliminate any of the recertification-related data captured on FCC Form 555 and whether certifications should continue to be made by a corporate officer of the ETC.<sup>185</sup>

75. For each of these requirements, we seek comment on the costs and benefits of requiring such information be reported on the annual forms, especially for information that may be collected elsewhere (e.g., the Commission's consumer complaint system and outage reporting system).<sup>186</sup> If commenters believe this information should still be collected from ETCs, we request specific recommendations on how to revise the requirements to make the data more useful for individual and aggregate analysis. We also seek comment on whether commenters have specific revisions to the questions, as they exist on the current forms, to make them clearer or less burdensome.

76. Finally, we seek comment on other ways to amend forms or USAC practices to improve processes or promote integrity. For example, should corporate officers submitting reimbursement requests be required to certify compliance with specific key program rules, rather than with *all* rules?<sup>187</sup> With respect to non-compliance in Lifeline generally and the changes proposed in this NPRM, what

<sup>178</sup> See, e.g., NTCA Comments at 4; WTA Comments at 2. FCC Form 481 and FCC Form 555 must be reported to USAC, the Commission, relevant state commissions, and relevant U.S. territories or Tribal governments. See 47 CFR §§ 54.416, 54.422(c).

<sup>179</sup> See USAC, *Annual Filings*, <https://www.usac.org/lifeline/rules-and-requirements/forms/annual-filings/> (last visited Jan. 27, 2026).

<sup>180</sup> See, e.g., AP&T Comments at 8; WISPA Comments at 9.

<sup>181</sup> *ETC Annual Reports and Certifications et al.*, WC Docket No. 14-58 et al., Report and Order, 32 FCC Rcd 5944, 5945–48, paras. 4–5, 8–9, 13–14 (2017) (*ETC Annual Reports*) (eliminating these three types of reporting in the High-Cost portion of FCC Form 481). Similar reporting requirements exist under FCC Form 481's Lifeline portion, in accordance with sections 54.422(b)(1)–(3).

<sup>182</sup> 47 CFR § 54.422(b)(3).

<sup>183</sup> 47 CFR § 54.422(b)(4).

<sup>184</sup> 47 CFR § 54.422(a)(2). Similarly, the Commission previously eliminated the requirement to report annually information regarding pricing of voice and broadband service offerings in the High-Cost portion of FCC Form 481. *ETC Annual Reports*, 32 FCC Rcd at 5947, paras. 10–12.

<sup>185</sup> 47 CFR § 54.416(a)(1)–(3).

<sup>186</sup> We note that carriers are under a separate obligation to report outage information. See 47 CFR § 4.1 *et seq.*

<sup>187</sup> 47 CFR § 54.407(d)(1).

additional information, if any, should USAC or the Commission provide in its notices of non-compliance or debt demand letters to carriers? Are there changes we can make to further ensure that Lifeline carriers are notified of the basis for recovery, and are able to respond appropriately?

### C. Promoting Principled Service Provider Conduct

#### 1. ETC Compliance Plans

77. In this section, we examine whether changes are needed to the conditions placed on non-facilities-based ETCs to participate in the Lifeline program under the Commission’s grant of forbearance from the statute’s “own facilities” requirement. We also seek comment on how we can improve program integrity related to non-facilities-based ETCs and inquire about potential amendments to the standards and processes for compliance plans that are needed for an ETC to receive forbearance from the Act.

78. The “own facilities” requirement of section 214(e)(1)(A) mandates that ETCs receiving USF support must provide the supported services, e.g., voice or broadband, either wholly or partly through use of their own facilities, and not be a pure reseller of another carrier’s services.<sup>188</sup> In the *2012 Lifeline Report and Order*, the Commission granted blanket forbearance from the own facilities requirement subject to certain conditions, finding that the use of the ETC’s own facilities in providing Lifeline-supported service was not necessary to ensure just and reasonable rates or to protect the public interest, and that forbearance was in the public interest as long as certain conditions were met.<sup>189</sup> Carriers were required to comply with all 911 and enhanced 911 service obligations.<sup>190</sup> They also were required to submit and receive approval from the Bureau for a compliance plan including certain required information concerning how the carrier will comply with all Lifeline program service requirements and program integrity obligations.<sup>191</sup>

79. Some program integrity concerns that have plagued the Lifeline program in recent years disproportionately involve certain non-facilities-based ETCs that operate under the Commission’s grant of forbearance, including Q Link Wireless, American Broadband, TracFone Wireless, and Total Call Mobile, to name several examples.<sup>192</sup> Of the examples listed, Q Link Wireless committed the most

<sup>188</sup> 47 U.S.C. § 214(e)(1)(A).

<sup>189</sup> *2012 Lifeline Report and Order*, 27 FCC Rcd at 6814–17, paras. 370–81.

<sup>190</sup> *Id.* at 6817, para. 383.

<sup>191</sup> *Id.* at 6816, para. 379. Pursuant to the *2012 Lifeline Report and Order*, Lifeline-only ETCs “that met the facilities requirement based solely on operator services/directory assistance facilities and were designated prior to December 29, 2011” could “continue to receive reimbursement pending approval of their compliance plans in the states in which they currently serve Lifeline subscribers, provided they submit their compliance plans to the Bureau by July 1, 2012.” *Id.*, para. 380.

<sup>192</sup> See *Notice of Suspension and Commencement of Debarment Proceedings*, File No. EB-IHD-24-00037461, Letter Order, 39 FCC Rcd 12274 (EB 2024); Press Release, FCC, Q Link Wireless and Issa Asad to Pay More than \$110M in Global Resolution to Resolve Criminal Charges and False Claims Act Allegations (Jul. 28, 2025), <https://www.fcc.gov/document/fcc-doj-announce-q-link-wireless-110m-global-resolution> (Q Link Press Release); *TracFone Wireless, Inc.*, File No. EB-IHD-22-00033718, Order/Consent Decree, 38 FCC Rcd 10895 (EB Nov. 29, 2023); Press Release, FCC, TracFone to Pay \$23.5 Million to Resolve Investigation Into Violations Involving Two Major FCC Programs (Nov. 29, 2023), <https://docs.fcc.gov/public/attachments/DOC-398791A1.pdf>; *American Broadband & Telecommunications Company and Jeffrey S. Ansted*, File No. EB-IHD-17-00023554, Order/Consent Decree, 37 FCC Rcd 6332 (EB Jun. 3, 2022); *FCC Publicly Releases More Detailed Version of Notice of Apparent Liability Against American Broadband*, File No.: EB-IHD-17-00023554, Public Notice, 35 FCC Rcd 4634 (EB May 13, 2020); *Total Call Mobile, Inc.*, File No. EB-IHD-14-00017650, Order/Consent Decree, DA 16-1399 (EB Dec. 22, 2016); Press Release, FCC, Total Call Mobile to Pay \$30 Million and End Lifeline Participation to Settle Fraud Investigations (Dec. 22, 2016), <https://docs.fcc.gov/public/attachments/DOC-342666A1.pdf>. But see *Assurance Wireless USA, LP (f/k/a Virgin Mobile USA, L.P.), Sprint Corporation, and T-Mobile US, Inc.*, File No. EB-IHD-19-00028966, Order/Consent Decree, 35 FCC Rcd 12679 (EB Nov. 4, 2020) (noting that during the timeframe at issue in this matter, Sprint/Assurance was a subsidiary of T-Mobile, and therefore, Sprint/Assurance is a facilities based

(continued....)

egregious program integrity violations. Q Link and its owner, Issa Asad, were charged with conspiring to knowingly submit and causing to be submitted false and fraudulent claims to the Lifeline program for customers who were not using Lifeline-supported services consistent with FCC usage regulations, including customers who never activated their supported services.<sup>193</sup> On October 15, 2024, Q Link and Issa Asad pled guilty to several offenses involving their Lifeline misconduct including theft of government funds and defrauding the United States.<sup>194</sup> Q Link and Issa Asad agreed to pay more than \$110 million to resolve criminal charges and civil claims arising under the False Claims Act related to these violations.<sup>195</sup> On July 24, 2025, Asad received a sentence of 60 months' imprisonment.<sup>196</sup> In light of this history, we seek comment on changes to the conditions placed on non-facilities-based ETCs subject to forbearance that would promote Lifeline program integrity.

80. *Compliance Plan Requirements.* We seek comment on what, if any, changes to current compliance plan requirements may be necessary. At a minimum, Lifeline compliance plans currently must include: (1) information about the carrier and the Lifeline plans it intends to offer, including detailed information demonstrating that the carrier is financially and technically capable of providing the supported Lifeline service in compliance with the Commission's rules;<sup>197</sup> (2) detailed information, including geographic locations, of the carrier's current service offerings, the terms and conditions of each Lifeline service plan offering, and all other certifications required under section 54.202 of the Commission's rules; (3) a detailed explanation of how the carrier will comply with the Commission's rules relating to the determination of subscriber eligibility for Lifeline services; (4) a detailed explanation of how the carrier will comply with the forbearance conditions relating to public safety and 911/E-911 access; (5) a detailed explanation of how the carrier will comply with the Commission's marketing and disclosure requirements for participation in Lifeline; and (6) a detailed explanation of the carrier's procedures and efforts to prevent program integrity issues in connection with Lifeline funds.<sup>198</sup>

81. Are there additional data points, fields or explanations that compliance plans should capture? Should compliance plans include descriptions of the company's corporate structure? If so, should the structure also identify and describe any parent companies, affiliates, or subsidiaries? If an applicant is a subsidiary of a parent company, should the applicant include information about how resources, operating infrastructure, and other support may be shared with the parent company to support providing service to Lifeline recipients? How should this information be included in an application without disclosing unnecessary confidential information of the parent company? Should compliance plans identify any unaffiliated third-party companies that will be used to assist the Lifeline program applicant with providing Lifeline program services to consumers and provide an explanation of the third-party's role in those efforts? Should compliance plans identify any resale wholesalers the ETC will use to obtain facilities-based services? Should the compliance plan include copies of such contracts? Should

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carrier); Press Release, FCC, T-Mobile Will Pay \$200 Million Civil Penalty to Resolve Sprint Lifeline Investigation (Nov. 4, 2020), <https://docs.fcc.gov/public/attachments/DOC-367967A1.pdf>.

<sup>193</sup> See Q Link Press Release.

<sup>194</sup> *United States v. Issa Asad*, Case No. 24-20363-RAR, Plea Agreement as to Issa Asad, Docket No. 21 (S.D. Fla. Oct. 15, 2024); *United States v. Q Link Wireless*, Case No. 24-20363-RAR, Plea Agreement as to Q Link Wireless, Docket No. 24 (S.D. Fla. Oct. 15, 2024).

<sup>195</sup> See Q Link Press Release.

<sup>196</sup> Press Release, United States Attorney's Office Southern District of Florida, South Florida Telecom Company and its CEO Pay \$128 Million and CEO is Sentenced to 5 Years for Massive Government Program Fraud (Jul. 25, 2025), <https://www.justice.gov/usao-sdfl/pr/south-florida-telecom-company-and-its-ceo-pay-128-million-and-ceo-sentenced-5-years>.

<sup>197</sup> See 47 CFR § 54.202(a)(4).

<sup>198</sup> See *Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order*, WC Docket Nos. 11-42 et al., Public Notice, 27 FCC Rcd 2186, 2187-88 (WCB 2012) (*2012 Compliance Plan Public Notice*).

Lifeline-only ETCs be required to update any changes to those arrangements? Are there restrictions that should be placed on such arrangements? Should compliance plan corporate structure descriptions report ownership by any foreign persons or foreign entities? Should corporate ownership by a foreign person or entity seeking approval of a new compliance plan require separate review by U.S. national security agencies before approval can be granted? Should review of compliance plans include assessing whether the entities or their equipment are included on the list of communications equipment and services (“covered list”) that are deemed to pose an unacceptable risk to United States national security or the security and safety of United States persons?<sup>199</sup> Should compliance plans identify corporate officers and their relevant experience? Should compliance plans identify top level management and explain their experience in providing telecommunications or related services to consumers? Should companies be required to have compliance officers, and if so, should compliance officers be required to certify that the company complies with its Lifeline program obligations? Should providers be required to identify the procedures they will use to prepare and certify claims for reimbursement? If not, why? Should they require disclosure of all instances in which the company or its senior officers have been (1) involved or charged with criminal wrongdoing, or actions giving rise to criminal wrongdoing, (2) subject to investigations into possible violations of the False Claims Act or other similar laws, and debt collection efforts by state or federal agencies, or (3) engaged in waste, fraud, or abuse of federal funding? Should compliance plans explain how ETCs will monitor their agents who enroll subscribers on their behalf? Should compliance plans require ETCs to explain the steps they will take to ensure that agents hired by contractors to enroll subscribers on their behalf will be trained and their activities be monitored? Should marketing companies be required to report to the ETCs they work for when an agent they employ is barred from RAD? Audits and program integrity reviews conducted by USAC have revealed many compliance problems in the Lifeline program. Should Lifeline program rules or compliance plans require an annual audit to evaluate rule compliance? Should Lifeline compliance plans require that ETCs disclose allegations or evidence of waste, fraud, and abuse?<sup>200</sup>

82. For a compliance plan to be approved, the ETC must demonstrate that it is financially and technically capable of operating in the Lifeline program.<sup>201</sup> Among the relevant financial and technical capability considerations are whether the applicant previously offered “services to non-Lifeline consumers, how long it has been in business, whether the applicant intends to rely exclusively on USF disbursements to operate, whether the applicant receives or will receive revenue from other sources, and whether it has been subject to enforcement actions or ETC revocation proceedings in any state.”<sup>202</sup> What other information should be required to demonstrate the provider is a bona fide telecommunications provider? Should Lifeline compliance plans include audited, or if not available, unaudited financial statements, and if so, how many years of past financial statements should be included? Should applicants be required to provide information about other significant financial resources or transactions that the companies would use to support, or are material to, their participation in the Lifeline program? What is the appropriate scope of financial resource information that should be reported? For example, should this include advertisement revenue, revenue generated from selling customer information, etc., or should the required information be limited to financial ownership? Should compliance plans include information about any non-Lifeline communications service revenue that could be used to support operations for the services provided to Lifeline subscribers, and should this information include data about other revenue sources not tied to providing communications services but that might support the Lifeline ETC in its overall operations? Financial ratios are commonly used to measure a company’s financial health. For

<sup>199</sup> See Secure and Trusted Communications Networks Act of 2019, Pub. L. No. 116-124, § 2(a), 133 Stat. 158 (2020) (codified as amended at 47 U.S.C. §§ 1601–1609).

<sup>200</sup> *OIG Deceased and Duplicate Lifeline Subscribers Advisory* at 8 (recommending mandatory disclosure of allegations or evidence of waste, fraud and abuse); see also USAC website, Submit a Whistleblower Alert, <https://www.usac.org/about/contact-usac/submit-a-whistleblower-alert/> (last visited Jan. 27, 2026).

<sup>201</sup> See 47 CFR § 54.202(a)(4); see also 2012 Lifeline Report and Order, 27 FCC Rcd at 6819, para. 388.

<sup>202</sup> See 2012 Lifeline Report and Order, 27 FCC Rcd at 6819, para. 388.

example, the times interest earned (TIE) ratio measures a company's ability to meet its interest obligations using its operating earnings. The TIE ratio is calculated by dividing earnings before interest and taxes (or EBIT) by total interest expense. Should we require the ETC to demonstrate financial health using the TIE ratio and/or other financial ratios? If so, what ratio or ratios should we require and what is an acceptable value for each such ratio? Should the Lifeline-only ETC and the Lifeline compliance plan requirement be formally incorporated into the codified rules? Should a providers' manuals and processes of policies and procedures that they provide to their employees and agents be attached as appendices to the compliance plan? Should compliance plans include subscriber counts, and if so, how many years of past data should be submitted? If an approved ETC is submitting an amendment of its compliance plan for approval, should the amended compliance plan contain recent or current subscriber counts, and if so, should it include a breakdown of the number of Lifeline subscribers and non-Lifeline program subscribers? Should compliance plans include a discussion of the databases and transactional processing systems that applicants will use, for example, for enrolling or billing Lifeline consumers? Should compliance plans include measures the service provider is taking and will take to comply with Lifeline program rules, including how it will track usage and other program requirements? Should a discussion of such databases and transactional processing systems discuss how fraud by agents, third party companies involved in assisting customers, and others with access to the systems will be prevented with respect to enrollment and transfers-in? Should this requested information be required for all third-party activities or limited to specific activities such as customer outreach services? Should compliance plans include a detailed explanation of the company's Lifeline program compliance training and other internal controls? Should ETCs be mandated to provide employees with compliance training on Lifeline program rules and other internal controls? Should there be certain minimum training requirements, and if so, what should those minimum requirements be? Should compliance plans include consumer protection plans such as a porting guidance script to be used for consumers in the event that an ETC fails to respond? What other financial and technical capability information should be included in compliance plans?

83. We seek comment on what changes, if any, should be made to the Lifeline compliance plan requirements beyond those discussed above. Are there changes to the requirements that should be made that will result in consistency and efficiencies in the Bureau's review and processing of compliance plans? Are there current regulatory processes at the Commission that the Bureau should leverage to assist in such reviews such as seeking public comment on submitted compliance plans?

84. Are there certain conditions that should be attached to compliance plans, once approved, that would result in automatic termination of the compliance plan if the condition is violated?<sup>203</sup> We seek comment on what the conditions should be for terminating a Lifeline compliance plan. Should Lifeline compliance plans be terminated when ETCs are found guilty of committing fraud or other misconduct in the Lifeline program? Should compliance plans be terminated when ETCs change corporate ownership or control without notifying the Commission and receiving approval of an updated compliance plan?<sup>204</sup> Under what circumstances should Lifeline compliance plans be terminated? Should compliance plans have an expiration date at which time they must be re-submitted and re-approved? If so, how long should that period be? How often should the Bureau review approved compliance plans? Should all compliance plan amendments require Bureau approval? Which compliance plans amendments should require Bureau

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<sup>203</sup> “Termination” applies where an authorization is ended based on the authorization holder’s failure to comply with a condition of the authorization. The Commission has determined that the procedures applicable to termination need not mirror the procedures used for revocation of authorizations.” *Numbering Policies for Modern Communications et al.*, WC Docket Nos. 13-97 et al., Second Report and Order and Second Notice of Proposed Rulemaking, 38 FCC Rcd 8951, 8983, n.214 (2023).

<sup>204</sup> In April 2025 the Bureau issued a Public Notice reminding ETCs that “any material changes in ownership or control of an ETC that operates pursuant to a Lifeline compliance plan require modification of the Lifeline compliance plan, which must be approved by the Bureau in advance of the changes taking effect.” *Wireline Competition Bureau Reminds Eligible Telecommunications Carriers of Lifeline Compliance Plan Approval Requirements*, WC Docket Nos. 09-197 and 11-42, Public Notice, 47 FCC Rcd 2527, 2528 (WCB 2025)

approval? Should providers be required to submit compliance plans annually or at some other interval? Or alternatively, should providers be required to update their compliance plans as circumstances change, e.g., if they offer a new Lifeline plan or if they have an inordinate number of non-usage de-enrollments? How would re-approval work logically? Should the frequency of compliance plan submissions be based on the number of subscribers that a provider has? We seek comment on the cost and benefits of more frequent compliance plan submission for providers, USAC, and the Commission. Are there ways that the reporting burden can be reduced while still collecting the necessary information? Finally, how often should we require providers to submit updated compliance plans? Should a provider be allowed time to revise and resubmit a compliance plan if updates are required and the resubmitted compliance plan was deficient?

85. *Letters of Credit.* We seek comment on whether requiring non-facilities-based ETCs to obtain letters of credit as required by carriers in the Commission's USF High Cost programs would promote program integrity and ensure continuity of service for subscribers in the event their ETC faces significant recoveries due to violations of program rules. Since 2011, the Commission has required recipients of High Cost program support authorized through a competitive process to obtain letters of credit as a financial guarantee that the service provider has access to the necessary funds to complete the network buildout as committed in their winning bid.<sup>205</sup> Non-facilities-based ETCs face minimal capital expenditures because they do not deploy their own networks, but many may be paying more in operating expenses than facilities-based carriers because they lease network capacity. Adopting a letter of credit requirement for the Lifeline program would ensure that ETCs can reimburse the USF for recovered funds or pay fines due to program rule violations, and allow the ETC to use ongoing USF support to continue paying network leases to wholesalers to maintain continuity of service for subscribers. Would requiring letters of credit from non-facilities based providers seeking to enter the Lifeline program ensure continuity of service in these circumstances? What would be the advantages and disadvantages of requiring non-facilities-based ETCs to obtain letters of credit? If the Commission adopts a letter of credit requirement, should it apply to all non-facilities-based ETCs currently operating under approved compliance plans, or just those whose compliance plans will be granted in the future? If the Commission were to require letters of credit, under what circumstances should the Commission draw on the letters of credit (e.g., compliance plan violations, findings of improper payments, unpaid notices of apparent liability or forfeiture orders)? Relatedly, what documentation should be required for the Commission to draw on the letters of credit?

86. We also seek comment on the standards for letters of credit, including the value of the letter of credit and standards for the issuing bank the Commission should adopt if it requires letters of credit for non-facilities-based ETCs. High Cost support recipients, for example, in the Rural Digital Opportunity Fund (RDOF), are required to maintain letters of credit that increase in value on an annual basis, but may reduce the value of their letters of credit upon certification that they have met certain deployment obligations.<sup>206</sup> How should we determine the value of a letter of credit in the Lifeline program? Should it be based on subscriber count, or other factors? Should the value be higher than the proceeds the carrier would receive from the expected number of Lifeline subscribers that the carrier plans to serve plus an additional percentage? Most relevant to our inquiry concerning potential changes to Lifeline program requirements, the current standards for High Cost mechanisms that require letters of credit require that the entity issuing the letter must be a United States bank insured by the Federal Deposit Insurance Corporation (FDIC) that meets the criteria to be considered "well capitalized" as determined by

<sup>205</sup> See *Connect America Fund et al.*, WC Docket Nos. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17810-12, paras. 443-51 (2011) *aff'd sub nom.*, *In re: FCC 11-161*, 753 F.3d 1015 (10th Cir. 2014); *see generally* *Rural Digital Opportunity Fund*, Report and Order, 35 FCC Rcd 686 (2020).

<sup>206</sup> See 47 CFR § 54.804(c)(1)(i)-(v); *see also* *Connect America Fund et al.*, WC Docket Nos. 10-90 et al., Report and Order, 39 FCC Rcd 14001, 14009, para. 23 (2024) (*Letter of Credit Report and Order*).

the FDIC, the Federal Reserve, and the Office of the Comptroller of the Currency (OCC).<sup>207</sup> Each agency has codified nearly identical criteria to determine a bank's capitalization status and whether it is "well capitalized."<sup>208</sup> For a bank to be well capitalized, the regulations also require a confirmation from the bank that it is not subject to certain regulatory actions from its supervising agency.<sup>209</sup> What should the standards for the bank issuing the letter of credit be? Should the Commission adopt the letter of credit standards noted in this paragraph for use by the Lifeline program? Should the Commission permit only U.S. banks to issue letters of credit? Should the Commission require that the issuing bank be insured by the FDIC? Should the Commission require the issuing bank to have at least a certain credit rating? What should the Commission require the issuing bank's credit rating to be? Would alternative financial instruments such as a surety bond or performance bond achieve the same goals to ensure program integrity?

87. *Revocation of Compliance Plans.* We seek comment on the instances in which a compliance plan should be revoked.<sup>210</sup> If an approved entity receives an unfavorable outcome in an enforcement action, *e.g.*, a forfeiture order, should that result in revocation of the Bureau's approval of the entity's Lifeline compliance plan? What other situations should result in the revocation of a non-facilities-based ETC's Lifeline program compliance plan? Would material deviation from an approved compliance plan merit revocation? Should such consequences be determined on a case-by-case basis, as the particular violation warrants? For an ETC that has already received approval of its compliance plan, but a change in circumstances warrants submission and approval of an updated compliance plan, *e.g.*, due to a change in corporate ownership or control, should the provider's participation in the Lifeline program be immediately revoked if it fails to submit an updated compliance plan or an updated compliance plan is not approved? Is revocation of a compliance plan subject to the Administrative Procedure Act's (APA) notice requirements for revocation of a license?<sup>211</sup> Noting that the APA notice requirements are subject to exceptions "in cases of willfulness or those in which public health, interest, or safety requires otherwise," if those requirements apply, in what circumstances would those exceptions apply?<sup>212</sup> In the event that the Bureau revokes a non-facilities-based ETC's compliance plan, the Commission would want to ensure the continuity of service for Lifeline subscribers served by that carrier. Should the Commission develop rules or processes for moving subscribers of an ETC with a revoked compliance plan to another ETC? How should the Commission determine which ETC should serve those subscribers or otherwise determine the best way for those subscribers to continue to receive service through the provider of their choosing? In these circumstances, how could the Commission ensure that the ETC whose compliance plan has been revoked complies with the Commission's number portability requirements?

## 2. Reimbursement for Services that Consumers Actually Use

88. ETCs are permitted to offer Lifeline service without assessing and collecting a monthly fee, but must adhere to certain specified usage requirements.<sup>213</sup> ETCs that offer Lifeline services where they assess and collect a monthly fee currently are not required to monitor usage for subscribers on such plans.<sup>214</sup> However, the Commission has identified several instances in which ETCs attempt to evade the

<sup>207</sup> See *Letter of Credit Report and Order*, 39 FCC Rcd at 14006, para. 14.

<sup>208</sup> 12 CFR §§ 6.4(b)(1)(i)(A)–(E), 208.43(b)(1)(i)(A)–(E), 324.403(b)(1)(i)(A)–(E).

<sup>209</sup> See, *e.g.*, 12 CFR § 324.403(b)(1)(i)(E).

<sup>210</sup> See *China Unicom (Americas) Operations Ltd. v. FCC*, 124 F.4th 1128, 1143 (9th Cir. 2024) (opining that "the statute's [47 U.S.C. § 214] grant of authority to 'issue' certificates to telecommunications carriers must be understood as carrying with it an implied incidental authority to revoke such documents").

<sup>211</sup> See 5 U.S.C. § 558(c).

<sup>212</sup> See *id.*

<sup>213</sup> 47 CFR § 54.407(c).

<sup>214</sup> *Id.*

usage requirement by offering plans with sham billing arrangements structured to appear compliant with section 54.407(c), but that are not.<sup>215</sup> To prevent these attempts to evade usage requirements and to minimize waste, fraud, and abuse in the program, we propose that the Commission amend its rules to require usage tracking and non-usage de-enrollment for all Lifeline service plans regardless of whether a monthly fee is assessed and collected. We anticipate that this action would further encourage ETCs to stop offering existing plans structured to circumvent our usage rule from the market, eliminate future attempts to create novel, but ultimately non-compliant billing arrangements, and require more transparency and accountability from those ETCs that use plans currently meeting the “assess and collect” standard.

89. Section 54.407(c) of the Commission’s rules requires ETCs that do not “assess and collect a monthly fee from [their] subscribers” to de-enroll subscribers that have not used their Lifeline service within the last 30 days, plus a 15-day cure period.<sup>216</sup> Lifeline subscribers are deemed to have “used” their service if they have completed an outbound call; used data; purchased minutes or data from their participating provider; answered an incoming call from anyone who is not their provider or provider’s representative; responded to direct contact from their provider confirming intent to receive Lifeline service; or sent a text message.<sup>217</sup> Providers are responsible for tracking subscriber usage and retaining appropriate usage documentation to demonstrate compliance with the usage requirements.<sup>218</sup> ETCs that do assess and collect monthly fees from their subscribers are not currently required to track usage or de-enroll their subscribers for non-usage.<sup>219</sup>

90. The Commission established this Lifeline usage rule in the *2012 Lifeline Report and Order*.<sup>220</sup> The purpose of the rule was to “reduce waste and inefficiencies in the Lifeline program by eliminating support for subscribers who are not using the service and reducing any incentives ETCs may have to continue to report line counts for subscribers that have discontinued their service.”<sup>221</sup> The Commission stated that the usage rule applies only to “services for which subscribers do not receive monthly bills and do not have any regular billing relationship with the ETC” and thus “do not have regular contact with the ETC that would provide a reasonable opportunity to ascertain a continued desire to continue to receive Lifeline benefits.”<sup>222</sup> The Commission in its *2016 Lifeline Report and Order* “emphasize[d] that only if a carrier bills on a monthly basis and collects or makes a good faith effort to collect any money owned within a reasonable amount of time will the carrier not be subject to the non-usage requirements.”<sup>223</sup> The Commission in 2012 declined to extend the usage rule to plans that meet the rule’s assess and collect standard, stating that plans subject to monthly assessment and collection “do not present the same risk of inactivity as subscribers of pre-paid services” because there is financial incentive for the consumer not to continue subscribing to Lifeline service it does not use or intend to use.<sup>224</sup>

91. As mentioned, some Lifeline providers offered paid plans that appear structured to conceal the fact they lacked a regular billing relationship between ETC and subscriber and monthly

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<sup>215</sup> See *Wireline Competition Bureau Reminds Eligible Telecommunications Carriers of Lifeline Requirements*, WC Docket Nos. 09-197, 11-42, Public Notice, 39 FCC Rcd 5689, 5690–91 (WCB 2024) (*Usage Public Notice*).

<sup>216</sup> 47 CFR § 54.407(c).

<sup>217</sup> *Id.* § 54.407(c)(2).

<sup>218</sup> See *2012 Lifeline Report and Order*, 27 FCC Rcd at 6770–71, paras. 261, 263; 47 CFR § 54.417(a).

<sup>219</sup> See *2012 Lifeline Report and Order*, 27 FCC Rcd at 6771, para. 263.

<sup>220</sup> *Id.* at 6767–71, paras. 255–63.

<sup>221</sup> *Id.* at 6769, para. 258.

<sup>222</sup> *Id.* at 6771, para. 263.

<sup>223</sup> *2016 Lifeline Report and Order*, 31 FCC Rcd at 4115, para. 415.

<sup>224</sup> See *2012 Lifeline Report and Order*, 27 FCC Rcd at 6771, para. 263.

assessment and collection. One type of plan required subscribers to pay an upfront annual fee. The ETC would then decrement one-twelfth of this lump sum monthly to provide the appearance of a monthly assessment and collection and avoid the need to comply with usage requirements.<sup>225</sup> Under such plans, subscribers are not regularly billed and collection of a fee occurs annually, with the only monthly accounting activity being a funding transfer between the ETC’s own accounts. In a recent response to this activity, the Bureau released a Public Notice in 2024 clarifying that “[i]f an ETC assesses and collects an end-user fee but does not do so on a monthly basis, the usage requirement applies to that subscriber. A one-time fee or a fee collected from the subscriber annually and decremented on a monthly basis does not satisfy the rule’s requirement to assess and collect a monthly fee.”<sup>226</sup>

92. A few other ETCs have begun offering similar consumer payment plans using accounts held by the provider, sometimes known as “digital wallets”.<sup>227</sup> Under these plans, upon enrollment, subscribers are required to deposit funds into a refundable digital wallet account controlled by the ETC rather than the subscriber. As with the lump sum plans, a monthly fee is not being “collect[ed]” from the subscriber, and thus usage tracking and de-enrollment would be required when a subscription is paid using a digital wallet.<sup>228</sup> Monthly collection from these payment plans comes from within the ETC with no further payment interaction from the subscriber.

93. We tentatively conclude that the usage tracking requirements currently codified in section 54.407(c)(1)–(2) should apply to all Lifeline service plans, rather than only those that do not require the assessment and collection of a monthly fee. Despite a rule, implementing order, and follow-on guidance requiring usage tracking and de-enrollment on plans for which ETC and subscriber do not have a regular billing relationship that includes the ETC both assessing and collecting a fee from the subscriber on a monthly basis, some ETCs remain non-compliant and have even adopted more complex plans that purport to, but do not actually, satisfy our billing standard. This effort seems to be in furtherance of avoiding the Lifeline program requirement to track usage and de-enroll for non-usage. We believe that applying a blanket standard is necessary to ensure program integrity and will discourage ETCs from creating new plans that attempt to evade usage requirements, the terms of which may be inscrutable to consumers. Requiring ETCs to preserve usage data in all circumstances will provide transparency into Lifeline subscriber usage overall and enhance the ability of the Commission and USAC to recover for non-usage. In addition, even with plans where a monthly fee is assessed and collected, a basic showing of usage will ensure that scarce USF dollars are going where they are truly needed. We seek comment on this tentative conclusion.

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<sup>225</sup> See Lifeline and Linkup Reform and Modernization, Petition for Limited Waiver of Smith Bagley, Inc., WC Docket 11-42, at 3, (Sept. 11, 2024), <https://www.fcc.gov/ecfs/document/10911159142381/1> (SBi Petition); Assurance Wireless, *Frequently Asked Questions* (archived July 5, 2023), at Wayback Machine, <https://web.archive.org/web/20230705103326/https://www.assurancewireless.com/help-center/faqs>.

<sup>226</sup> See *Usage Public Notice*, 39 FCC Rcd at 5690-91.

<sup>227</sup> See Excess Telecom, *California Lifeline Consents & Disclosures*, <https://www.excesstelecom.com/updates/california-lifeline-confirmation> (last visited Jan. 27, 2026) (“To keep my Lifeline Standard, Lifeline Standard - California or Lifeline Standard Tribal plan account active, I must use the service at least once during any 30-day period . . . . This usage requirement for subscribers enrolled in the Lifeline Advantage, Lifeline Advantage – California (pending CPUC approval) or Lifeline Advantage Tribal plans (pending CPUC approval in California) is met by the monthly service fee paid by these subscribers.”); Excess Telecom, *Frequently Asked Questions*, <https://www.excesstelecom.com/resources/faq> (last visited Jan. 27, 2026) (“Excess Telecom is a distributor that helps you sign up for Lifeline benefits. Your Lifeline service, benefit, and account are provided and managed by IM Telecom.”); SafetyNet Wireless, *Terms and Conditions*, <https://www.safetynetwireless.com/terms/> (last visited Jan. 27, 2026) (requiring subscribers to “acknowledge and agree that” SafetyNet’s digital wallet plan “establishes an assess-and-collect relationship under 47 CFR § 54.407(c) that exempts you from the 30-day non-usage de-enrollment requirements that would otherwise apply to Lifeline services”).

<sup>228</sup> 47 CFR § 54.407(c).

94. We seek comment on any alternative method of ensuring that ETCs properly comply with the Commission’s usage requirements and any other ways to further the underlying policy goal of preventing disbursement of USF support to Lifeline services that go unused? Would requiring ETCs to seek Commission approval of each new service plan, including billing and collection processes, before they can offer it to Lifeline subscribers prevent usage rule non-compliance? Would there be any burdens or barriers that the Commission and USAC would encounter in administering these types of approvals? What would the scope of such review be? Would it implicate privacy or confidential business practice considerations? How much would it delay new offerings from coming to market? Would it inhibit novel, compliant offerings?

95. The Commission also tentatively concludes that applying the usage rule to all Lifeline plans would reduce inactivity, and help to curtail waste of limited USF dollars. In the *2012 Lifeline Report and Order*, the Commission stated that due to the lessened risk of inactivity regularly billed plans pose, applying usage tracking to them would not be worth the corresponding administrative burdens, though it recognized that this policy may result in the Lifeline program subsidizing some service plans that are not being used.<sup>229</sup> We now wish to reexamine this calculus. We are currently engaging with stakeholders on our wide-ranging *Delete, Delete, Delete* proceeding, which aims to overhaul Commission rules to spur communications investment, expansion, and innovation.<sup>230</sup> The Public Notice launching the proceeding explains that the Commission has ““a correlative duty to evaluate its policies over time to ascertain whether they work—that is, whether they actually produce the benefits the Commission originally predicted they would.””<sup>231</sup> Has applying the usage rule only to plans that do not require the assessment and collection of a monthly fee adequately eliminated waste in the Lifeline program? Should subscribers be permitted to receive monthly Lifeline support if they do not use their service just because they pay for a portion of it? How prevalent are these situations? What benefits, if any, do subscribers of subsidized, infrequently used or unused service see? How does subsidizing infrequently used or unused service benefit American society? How could funds that currently support underutilized service be better spent? How burdensome would requiring usage tracking and de-enrollment for non-usage on all Lifeline plans be on USAC, the Commission, and providers? Would requiring usage tracking and non-usage de-enrollment for all plans result in fewer new ETC designation requests or increase ETC designation relinquishment? How would extending the usage rule to all Lifeline plans affect service offerings or participation in Lifeline? Would more providers offer free-to-the-subscriber service if they were required to monitor usage for all plans? One commenter in the *Delete, Delete, Delete* proceeding advocated for the elimination of the usage rule on the ground of consumer choice because it requires low-income consumers to “face the difficult choice” between no-cost services subject to usage requirements and services not subject to usage requirements that require payment to the ETC.<sup>232</sup> Does our proposal eliminate these concerns?

96. The Commission requires all Lifeline providers to comply with the usage rules by certifying their adherence to the usage requirements, under penalty of perjury, when submitting claims.<sup>233</sup> We seek comment on whether, in addition to certification requirements, the Commission should require

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<sup>229</sup> See *2012 Lifeline Report and Order*, 27 FCC Rcd at 6771, para. 263.

<sup>230</sup> See *Delete, Delete, Delete*, GN Docket No. 25-133, Public Notice, 40 FCC Rcd 1601 (2025) (*Delete, Delete, Delete Public Notice*).

<sup>231</sup> *Delete, Delete, Delete Public Notice*, 40 FCC Rcd at 1603 (quoting *Bechtel v. FCC*, 957 F.2d 873, 881 (D.C. Cir. 1992)).

<sup>232</sup> Comments of the National Lifeline Association, GN Docket No. 25-133 et al., at 18 (rec. Apr. 14, 2025), <https://www.fcc.gov/ecfs/document/10411071685351/1> (NaLA Comments).

<sup>233</sup> See 47 CFR § 54.407(d).

providers to demonstrate usage of supported service along with reimbursement claims.<sup>234</sup> What are the benefits and burdens associated with this approach? Should each individual claim include proof of usage or would a sample be sufficient? What are different ways for providers to demonstrate subscriber usage consistent with the rules? What sort of proof should we require if we adopt this approach? Would requiring the submission of proof of usage further protect program integrity and help ensure that providers are tracking and monitoring usage by subscribers? Is it practicable for the Commission to rely on usage data submitted as part of the claims to help inform or set the minimum service standards for the program each year? Should providers be required to identify how they monitor compliance with program usage rules? Should providers be required to identify any third-parties that provide information related to their compliance with program usage rules? We seek comment on the privacy concerns associated with requiring submission of detailed usage data along with claim submission. What specific data would be necessary to collect, and how could any submission process be designed to address and mitigate privacy concerns? Are there other methods of ensuring usage the Commission could employ to ensure that limited USF resources are going toward service that is being used by subscribers? What capabilities does the Commission have to enforce compliance?

97. Commission rules require that providers retain documentation that demonstrates compliance with program requirements.<sup>235</sup> We seek comment on whether these rules should be modified to identify the methods of tracking usage and the documentation that providers must maintain to comply with our usage rules. While the definitions as to what constitutes usage are simple and uniform, providers use many formats. Can carriers provide recommendations for best-practice processes for usage reporting that should be recommended for mobile broadband providers? Fixed service? For example, should we require providers to maintain original call detail records for calls, text, and data, which are logs that contain records of many events that qualify as usage activity. What are the benefits and burdens associated with such an approach? What other documents could providers retain to prove compliance with our usage rules? Would defining it as a “formatted collection of information about a chargeable event for use in billing and accounting”<sup>236</sup> be appropriate? What alternative forms of proof should we consider? What records demonstrate the purchase of minutes or data? What records should be sufficient to establish that a subscriber is responding to direct contact from the carrier and confirming that he or she wants to continue receiving Lifeline service? How can the Commission ensure that the records retained are authentic and generated through the subscriber’s bona fide activity, and not through automatic data usage by an application?

98. We tentatively conclude that providers should not track usage through a Commission, USAC, or provider-sponsored phone application due to privacy and practical download concerns. Should the Commission put specifications or restrictions on how the provider collects usage data of Lifeline participants? Should the Commission require the ETCs to submit any usage data to the Commission? And if so, what data would be collected? How could the Commission design such a data collection so that it adhered to the Electronic Communications Privacy Act of 1996? Who would have access to this data? Would location data be collected? Would it collect any communications content, media consumption information, or browsing history? How would the data be protected from unauthorized

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<sup>234</sup> FCC Office of the Inspector General, FCC’s Top Management and Performance Challenges for FY 2026 (Dec. 10, 2025),

<https://www.fcc.gov/sites/default/files/FCC%26%23039%3Bs%20Top%20Management%20and%20Performance%20Challenges%20for%20FY%202026.pdf>.

<sup>235</sup> See 47 CFR § 54.417.

<sup>236</sup> See *Pac. Networks Corp. & Comnet (Usa) LLC*, GN Docket No. 20-111, Order on Revocation and Termination, 37 FCC Rcd 4220, 4292-93, para. 82 and n.456 (Mar. 23, 2022) (discussing definition of Charging Data Record); 3rd Generation Partnership Project (3GPP), *3rd Generation Partnership Project; Technical Specification Group Services and System Aspects; Telecommunication management; Charging management; Charging Data Record (CDR) parameter description* (Release 16) (3GPP TS 32.298 V16.8.0) at 23 (Mar. 2021), <https://www.3gpp.org/ftp/Specs/archive/32series/32.298/32298-g80.zip> (3GPP - Charging Data Record).

access and use? What notice would subscribers be provided about the collection and use of their usage data? How could the Commission ensure that the monitoring activity of the app itself would not register as qualifying use? How can ETCs ensure that existing subscribers with currently in use devices download the app? We tentatively conclude that the Commission should continue to collect certification information about usage data, but we invite comment on this proposal.

99. What corresponding changes, if any, to the usage rules should the Commission make if it applies usage tracking and non-usage de-enrollment to all Lifeline plans? Should the 30-day usage period or 15-day cure period be extended? Would a 30-day opportunity to cure make sense, given the typical length of billing cycles? How long would ETCs need to come into compliance with our proposed change requiring usage tracking on all service plans, regardless of whether a monthly fee is assessed and collected?

100. What changes should be made to the current activation standard? Should the Commission modify or eliminate the Lifeline service activation requirement in section 54.407(c)(1)? Is the current definition of the Lifeline service activation requirement as “whatever means specified by the carrier” so vague as to undermine its ability to combat the waste of claiming service inaccessible or unused by the subscriber?<sup>237</sup> Is the purpose of the Lifeline service activation requirement largely duplicative to the requirement in section 54.401(a) that Lifeline must be a service that “provides qualifying low-income consumers with voice telephony service or broadband internet access?”<sup>238</sup> Should the activation requirement be changed to “An eligible telecommunications carrier shall not receive universal service support for a subscriber to such Lifeline service until the subscriber can demonstrate, through action that they undertake, that they have been provided with voice telephony service or broadband internet access through completion of an outbound call, sending a text message or usage of date.”? Is there a better approach for establishing activation?

### 3. ETC Agreements With Non-ETCs

101. We next seek comment on whether additional rules or enforcement mechanisms are necessary to ensure that the Lifeline program provides reimbursements only to ETCs that “directly” serve their Lifeline program subscribers. Under section 254(e) of the Act, only carriers designated as ETCs may receive reimbursement for providing Lifeline service.<sup>239</sup> The Commission’s rules specify that reimbursement is only made available to an ETC for the “number of actual qualifying low-income customers . . . that the eligible telecommunications carrier serves *directly* as of the first of the month.”<sup>240</sup> Under the Lifeline rules, direct service is defined as “the provision of service *directly* to the qualifying low-income consumer,”<sup>241</sup> and Lifeline service is a “non-transferable retail service offering provided *directly* to qualifying low-income consumers.”<sup>242</sup>

102. Recently, the Commission has been made aware of certain situations where ETCs have entered into agreements with non-ETCs whereby the ETC allows the non-ETC to offer Lifeline service using the ETC’s name. The ETC obtains reimbursement from the Commission for the customers that the non-ETC reports to the ETC, and ultimately the ETC transfers the majority of the reimbursement to the non-ETC. In these situations, the ETC is receiving reimbursement despite not directly providing service to the customer, and the non-ETC is providing Lifeline service despite not being an approved Lifeline ETC. The Commission is aware of several such cases occurring as the ACP ended. Should ETCs be

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<sup>237</sup> 47 CFR §54.407(c)(1).

<sup>238</sup> 47 CFR §54.401(a).

<sup>239</sup> 47 U.S.C. § 254(e).

<sup>240</sup> 47 CFR § 54.407(a) (emphasis added).

<sup>241</sup> *Id.* § 54.400(k) (emphasis added).

<sup>242</sup> *Id.* § 54.401(a) (emphasis added).

required to notify the Commission in advance of entering into agreements with third-parties to market Lifeline services?

103. Such arrangements are distinguishable from permissible marketing agreements that an ETC may enter into to bring in more customers than the ETC directly serves, or other arrangements to provide services to ETCs such as customer call centers and collection agents. As noted in the *2019 Lifeline Report and Order*, ETCs have entered into marketing agreements with enrollment representatives or sales agents to help ETCs market to and enroll consumers. While there are no prohibitions against ETCs using enrollment representatives, the Commission has placed certain restrictions on such activity, including the establishment of the Representative Accountability Database and prohibitions against commissions, to protect against waste, fraud, and abuse.<sup>243</sup>

104. We also seek comment on whether we should broaden the definition of “enrollment representative” for Lifeline as we did with ACP or go further to address any agents of an ETC, and whether we should place additional restrictions on such agents and non-ETCs in their Lifeline related activities and compensation. We seek comment on whether we should adopt any additional rules or other mechanisms to address arrangements in which an ETC receives reimbursement for service it does not directly provide and passes on some of the money to non-ETCs who are impermissibly providing Lifeline service. Currently, if an ETC is found to have violated an applicable Commission rule or order, then the ETC may be subject to recovery of funds and penalties authorized by the Communications Act, including, but not limited to monetary forfeitures.<sup>244</sup> Typically, investigation and sanctions efforts are undertaken by the Enforcement Bureau. Additionally, such individuals may be subject to investigation by FCC OIG and further sanctions from state regulatory entities and the U.S. Department of Justice.<sup>245</sup> And when the violations implicate improper Lifeline disbursements, the Commission seeks recovery of associated funds. Recoveries for violations of Lifeline program rules as well as forfeitures, come from ETCs. Is there also a basis for seeking recovery directly from the non-ETC involved in these relationships?

105. Should the Commission track every layer of provider marketing from the enrollment representative to the provider? Should the Commission require that every enrollment representative provide their photo along with their ID? How else can the Commission ensure that the agent information in RAD reflects accurate information? RAD currently only requires an email address to register in RAD. Similarly, how can we ensure that an agent listed in NLAD as being linked to an enrollment or transfer is in fact an individual that is interacting with the enrollee? Should we require the geolocation of the agent at the time of enrollment or transfer or subscribers he or she is ostensibly assisting? How should the Commission penalize providers and their enrollment representatives that submit false or non-bona fide information to USAC’s information systems including the National Verifier, NLAD and RAD? Should we suspend or debar such providers and their enrollment representatives? Should carriers be continued to allowed API access to the Administrator’s databases? Is there an alternative to an API that will continue to allow consumers to enroll while better protecting the program from potential waste, fraud and abuse?

#### **D. Updating Lifeline Rule Text**

106. In this section, we seek comment on whether we should streamline our existing program rules in light of the establishment of the National Verifier and the sunset of the EBB program and ACP.

107. *National Verifier Updates.* We make several proposals to streamline Lifeline program rules to reflect the functionality of the National Verifier. There are portions of our rules that pre-date the establishment of the National Verifier and continue to contemplate Lifeline ETCs completing certain

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<sup>243</sup> See, e.g., *2019 Lifeline Report and Order*, 34 FCC Rcd at 10914–22, paras. 67–86.

<sup>244</sup> See 47 U.S.C. § 503(b) (detailing the Commission’s forfeiture capabilities under the Communications Act).

<sup>245</sup> See 31 U.S.C. § 3729 (outlining the United States’ ability to pursue additional civil actions against individuals that have knowingly made false claims to the government).

activities that USAC, the National Verifier, the NLAD, or state administrators perform.<sup>246</sup> First, the Lifeline rules contemplate that ETCs will contact Lifeline subscribers as part of the annual recertification process and give subscribers 60 days to complete the recertification process.<sup>247</sup> Such outreach now can be done by the National Verifier or state administrators, although providers may voluntarily also encourage their subscribers to respond to recertification efforts.<sup>248</sup> Second, the Lifeline rules currently discuss pathways for eligibility determinations that are no longer available with the full launch of the National Verifier.<sup>249</sup> We seek comment on updating Lifeline program rules to reflect these improved eligibility determination processes now that the National Verifier has fully launched.

108. Third, we propose to revise the rule for de-enrollment under section 54.405(e)(4) given that the National Verifier can notify and de-enroll subscribers who fail to recertify their continued eligibility or fail to submit one-per-household recertifications. Fourth, we propose to update and consolidate section 54.410(b)–(d), (f), (h), and (i), to reflect that the National Verifier and state administrators (rather than ETCs) make the initial determinations of eligibility and annual recertifications,<sup>250</sup> and to update 54.410(d) to reflect the creation of FCC Form 5629, a program application form. Fifth, we propose to edit section 54.417 to reflect that the effective date of the rule was set at February 17, 2016.<sup>251</sup> The Commission seeks comment on whether there are any concerns about updating the language of each of these rules and how to amend that language while avoiding confusion regarding ETCs' continuing compliance obligations.

109. We seek comment on whether and how to change additional portions of the rules to reflect streamlined practices. Would the possible confusion and costs of updating rule identifiers (e.g., eliminating subsection 54.410(h), which addresses the National Verifier transition, and recodifying the following subsection) outweigh the benefits of having the rules more accurately reflect the current state of the program? Are there any technical changes needed to program rules to correct typographical errors?

110. *Deleting EBB and ACP Rules.* As previously noted, the ACP (which succeeded the EBB program) effectively ended June 1, 2024, because funding for the program had been exhausted.<sup>252</sup> As a result, there are no longer subscribers in these programs or a basis to enroll new subscribers. Therefore, we tentatively conclude we should delete the EBB program and ACP rules from the Code of Federal Regulations.<sup>253</sup> This conclusion is consistent with the *Delete, Delete, Delete* proceeding's goal to "review [the FCC's] rules to identify and eliminate those that are unnecessary in light of current circumstances."<sup>254</sup> Our proposal to delete the EBB program and ACP rules is not intended to have any substantive impact on the interpretation and implementation of the rules in the few instances where they serve some on-going

<sup>246</sup> See, e.g., 47 CFR §§ 54.405(e)(4), 54.410.

<sup>247</sup> 47 CFR § 54.405(e)(4).

<sup>248</sup> See USAC, *Recertify*, <https://www.lifelinesupport.org/recertify/> (last visited Jan. 27, 2026).

<sup>249</sup> See 47 CFR § 54.410(b)–(c) (detailing ways in which ETCs can confirm a consumer's eligibility to participate in the Lifeline program before the launch of the National Verifier); *see also* USAC, *Launches*, <https://www.usac.org/lifeline/national-verifier/how-to-use-nv/launches/> (detailing the National Verifier launch schedule that was completed in Dec. 2020) (last visited Jan. 27, 2026).

<sup>250</sup> These and other changes would be subject to further revision, depending on an ultimate determination of whether to continue allowing state opt-out status.

<sup>251</sup> See 47 CFR § 54.417(b)–(c); Federal Communications Commission, Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support, Connect America Fund, 81 Fed. Reg. 7999, 7999 (Feb. 17, 2016).

<sup>252</sup> See Press Release, FCC, *FCC Brings Affordable Connectivity Program To A Close*, (May 31, 2024) <https://docs.fcc.gov/public/attachments/DOC-402930A1.pdf>.

<sup>253</sup> See 47 CFR §§ 54.1600 *et seq.* (EBB Program rules), §§ 54.1800 *et seq.* (ACP rules).

<sup>254</sup> See *Delete, Delete, Delete Public Notice*, 40 FCC Rcd at 1601.

function. Specifically, we intend that providers must continue to retain documentation in accordance with the rules, even after they are deleted.<sup>255</sup> Requiring providers to continue complying with the documentation retention rules in place when the program was still operating does not create a burden on providers because it does not force new requirements upon them. Furthermore, deletion of the rules will not result in unfair surprise, as there will be no new providers, applicants, or subscribers in the programs. To help avoid misunderstandings regarding the continued document retention requirements, we have proposed an amendment to Lifeline section 54.417 to make clear that the EBB program's and ACP's recordkeeping requirements remain in effect even after their deletion. We seek comment on whether there are any concerns with deleting the EBB program and ACP rules in their entirety, including any basis for concluding record retention requirements would be undermined by this deletion or that enforcement or recovery actions related to these programs would be affected. How can we ensure that providers to EBB and ACP continue to be able to make downward revisions for the program if they identify past issues with their filings that resulted in improper claims? Is our proposed amendment to the Lifeline rules sufficient to maintain enforcement of the recordkeeping rules and does the rule's placement in Lifeline create confusion? Are any additional changes to our rules needed to ensure that ACP providers that only held authorizations to participate in ACP and no other Commission licenses needed in order to pursue recovery, enforcement, or other actions for violations those providers may have committed under the ACP? If commenters raise any such concerns, we ask that they include specific legal support for their conclusions, if any, and any recommendations for how to amend the rules without impacting retention requirements, recovery actions, and enforcement. We also seek comment on whether there are any other EBB program or ACP rules beyond document retention that continue to serve a purpose and would be undermined by being deleted.

111. In addition, we seek comment on deleting the portion of section 54.400(s)(3) that allows domestic violence survivors seeking to obtain an emergency Lifeline benefit to prove they are suffering “financial hardship” by using the ACP’s alternative verification process under section 54.1806(a)(2) to verify a member of the survivor’s household received a Federal Pell Grant.<sup>256</sup> We tentatively conclude that this portion of the rule is no longer necessary, because survivors will still be able to show financial hardship through the National Verifier.<sup>257</sup> Moreover, the alternative verification process was a specific approach allowed under the Consolidated Appropriations Act and its unique circumstances amid the COVID-19 pandemic,<sup>258</sup> rather than a process required under the Safe Connections Act, which is the focus of section 54.400(s)(3).<sup>259</sup> We believe it would be unnecessary and administratively burdensome to continue to allow alternative verification processes, or approve new ones, for verifying only one form of eligibility criteria (i.e., Federal Pell Grants) for only a narrow sub-category of a low-income benefit program (i.e., survivor Lifeline emergency support). We believe this is particularly true here, because the

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<sup>255</sup> See, e.g., 47 CFR § 54.1808(e)(12) (requiring retention of documentation associated with reimbursements for a period of at least six years after the last date of delivery of the supported service or connected device); *id.* § 54.1811 (requiring retention of records documenting compliance with Commission requirements for six years).

<sup>256</sup> See 47 CFR §§ 54.400(s)(3), 54.1806(a)(2).

<sup>257</sup> See 47 CFR § 54.400(s)(3). Regarding the alternative verification process, the Commission has also previously raised concerns about “the increased risk of waste, fraud, and abuse inherent in not using the National Verifier.” *ACP Report and Order*, 37 FCC Rcd at 504, para. 41.

<sup>258</sup> See Consolidated Appropriations Act, div. N., tit. IX, § 904(b)(2)(B); *ACP Report and Order*, 37 FCC Rcd at 503, para. 39.

<sup>259</sup> See *SCA Order*, 38 FCC Rcd at 11360, para. 160; Safe Connections Act of 2022, Pub. L. No. 117-223, 116 Stat. 2280.

Lifeline emergency benefit for survivors is time-limited and the eligibility determination for that emergency benefit does not necessarily qualify a subscriber for continued support under Lifeline.<sup>260</sup>

#### IV. PROCEDURAL MATTERS

112. *Ex Parte Rules.* This proceeding shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules.<sup>261</sup> Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memoranda, or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with Rule 1.1206(b), 47 CFR § 1.1206(b). In proceedings governed by rule 1.49(f) or for which the Commission has made available a method of electronic filing, written *ex parte* presentations and memoranda summarizing oral *ex parte* presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (e.g., .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission’s *ex parte* rules.<sup>262</sup>

113. *Comment Filing Procedures.* Pursuant to sections 1.415 and 1.419 of the Commission’s rules, 47 CFR §§ 1.415, 1.419, interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. Comments may be filed using the Commission’s Electronic Comment Filing System (ECFS) or by paper.

- *Electronic Filers:* Comments may be filed electronically using the internet by accessing the ECFS: <https://www.fcc.gov/ecfs>.
- *Paper Filers:* Parties who choose to file by paper must file an original and one copy of each filing.
  - Filings can be sent by hand or messenger delivery, by commercial courier, or by the U.S. Postal Service. **All filings must be addressed to the Secretary, Federal Communications Commission.**
  - Hand-delivered or messenger-delivered paper filings for the Commission’s Secretary are accepted between 8:00 a.m. and 4:00 p.m. by the FCC’s mailing contractor at 9050 Junction Drive, Annapolis Junction, MD 20701. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.
  - Commercial courier deliveries (any deliveries not by the U.S. Postal Service) must be

<sup>260</sup> See *SCA Order*, 38 FCC Rcd at 11280, 11360–61, 11367–68, paras. 160, 174–76 (limiting emergency support to six months per line separation and noting survivors who transition to Lifeline must meet Lifeline’s differing eligibility requirements); 47 CFR §§ 54.410(i), 54.424.

<sup>261</sup> 47 CFR § 1.1200(a). Although the rules do not generally require *ex parte* presentations to be treated as “permit but disclose” in Notice of Inquiry proceedings, *see* 47 CFR § 1.1204(b)(1), we exercise our discretion in this instance, and find that the public interest is served by making *ex parte* presentations available to the public, in order to encourage a robust record. *See id.* § 1.1200(a).

<sup>262</sup> *Id.* §§ 1.1200–1216.

sent to 9050 Junction Drive, Annapolis Junction, MD 20701.

- Filings sent by U.S. Postal Service First-Class Mail, Priority Mail, and Priority Mail Express must be sent to 45 L Street NE, Washington, DC 20554.

114. *People with Disabilities.* 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](mailto:fcc504@fcc.gov) or call the FCC's Consumer and Governmental Affairs Bureau at (202) 418-0530 (voice).

115. *Regulatory Flexibility Act.* The Regulatory Flexibility Act of 1980, as amended (RFA),<sup>263</sup> requires that an agency prepare a regulatory flexibility analysis for notice-and-comment rulemaking proceedings, unless the agency certifies that “the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities.”<sup>264</sup> Accordingly, the Commission has prepared an Initial Regulatory Flexibility Analysis (IRFA) concerning potential rule and policy changes contained in this NPRM. The IRFA is set forth in Appendix B. The Commission invites the general public, in particular small businesses, to comment on the IRFA. Comments must be filed by the deadlines for comments on the NPRM indicated on the first page of this document and must have a separate and distinct heading designating them as responses to the IRFA.

116. *Paperwork Reduction Act.* This document contains proposed new or modified information collection requirements. The Commission, as part of its continuing effort to reduce paperwork burdens, invites the general public and the Office of Management and Budget (OMB) to comment on the information collection requirements contained in this document, as required by the Paperwork Reduction Act of 1995, Public Law 104-13. In addition, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, *see* 44 U.S.C. § 3506(c)(4), we seek specific comment on how we might further reduce the information collection burden for small business concerns with fewer than 25 employees.

117. *Providing Accountability Through Transparency Act.* Consistent with the Providing Accountability Through Transparency Act, Public Law 118-9, a summary of this document will be available on <https://www.fcc.gov/proposed-rulemakings>.

118. *Further Information.* For additional information on this proceeding, please contact Eric Wu, Telecommunications Access Policy Division, Wireline Competition Bureau at (202) 418-1543 or to [eric.wu@fcc.gov](mailto:eric.wu@fcc.gov).

## V. ORDERING CLAUSES

119. Accordingly, IT IS ORDERED, pursuant to the authority contained in sections 1, 4(i), 4(j), 254, 345, and 403 of the Communications Act of 1934, as amended; 47 U.S.C §§ 151, 154(i), 154(j), 254, 345, and 403; that this Notice of Proposed Rulemaking IS ADOPTED.<sup>265</sup>

120. IT IS FURTHER ORDERED that, pursuant to applicable procedures set forth in sections 1.415 and 1.419 of the Commission's Rules, 47 CFR §§ 1.415, 1.419, interested parties may file comments on this Notice of Proposed Rulemaking on or before 30 days after publication in the Federal Register, and reply comments on or before 60 days after publication in the Federal Register.

121. IT IS FURTHER ORDERED that the Commission's Office of the Secretary SHALL SEND a copy of this Notice of Proposed Rulemaking, including the Initial Regulatory Flexibility Analysis, to the Chief Counsel for the Small Business Administration (SBA) Office of Advocacy.

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<sup>263</sup> 5 U.S.C. §§ 601 *et seq.*, as amended by the Small Business Regulatory Enforcement and Fairness Act (SBREFA), Pub. L. No. 104-121, 110 Stat. 847 (1996).

<sup>264</sup> *Id.* § 605(b).

<sup>265</sup> Pursuant to Executive Order 14215, 90 Fed. Reg. 10447 (Feb. 20, 2025), this regulatory action has been determined to be [significant/not significant] under Executive Order 12866, 58 Fed. Reg. 68708 (Dec. 28, 1993).

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch  
Secretary

**APPENDIX A****[Proposed Rules]**

For the reasons discussed in this document, the Federal Communications Commission proposes to amend 47 CFR part 54 as follows:

**PART 54 – UNIVERSAL SERVICE**

1. The authority citation for part 54 continues to read as follows:

**Authority:** 47 U.S.C. 151, 154(i), 155, 201, 205, 214, 219, 220, 229, 254, 303(r), 403, 1004, 1302, 1601-1609, and 1752, unless otherwise noted.

**Subpart D – Universal Service Support for Low-Income Consumers**

2. Amend § 54.400 by revising paragraph (s)(3) to read as follows:

§ 54.400 Lifeline support amount.

\* \* \* \* \*

(s) \* \* \*

(3) At least one member of the household has received a Federal Pell Grant under section 401 of the Higher Education Act of 1965 (20 U.S.C. 1070a) in the current award year, if such award is verifiable through the National Verifier or National Lifeline Accountability Database;

\* \* \* \* \*

3. Amend § 54.403 by revising paragraphs (a)(1) and (2) to read as follows:

§ 54.403 Lifeline support amount.

\* \* \* \* \*

(a) \* \* \*

(1) **Basic support amount.** Federal Lifeline support in the amount of \$9.25 per month will be made available to an eligible telecommunications carrier providing broadband service, subject to the minimum service standards set forth in § 54.408, to a qualifying low-income consumer if that carrier certifies to the Administrator that it will pass through the full amount of support to the qualifying low-income consumer and that it has received any non-federal regulatory approvals necessary to implement the rate reduction.

(2) **Voice-only support amount.** Federal Lifeline support in the amount of \$5.25 per month will be made available to an eligible telecommunications carrier providing standalone voice service, subject to the minimum service standards set forth in § 54.408, or voice service with broadband below the minimum standards set forth in § 54.408, to a qualifying low-income consumer if that carrier certifies to the Administrator that it will pass through the full amount of support to the qualifying low-income consumer and that it has received any non-federal regulatory approvals necessary to implement the rate reduction.

\* \* \* \* \*

4. Amend § 54.404 by revising paragraphs (b)(6) and (c)(4) to read as follows:

**§ 54.404 The National Lifeline Accountability Database.**

\* \* \* \* \*

(b) \* \* \*

(6) Eligible telecommunications carriers must transmit to the Database in a format prescribed by the Administrator each new and existing Lifeline subscriber's full name; full residential address; date of birth and the subscriber's Social Security number or Tribal Identification number, if the subscriber is a member of a Tribal nation and does not have a Social Security number; the telephone number associated with the Lifeline service; the date on which the Lifeline service was initiated; the date on which the Lifeline service was terminated, if it has been terminated; the amount of support being sought for that subscriber; and the means through which the subscriber qualified for Lifeline.

\* \* \* \* \*

(c) \* \* \*

(4) All eligible telecommunications carriers must transmit to the Database in a format prescribed by the Administrator each new and existing Link Up recipient's full name; residential address; date of birth; and the subscriber's Social Security number, or Tribal identification number if the subscriber is a member of a Tribal nation and does not have a Social Security number; the telephone number associated with the Link Up support; and the date of service activation. Where two or more eligible telecommunications carriers transmit the information required by this paragraph to the Database for the same subscriber, only the eligible telecommunications carrier whose information was received and processed by the Database first, as determined by the Administrator, will be entitled to reimbursement from the Fund for that subscriber.

\* \* \* \* \*

5. Amend § 54.405 revising paragraph (e)(4) and by adding paragraph (f) to read as follows:

#### **§ 54.405 Carrier obligation to offer Lifeline**

\* \* \* \* \*

(e) \* \* \*

(4) De-enrollment for failure to re-certify. Notwithstanding paragraph (e)(1) of this section, a Lifeline subscriber who does not respond to attempts to obtain re-certification of the subscriber's continued eligibility as required by § 54.410(f) or who fails to provide the annual one-per-household re-certifications as required by § 54.410(f) must be de-enrolled. Prior to de-enrollment under this paragraph, the subscriber must be notified, using clear, easily understood language, that failure to respond to the re-certification request will trigger de-enrollment. A subscriber must be given 60 days to respond to recertification efforts. If a subscriber does not respond to the notice of impending de-enrollment, the subscriber must be de-enrolled from Lifeline within five business days after the expiration of the subscriber's time to respond to the re-certification efforts.

\* \* \* \* \*

(f) **Secondary consent verification for enrollment and transfers.** An eligible telecommunications carrier shall not seek or receive reimbursement through the Lifeline program for service provided to a subscriber who has not verified their new enrollment request through an affirmative response to a text or email using the contact information furnished during the application process.

\* \* \* \* \*

6. Amend § 54.407 by revising the introductory text of paragraph (c) to read as follows:

#### **§ 54.407 Reimbursement for offering Lifeline.**

\* \* \* \* \*

(c) An eligible telecommunications carrier offering a Lifeline service:

\* \* \* \* \*

7. Amend § 54.408 by revising paragraph (c)(1)(ii)(A) to read as follows:

**§ 54.408 Minimum service standards.**

\* \* \* \* \*

(c) \* \* \*

(1) \* \* \*

\* \* \* \* \*

(ii) \* \* \*

(A) An amount the Wireline Competition Bureau deems appropriate, based on what a substantial majority of American consumers who have limited data plans already subscribe to, after analyzing Urban Rate Survey data and other relevant data; or

\* \* \* \* \*

8. Amend § 54.409 by adding a new paragraph (d) to read as follows:

**§ 54.409 Consumer qualification for Lifeline.**

\* \* \* \* \*

(d) Lifeline program support is a federal public benefit restricted to U.S. citizens and qualified aliens under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 8 U.S.C. § 1611 *et seq.*

\* \* \* \* \*

9. Amend § 54.410 by deleting paragraph (i) and revising paragraphs (a)–(d), (f), and (h) to read as follows:

**§ 54.410 Subscriber eligibility determination and certification.**

(a) All eligible telecommunications carriers must implement policies and procedures for ensuring that their Lifeline subscribers are eligible to receive Lifeline services. Such policies and procedures include, but are not limited to, an eligible telecommunications carrier checking its own electronic systems, whether such systems are maintained by the participating provider or a third party, to confirm that the household is not already receiving another Lifeline benefit from that carrier. ETC and their agents may not provide false information to the National Verifier, NLAD, or RAD. An eligible telecommunications carrier may not provide a consumer with an activated device that it represents enables use of Lifeline-supported service, nor may it activate service that it represents to be Lifeline service, unless and until it has:

\* \* \* \* \*

(b) \* \* \*

(1) The National Verifier, state Lifeline administrator, or other state agency is responsible for the initial determination that a prospective subscriber meets the income-based eligibility criteria provided for in § 54.409(a)(1). An eligible telecommunications carrier:

(i) Must not seek reimbursement for providing Lifeline to a subscriber, unless the carrier has received a certification of eligibility from the National Verifier, state Lifeline administrator, or other state agency that the prospective subscriber complies with the requirements set forth in paragraph (d) of this section and has confirmed the subscriber's income-based eligibility using the following

procedures:

- (A) If the National Verifier, state Lifeline administrator, or other state agency can determine a prospective subscriber's income-based eligibility by accessing one or more databases containing information regarding the subscriber's income ("income databases"), the National Verifier, state Lifeline administrator, or other state agency must access such income databases and determine whether the prospective subscriber qualifies for Lifeline.
- (B) If the National Verifier, state Lifeline administrator, or other state agency cannot determine a prospective subscriber's income-based eligibility by accessing income databases, the National Verifier, state Lifeline administrator, or other state agency must review documentation that establishes that the prospective subscriber meets the income-eligibility criteria set forth in § 54.409(a)(1). Acceptable documentation of income eligibility includes the prior year's state, federal, or Tribal tax return; current income statement from an employer or paycheck stub; a Social Security statement of benefits; a Veterans Administration statement of benefits; a retirement/pension statement of benefits; an Unemployment/Workers' Compensation statement of benefit; federal or Tribal notice letter of participation in General Assistance; or a divorce decree, child support award, or other official document containing income information. If the prospective subscriber presents documentation of income that does not cover a full year, such as current pay stubs, the prospective subscriber must present the same type of documentation covering three consecutive months within the previous twelve months.

(ii) Must securely retain copies of documentation, consistent with § 54.417, demonstrating the eligible telecommunications carrier received notice that the National Verifier, state Lifeline administrator, or other state agency determined a prospective subscriber's income-based eligibility for Lifeline meet the income eligibility criteria set forth in § 54.409(a)(1).

(c) \* \* \*

- (1) The National Verifier, state Lifeline administrator, or other state agency is responsible for the initial determination that a prospective subscriber meets the program-based criteria set forth in § 54.409(a)(2) or (b). An eligible telecommunications carrier:
  - (i) Must not seek reimbursement for providing Lifeline to a subscriber unless the carrier has received a certification of eligibility from the National Verifier, state Lifeline administrator, or other state agency that the prospective subscriber complies with the requirements set forth in paragraph (d) of this section and has confirmed the subscriber's program-based eligibility using the following procedures:
    - (A) If the National Verifier, state Lifeline administrator, or other state agency can determine a prospective subscriber's program-based eligibility for Lifeline by accessing one or more databases containing information regarding enrollment in qualifying assistance programs ("eligibility databases"), the National Verifier, state Lifeline administrator, or other state agency must access such eligibility databases to determine whether the prospective subscriber qualifies for Lifeline based on participation in a qualifying assistance program; or
    - (B) If the National Verifier, state Lifeline administrator, or other state agency cannot determine a prospective subscriber's program-based eligibility for Lifeline by accessing eligibility databases, the National Verifier, state Lifeline administrator, or other state agency must review documentation demonstrating that a prospective subscriber qualifies for Lifeline under the program-based eligibility requirements. Acceptable documentation of program eligibility includes the current or prior year's statement of benefits from a qualifying assistance program, a notice or letter of participation in a qualifying assistance program, program participation documents, or another official document demonstrating that the prospective subscriber, one or more of the prospective subscriber's dependents or the prospective subscriber's household receives benefits from a qualifying assistance program.

- (ii) Must securely retain copies of the documentation, consistent with § 54.417, demonstrating the eligible telecommunications carrier received notice that the National Verifier, state Lifeline administrator, or other state agency determined a subscriber's program-based eligibility for Lifeline.
- (d) Eligibility certification form. Eligible telecommunications carriers and state Lifeline administrators or other state agencies must provide prospective subscribers the Federal eligibility certification form.

(1) \* \* \*

\* \* \* \* \*

(f) \* \* \*

- (1) The National Verifier, the state Lifeline administrator, or other state agency must annually re-certify all subscribers.
- (2) In order to re-certify a subscriber's eligibility, the National Verifier, the state Lifeline administrator, or other state agency must confirm a subscriber's current eligibility to receive Lifeline by:

(i) \* \* \*

\* \* \* \* \*

(iii) If the subscriber's program-based or income-based eligibility for Lifeline cannot be determined by accessing one or more eligibility databases, then the subscriber must provide a signed certification confirming the subscriber's continued eligibility. If the subscriber's eligibility was previously confirmed through an eligibility database during enrollment or a prior recertification and the subscriber is no longer included in any eligibility database, the subscriber must provide both an Annual Recertification Form and documentation meeting the requirements of paragraph (b)(1)(i)(B) or (c)(1)(i)(B) to complete the process. The subscriber must use the Wireline Competition Bureau-approved universal Annual Recertification Form, except where state law, state regulation, a state Lifeline administrator, or a state agency requires eligible telecommunications carriers to use state-specific Lifeline recertification forms.

(3) The National Verifier, state Lifeline administrator, or other state agency must provide to each eligible telecommunications carrier the results of its annual re-certification efforts with respect to that eligible telecommunications carrier's subscribers.

(4) If an eligible telecommunications carrier has been notified by the National Verifier, a state Lifeline administrator, or other state agency that it is unable to re-certify a subscriber, the eligible telecommunications carrier must comply with the de-enrollment requirements provided for in § 54.405(e)(4).

\* \* \* \* \*

(h) Survivors of domestic violence. All survivors seeking to receive emergency communications support from the Lifeline program must have their eligibility to participate in the program confirmed through the National Verifier. The National Verifier will also transition survivors approaching the end of their six-month emergency support period in a manner consistent with the requirements at paragraph (f) of this section, and the National Verifier will de-enroll survivors whose continued eligibility to participate in the Lifeline program cannot be confirmed, consistent with § 54.405(e)(6).

\* \* \* \* \*

10. Amend § 54.417 by adding paragraphs (b) and (c) to read as follows:

#### **§ 54.417 Recordkeeping requirements.**

\* \* \* \* \*

(b) If an eligible telecommunications carrier provides Lifeline discounted wholesale services to a reseller, it must obtain a certification from that reseller that it is complying with all Commission requirements governing the Lifeline and Tribal Link Up program. The eligible telecommunications carrier must retain the reseller certification for the three full preceding calendar years and provide that documentation to the Commission or Administrator upon request.

(c) Upon deletion of the rules in subpart P and subpart R of this part, all those subparts' requirements regarding recordkeeping and providing records to the Commission or Administrator upon request will remain in force as they existed prior to the deletion of those rules. The deletion of the rules in subpart P and subpart R of this part will also have no impact on the ability of the Commission or the Administrator to engage in enforcement, recovery, or other actions for violations of the rules as they existed prior to the deletion of those rules.

\* \* \* \* \*

**Subpart P – [Removed and Reserved]**

11. Remove and reserve subpart P, consisting of 54.1600 through 54.1612.

**§§ 54.1600 through 54.1612 [Removed and Reserved]**

\* \* \* \* \*

**Subpart R – [Removed and Reserved]**

12. Remove and reserve subpart R, consisting of 54.1800 through 54.1814.

**§§ 54.1800 through 54.1814 [Removed and Reserved]**

\* \* \* \* \*

## APPENDIX B

### Initial Regulatory Flexibility Analysis

1. As required by the Regulatory Flexibility Act of 1980, as amended (RFA),<sup>1</sup> the Federal Communications Commission (Commission) has prepared this Initial Regulatory Flexibility Analysis (IRFA) of the policies and rules proposed in the *Notice of Proposed Rulemaking (NPRM)* assessing the possible significant economic impact on a substantial number of small entities. The Commission requests written public comments on this IRFA. Comments must be identified as responses to the IRFA and must be filed by the deadlines for comments specified on the first page of the *NPRM*. The Commission will send a copy of the *NPRM*, including this IRFA, to the Chief Counsel for the Small Business Administration (SBA) Office of Advocacy.<sup>2</sup> In addition, the *NPRM* and IRFA (or summaries thereof) will be published in the Federal Register.<sup>3</sup>

#### A. Need for, and Objectives of, the Proposed Rules

2. The Commission is required by section 254 of the Communications Act of 1934, as amended, to promulgate rules to implement the universal service provisions of section 254.<sup>4</sup> The Lifeline program was implemented in 1985 in the wake of the 1984 divestiture of AT&T.<sup>5</sup> On May 8, 1997, the Commission adopted rules to reform its system of universal service support mechanisms so that universal service is preserved and advanced as markets move toward competition.<sup>6</sup> The Lifeline program is administered by the Universal Service Administrative Company (USAC), the Administrator of the universal service support programs, under Commission direction, although many key attributes of the Lifeline program are currently implemented at the state level, including consumer eligibility, eligible telecommunication carrier (ETC) designations, outreach, and verification.<sup>7</sup> Lifeline support is passed on to the subscriber by the ETC, which provides discounts to eligible households and receives reimbursement from the universal service fund (USF or Fund) for the provision of such discounts.<sup>8</sup>

3. In the *NPRM*, we consider ways to promote principled service provider conduct, consumer protection and program integrity enhancements to ensure Lifeline services are actually used to benefit low-income consumers and ways to optimize Lifeline program processes for integrity and efficiency. Refinements to the Lifeline program under consideration include: enhancing verification processes; ensuring Lifeline ETC compliance with all Lifeline program rules; enhancing the enrollment and transfer experience for households; revisiting non-usage rules; improving minimum service standards; ending the voice-only service phase-down; preventing duplicative support; optimizing Lifeline program integrity and efficiency processes; reforming opt-out state requirements; minimizing reporting

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<sup>1</sup> 5 U.S.C. §§ 601 *et seq.*, as amended by the Small Business Regulatory Enforcement and Fairness Act (SBREFA), Pub. L. No. 104-121, 110 Stat. 847 (1996).

<sup>2</sup> *Id.* § 603(a).

<sup>3</sup> *Id.*

<sup>4</sup> See 47 U.S.C. § 254.

<sup>5</sup> See *MTS and WATS Market Structure, and Amendment of Parts 67 & 69 of the Commission's Rules and Establishment of a Joint Board*, Report and Order, 50 Fed. Reg. 939 (Jan. 8, 1985) (*MTS and WATS Market Structure Report and Order*).

<sup>6</sup> See *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9006-9008, paras. 431-34 (1997) (*First Universal Service Report and Order*).

<sup>7</sup> 47 CFR § 54.701.

<sup>8</sup> 47 CFR §§ 54.401, 54.403, 54.405, 54.407.

burdens for ETCs; streamlining Lifeline rule text; and other updates that may be appropriate to make the current Lifeline program’s rules reflect how the program currently operates.

#### **B. Legal Basis**

4. The proposed action is authorized pursuant to sections 1, 4.(i)4(j), 254, 345, and 403 of the Communications Act of 1934, 47 U.S.C. §§ 151, 154(i), 154,(j) 254, 345, and 403.

#### **C. Description and Estimate of the Number of Small Entities to Which the Proposed Rules Will Apply**

5. The RFA directs agencies to provide a description of and, where feasible, an estimate of the number of small entities that may be affected by the proposed rules, if adopted.<sup>9</sup> The RFA generally defines the term “small entity” as having the same meaning as the terms “small business,” “small organization,” and “small governmental jurisdiction.”<sup>10</sup> In addition, the term “small business” has the same meaning as the term “small business concern” under the Small Business Act.<sup>11</sup> A “small business concern” is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA.<sup>12</sup> The SBA establishes small business size standards that agencies are required to use when promulgating regulations relating to small businesses; agencies may establish alternative size standards for use in such programs, but must consult and obtain approval from SBA before doing so.<sup>13</sup>

6. Our actions, over time, may affect small entities that are not easily categorized at present. We therefore describe three broad groups of small entities that could be directly affected by our actions.<sup>14</sup> In general, a small business is an independent business having fewer than 500 employees.<sup>15</sup> These types of small businesses represent 99.9% of all businesses in the United States, which translates to 34.75 million businesses.<sup>16</sup> Next, “small organizations” are not-for-profit enterprises that are independently owned and operated and not dominant their field.<sup>17</sup> While we do not have data regarding the number of non-profits that meet that criteria, over 99 percent of nonprofits have fewer than 500 employees.<sup>18</sup> Finally, “small governmental jurisdictions” are defined as cities, counties, towns, townships, villages, school districts, or special districts with populations of less than fifty thousand.<sup>19</sup> Based on the 2022 U.S.

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<sup>9</sup> 5 U.S.C. § 603(b)(3).

<sup>10</sup> *Id.* § 601(6).

<sup>11</sup> *Id.* § 601(3) (incorporating by reference the definition of “small-business concern” in the Small Business Act, 15 U.S.C. § 632). Pursuant to 5 U.S.C. § 601(3), the statutory definition of a small business applies “unless an agency, after consultation with the Office of Advocacy of the Small Business Administration and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition(s) in the Federal Register.”

<sup>12</sup> 15 U.S.C. § 632.

<sup>13</sup> 13 CFR § 121.903.

<sup>14</sup> 5 U.S.C. § 601(3)–(6).

<sup>15</sup> See SBA, Office of Advocacy, *Frequently Asked Questions About Small Business* (July 23, 2024), [https://advocacy.sba.gov/wp-content/uploads/2024/12/Frequently-Asked-Questions-About-Small-Business\\_2024-508.pdf](https://advocacy.sba.gov/wp-content/uploads/2024/12/Frequently-Asked-Questions-About-Small-Business_2024-508.pdf).

<sup>16</sup> *Id.*

<sup>17</sup> 5 U.S.C. § 601(4).

<sup>18</sup> See SBA, Office of Advocacy, *Small Business Facts, Spotlight on Nonprofits* (July 2019), <https://advocacy.sba.gov/2019/07/25/small-business-facts-spotlight-on-nonprofits/>.

<sup>19</sup> 5 U.S.C. § 601(5).

Census of Governments data, we estimate that at least 48,724 out of 90,835 local government jurisdictions have a population of less than 50,000.<sup>20</sup>

7. The rules proposed in the *NPRM* will apply to small entities in the industries identified in the chart below by their six-digit North American Industry Classification System (NAICS)<sup>21</sup> codes and corresponding SBA size standard.<sup>22</sup> Based on currently available U.S. Census data regarding the estimated number of small firms in each identified industry, we conclude that the proposed rules will impact a substantial number of small entities. Where available, we also provide additional information regarding the number of potentially affected entities in the industries identified below.

**Table 1. 2022 U.S. Census Bureau Data by NAICS Code**

Regulated Industry (Footnotes specify potentially affected entities within a regulated industry where applicable)	NAICS Code	SBA Size Standard	Total Firms <sup>23</sup>	Total Small Firms <sup>24</sup>	% Small Firms
Wired Telecommunications Carriers <sup>25</sup>	517111	1,500 employees	3,403	3,027	88.95%
Wireless Telecommunications Carriers (except Satellite) <sup>26</sup>	517112	1,500 employees	1,184	1,081	91.30%
Telecommunications Resellers <sup>27</sup>	517121	1,500 employees	955	847	88.69%
Satellite Telecommunications	517410	\$44 million	332	195	58.73%
All Other Telecommunications	517810	\$40 million	1,673	1,007	60.19%

<sup>20</sup> See U.S. Census Bureau, 2022 Census of Governments—Organization, <https://www.census.gov/data/tables/2022/econ/gus/2022-governments.html>, tables 1–11.

<sup>21</sup> The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. See [www.census.gov/NAICS](http://www.census.gov/NAICS) for further details regarding the NAICS codes identified in this chart.

<sup>22</sup> The size standards in this chart are set forth in 13 CFR § 121.201, by six digit North American Industrial Classification System (NAICS) code.

<sup>23</sup> U.S. Census Bureau, "Selected Sectors: Employment Size of Firms for the U.S.: 2022." Economic Census, ECN Core Statistics Economic Census: Establishment and Firm Size Statistics for the U.S., Table EC2200SIZEEMPFIRM, 2025, and "Selected Sectors: Sales, Value of Shipments, or Revenue Size of Firms for the U.S.: 2022." Economic Census, ECN Core Statistics Economic Census: Establishment and Firm Size Statistics for the U.S., Table EC2200SIZEREVFIRM, 2025.

<sup>24</sup> *Id.*

<sup>25</sup> Affected Entities in this industry include Cable System Operators (Telecom Act Standard), Competitive Local Exchange Carriers (CLECs), Interexchange Carriers (IXCs), Local Exchange Carriers (LECs), and Other Toll Carriers.

<sup>26</sup> Affected Entities in this industry include Wireless Broadband Internet Access Service Providers.

<sup>27</sup> Affected Entities in this industry include Local Resellers and Toll Resellers.

**Table 2. Telecommunications Service Provider Data**

<b>2024 Universal Service Monitoring Report Telecommunications Service Provider Data <sup>28</sup> (Data as of December 2023)</b>		<b>SBA Size Standard (1500 Employees)</b>	
<b>Affected Entity</b>	<b>Total # FCC Form 499A Filers</b>	<b>Small Firms</b>	<b>% Small Entities</b>
Competitive Local Exchange Carriers (CLECs) <sup>29</sup>	3,729	3,576	95.90
Interexchange Carriers (IXCs)	113	95	84.07
Local Exchange Carriers (LECs) <sup>30</sup>	4,904	4,493	91.62
Local Resellers	222	217	97.75
Other Toll Carriers	74	71	95.95
Toll Resellers	411	398	96.84
Wired Telecommunications Carriers <sup>31</sup>	4,682	4,276	91.33
Wireless Telecommunications Carriers (except Satellite) <sup>32</sup>	585	498	85.13

<sup>28</sup> Federal-State Joint Board on Universal Service, Universal Service Monitoring Report at 26, Table 1.12 (2024), <https://docs.fcc.gov/public/attachments/DOC-408848A1.pdf>.

<sup>29</sup> Affected Entities in this industry include all reporting local competitive service providers.

<sup>30</sup> Affected Entities in this industry include all reporting fixed local service providers (CLECs & Incumbent Local Exchange Carriers (ILECs)).

<sup>31</sup> Local Resellers fall into another U.S. Census Bureau industry (Telecommunications Resellers) and therefore data for these providers is not included in this industry.

<sup>32</sup> Affected Entities in this industry include all reporting wireless carriers and service providers.

**Table 3. Cable Entities Data**

Cable Entities	Size Standard	Total Firms	Small Firms	% Small Firms in Industry
Cable System Operators (Telecom Act Standard)	Serves fewer than 498,000 subscribers, either directly or through affiliates <sup>33 34</sup>	530 <sup>35</sup>	524 <sup>36</sup>	98.87%
Small Cable Operator				

**D. Description of Economic Impact and Projected Reporting, Recordkeeping, and Other Compliance Requirements for Small Entities**

8. The RFA directs agencies to describe the economic impact of proposed rules on small entities, as well as projected reporting, recordkeeping and other compliance requirements, including an estimate of the classes of small entities which will be subject to the requirements and the type of professional skills necessary for preparation of the report or record.<sup>37</sup>

9. The *NPRM* seeks comment on proposed rules that would improve the Lifeline program by promoting principled service provider conduct, implementing consumer protection and program integrity enhancements to ensure Lifeline services are actually used to benefit low-income consumers and optimizing Lifeline program processes for integrity and efficiency. Small entities that voluntarily choose to participate in the Lifeline program, may face costs associated with new or modified recordkeeping, reporting, and other compliance obligations. Small entities may need to hire professionals to comply with the requirements that may be adopted as a result of the proposals and matters discussed in the *NPRM*. Compliance costs may include requirements associated with consent collection, de-enrollment, consumer eligibility evaluation, as well as technical and programmatic costs to adjust internal Lifeline databases and compliances practices for covered providers. For example, in the *NPRM* we inquire about whether the Commission should require service providers to obtain an affirmative response to a text or email to verify consumers' new enrollment and transfer requests and submit this evidence of consumer consent for each transfer transaction to the Universal Service Administrative Company and whether we should require service providers to enter the date and time in the National Lifeline Accountability Database (NLAD) that households provided their enrollment or transfer consent. As another example, we also inquire about whether to modify the Commission's rules to identify the methods of tracking usage and the documentation that providers must maintain to comply with our non-usage rules.

10. In assessing the cost of compliance for small entities, at this time the Commission cannot quantify the cost of compliance with the potential rule changes that may be adopted. In accordance with

<sup>33</sup> Pursuant to 47 U.S.C. § 543(m)(2) of the Communications Act of 1934, as amended, the size standard for a “small cable operator,” is a cable operator that, directly or through an affiliate, serves in the aggregate fewer than 1% of all U.S. subscribers and has no affiliation with entities with gross annual aggregate revenues exceed \$250,000,000.

<sup>34</sup> *FCC Announces Updated Subscriber Threshold for the Definition of Small Cable Operator*, Public Notice, DA 23-906 (MB 2023) (2023 Subscriber Threshold PN). In the Public Notice, the Commission determined that there were approximately 49.8 million cable subscribers in the United States at that time using the most reliable source publicly available. This threshold will remain in effect until the Commission issues a superseding Public Notice. See 47 CFR § 76.901(e)(1).

<sup>35</sup> Based on Commission staff review of S&P Global Market Intelligence, S&P Capital IQ Pro, U.S., *Broadband & Video Subscribers by Geography Q3-2025*(June 2025) data (last visited Sept. 15, 2025).

<sup>36</sup> *Id.*

<sup>37</sup> 5 U.S.C. § 603(b)(4).

our requests for comments in the *NPRM*, small entities are encouraged to provide specific information pertaining to the costs, benefits, and impacts of any potential reporting, recordkeeping, or compliance requirements we discuss. We expect the comments we receive to include information on the costs and benefits, and other pertinent matters that should help us identify and evaluate relevant issues for small entities, including compliance costs and other burdens (as well as countervailing benefits), so that we may develop final rules that minimize such costs and address such issues to the extent possible.

#### **E. Discussion of Significant Alternatives Considered That Minimize the Significant Economic Impact on Small Entities**

11. The RFA directs agencies to provide a description of any significant alternatives to the proposed rules that would accomplish the stated objectives of applicable statutes, and minimize any significant economic impact on small entities.<sup>38</sup> The discussion is required to include alternatives such as: “(1) the establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance and reporting requirements under the rule for such small entities; (3) the use of performance rather than design standards; and (4) an exemption from coverage of the rule, or any part thereof, for such small entities.”<sup>39</sup>

12. The *NPRM* seeks comment throughout on the burdens of the proposed rules, and any alternatives, on providers, which includes small providers. Additionally, the *NPRM* seeks comment on the ways in which program changes to the Lifeline program might impact both consumers and service providers, which includes small providers, participating in the Lifeline program. Further, the *NPRM* seeks comment on ways to reduce regulatory reporting burdens on ETCs participating in Lifeline, particularly small businesses. Below we discuss these efforts considered in the *NPRM*.

13. In the *NPRM*, the Commission seeks comment on adjusting minimum service standards in the low income communications market. Specifically, the *NPRM* seeks comment on whether small businesses would be disproportionately impacted if minimum service standards were increased and what the impact would be on those small service providers. Further, the Commission seeks comment on ways to reduce reporting burdens on Lifeline ETCs who are small businesses. Annually, ETCs must file FCC Form 481 to report financial and operations data and FCC Form 555 to report recertification results. In the *NPRM*, the Commission seeks comment on the possibility of combining these two forms and other FCC forms or moving the filing deadlines to the same date and whether it would be more or less burdensome for ETCs that are small businesses to file combined forms or to require multiple forms filed on the same date. The Commission also seeks comment on ways to amend or eliminate certain information that is required on these forms or whether to entirely eliminate the use of certain forms.

14. The Commission expects to more fully consider the economic impact and alternatives for small entities following the review of comments filed in response to the *NPRM*, including cost and benefit analyses. Having data on the costs and economic impact of proposals and possible approaches we discuss will allow the Commission to better evaluate options and alternatives to minimize any significant economic impact on small entities that may result from the proposals and approaches, if adopted. The Commission’s evaluation of this information will shape the final alternatives it considers to minimize any significant economic impact that may occur on small entities, the final conclusions it reaches and any final rules it promulgates in this proceeding.

#### **F. Federal Rules that May Duplicate, Overlap, or Conflict with the Proposed Rules**

15. None.

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<sup>38</sup> 5 U.S.C. § 603(c).

<sup>39</sup> *Id.* § 603(c)(1)–(4).