



FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 54

[WC Docket Nos. 11-42, 17-287, 09-197, 21-450, 20-445; FCC No. 26-8; FR ID 338251]

Lifeline and Link Up Reform and Modernization; Bridging the Digital Divide for Low-Income Consumers; Telecommunications Carriers Eligible for Universal Service Support; Affordable Connectivity Program; Emergency Broadband Benefit Program

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

SUMMARY: In this document, the Federal Communications Commission (Commission) seeks to ensure that Lifeline services are used to benefit and support eligible low-income Americans, that the program's funding is protected from waste, fraud, and abuse, and that service providers are in compliance with Commission rules. The Commission also seeks to update and streamline Lifeline and related rules.

DATES: Comments are due on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]** and reply comments are due on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. If you anticipate that you will be submitting comments but find it difficult to do so within the period of time allowed by this document, you should advise the contact listed below as soon as possible.

ADDRESSES: Pursuant to §§ 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 in the DATES section of this document. You may submit comments identified by WC Docket No. 11-42, 17-287, 09-197, 21-450, and 20-445, by any of the following methods:

- **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 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.
- 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 or call the Consumer & Governmental Affairs Bureau at (202) 418-0530 (voice).

For detailed instructions for submitting comments and additional information on the rulemaking process, see the **SUPPLEMENTARY INFORMATION** section of this document.

FOR FURTHER INFORMATION CONTACT: Contact Eric Wu, eric.wu@fcc.gov Wireline Competition Bureau (WCB), 202-418-7400 or TTY: 202-418-0484. Requests for accommodations should be made as soon as possible in order to allow the agency to satisfy such requests whenever possible. Send an email to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at (202) 418-0530.

SUPPLEMENTARY INFORMATION: This is a synopsis of the Commission's Lifeline and Link Up Reform and Modernization et al., Notice of Proposed Rulemaking (NPRM) in WC Docket Nos. 11-41, 17-287, 09-197, 21-450, and 20-445; FCC No. 26-8; adopted February 18, 2026 and released February 23, 2026. The full text of this document is available for public inspection during regular business hours at Commission's headquarters 45 L Street, NE, Washington, DC 20554 or at the following Internet address: <https://docs.fcc.gov/public/attachments/FCC-26-8A1.pdf>.

SYNOPSIS

I. DISCUSSION

In the NPRM, the Commission takes a comprehensive look at the Lifeline program and proposes reforms to enhance program integrity and combat waste, fraud, and abuse. First, the Commission seeks comments on changes to ensure that Lifeline support is used to benefit qualifying low-income Americans consistent with section 254 of the Telecommunications Act of 1996 (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, the Commission seeks comments 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, the Commission seeks comments 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, the Commission seeks comments on changes to the Lifeline rules to streamline them and minimize stakeholder confusion.

Ensuring Lifeline Services Are Used to Benefit Only Qualifying Low-Income Americans Consistent with Section 254 of the Act

The Lifeline program was established to help ensure that low-income Americans are able to receive affordable communications service. In this section, the Commission seeks comments 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. The Commission also seeks comments on additional program integrity improvements concerning duplicative support.

Ensuring Federal Dollars Go to Their Intended Recipients

Today, all Lifeline program applicants must submit the last four digits of their SSNs to participate in the federal Lifeline program. 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. 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.

Consistent with the goal of ensuring taxpayer-funded benefits are provided only to eligible recipients, the Commission seeks comments on several steps to safeguard the Lifeline program. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) is an important safeguard that protects federal funding by limiting support for federal programs to qualified aliens. The Commission tentatively concludes 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 the Commission seeks comments on this tentative conclusion. The Commission notes that the Lifeline benefit already is available only to citizens and qualified aliens, but the Commission seeks comments 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.”

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.” “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. 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. 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.

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 of the United States.” 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.”

The PRWORA does not define the term “Federal means-tested public benefit.” 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.

Applying OLC’s guidance, the Commission tentatively concludes 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. The Commission seeks comments on this assessment.

The Commission tentatively concludes 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.” The PRWORA provides that benefits may include “payments” *or* “assistance.” Thus, it is the Commission’s 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 property owners and federal student assistance paid directly to educational institutions. The Commission seeks comments on what effect, if any, the fact that Lifeline program reimbursements are paid to service providers has on the applicability of the PRWORA.

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?

The Commission also seeks comments on its 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 the Commission applies 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.” The Lifeline program readily satisfies the plain meaning of this definition. Tentatively concluding that the program is a federal public benefit and eligibility plainly is determined based on, among other things, income, resources, and financial need, the Commission seeks comments on this analysis and whether there are other factors to be considered. Are there reasons not to consider OLC’s interpretation of the term “Federal means-tested public benefit” controlling here and, if not, what standard should be applied? 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? 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?

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. The Commission seeks comments on the best way to determine whether five years have passed since a qualified alien’s entry into the United States. 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?

The Commission also seeks comments on whether its 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 public benefit? Similarly, the Commission asks the same question to the extent that it determines 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? 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?

Finally, the Commission seeks comments on other potential changes regarding who should be eligible for Lifeline program support. Should eligibility for the Lifeline program be 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? Are there other standards for Lifeline eligibility that the Commission should consider applying?

The Commission seeks comments on additional measures that can be taken 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.

Enhancing Identity Verification and Lawful Status of Applicants

The Commission seeks comments 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 the Commission takes 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.

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. The Commission seeks comments on whether to 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 the Lifeline program's goals of reducing waste, fraud, and abuse? Is collecting the full SSN necessary for identity verifications? What should be considered 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? For example, should a four digit SSN be collected from all subscribers and a full SSN only be collected if USAC is unable to confirm the applicant's identity with the four digit SSN? 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 impact this potential collection of full SSNs? The Federal Information Security Modernization Act (coupled with the specific requirements of NIST 800-53), the E-Government Act of 2002, 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?

The Commission also seeks comments from Lifeline providers on compliance with this potential collection and enhanced security measures needed to safeguard consumer data. How much time should be provided 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 the Commission impose on carriers or others collecting full SSNs to ensure SSNs are appropriately protected? In addition, the Commission seeks comments 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 the Commission should consider before also applying the full SSN requirement, as described, to individuals applying for Tribal Link Up or Lifeline emergency support for survivors of domestic violence? How are these potential concerns weighed against the potential benefits to program integrity and safeguarding public funds?

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, the Commission proposes requiring USAC to use the SAVE program 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 seeks comment on this approach.

The Commission also seeks comments 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 available federal government resources. How does the accuracy of identity verifications under federal government resources compare to identity verifications using commercial databases? The Commission seeks comments on the cost-effectiveness of these resources and whether benefits of using them outweigh the potential costs to USF. How would administrative costs to implement these programs compare with costs to use commercial services?

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?

Consumer Choice During Enrollment and Transfer

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

Consent requirements. The Commission proposes to require secondary verification of a consumer's consent to enroll in the Lifeline program or transfer to a new service provider and seeks 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. 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. For example, prospective subscribers must certify that they meet the income-based or program-based eligibility criteria for receiving Lifeline, that the subscriber will notify the carrier if for any reason he or she no longer satisfies the criteria for receiving Lifeline, and the subscriber acknowledges that providing false or fraudulent information to receive Lifeline benefits is punishable by law.

The Commission proposes 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. Current procedures for benefit transfers require providers to obtain a new, completed application form; review proof of eligibility; and send the subscriber either a paper or electronic consent request. 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. 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. 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.

The Commission seeks comments 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?

The Commission also seeks comments 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? How would a secondary verification requirement impact subscribers who do not yet have a device or stable connection to respond to verification texts or emails? Should such applicants be permitted to provide a secondary verification after their service has been activated?

As to *initial* consent to enroll or transfer, the Commission seeks comments 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. 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. For example, prospective subscribers must certify that they meet the income-based or program-based eligibility criteria for receiving Lifeline, that the subscriber will notify the carrier if for any reason he or she no longer satisfies the criteria for receiving Lifeline, and the subscriber acknowledges that providing

false or fraudulent information to receive Lifeline benefits is punishable by law. 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?

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, the Commission seeks comments on whether to implement requirements that providers input a consent timestamp in the NLAD when enrolling or transferring a subscriber. Would this enhancement prevent improper consumer transfers by ensuring the most recent consent from the consumer was properly documented? The Commission also seeks comments on best practices for encouraging providers to properly notify consumers of their privacy policies and on how best to handle personal information.

National Verifier eligibility verification expiration. Currently, an applicant that is qualified as eligible by the National Verifier will have 90 days from when they are qualified to enroll with an ETC. The Commission seeks comments on whether to shorten the period for which the qualified eligibility result can be used to enroll with an ETC. Will shortening the period from 90 days help to guard against waste, fraud, and abuse? Are 30 days or 60 days from a qualified result sufficient time for an applicant to enroll with an ETC?

Transfer Prohibitions. The Commission seeks comments 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. 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. 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.

In the event additional restrictions on transfers are warranted, the Commission seeks comments on applying the one transfer per calendar month limitation adopted for the ACP to the Lifeline program. Should the limitation be modified, and if so, what modifications should be made? 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 to be considered? 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? The Commission seeks comments on whether transfer-related rules should be applied differently to fixed providers versus mobile providers, and if so, how.

Finally, the Commission seeks comments 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? Should there be additional requirements or certain penalties for providers that fail to port consumers' numbers in connection with Lifeline service?

Disclosure language. The Commission seeks comments on whether to 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. The Commission seeks comments 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.

Workable Minimum Service Standards

The Commission next inquires 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* (FCC 16-38) published at 81 FR 33026, May 24, 2016, 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. 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 majority of residential customers," at "just, reasonable, and affordable rates." The Commission further determined that "[b]ecause technology develops at a rapid pace, any minimum standards [the Commission] set[s] would quickly become outdated without a timely updating mechanism," and thus established formulas to update these standards on an annual basis. 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 WCB to annually publish updated standards on or before July 31, becoming effective on December 1 of that year. The Commission now seeks comments on the minimum service standards and any update mechanisms.

To better inform 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 increase 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? What role, if any, could AI tools play in establishing minimum service standards?

Mobile broadband data capacity. The current mobile broadband usage allowance minimum service standard is 4.5 GB per month. 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. 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.

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 WCB issued partial waivers of the Commission's rules on updating the mobile broadband data usage minimum service standard in 2019, 2020, 2021, 2022, 2023, 2024, and 2025 concluding that strict application of the Commission's rules would not have been consistent with the public interest. 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*." 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. WCB paused the most recent scheduled mobile data usage allowance update, 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.

The Commission tentatively concludes to revise or eliminate the existing mobile broadband usage allowance update rule. The *Delete, Delete, Delete Public Notice* (DA 25-219 released March 12, 2025) 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. 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?

The Commission requests comment on a new approach that could be used to adjust the minimum service standard. What formula should the Commission or WCB 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?

The Commission also seeks comments on the data sources to be used 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*) 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 Lifeline Marketplace Report*, published June 2021 (<https://docs.fcc.gov/public/attachments/DOC-373779A1.pdf>) even though the data collection was limited to nine providers? Should the Commission use data from the *Urban Rate Survey* or other sources?

The Commission seeks 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 service at no cost to the consumer were to increase prices, at what price point do low-income Americans choose not to subscribe to Lifeline service?

Mobile broadband speeds. Updates to the mobile broadband speed minimum service standard are subject to WCB discretion, with instructions to alter it only “if the [WCB] 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.” 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.” WCB has never updated the standard. The current minimum service standard for mobile services speed is 3G.

The Commission seeks comments on the existing mobile broadband speed minimum service standard and whether it should be revised and whether WCB 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 the

Commission's 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. Does this meet the Commission's obligation under section 254(b)(1) and (3) of the Act, which requires the Commission to base policies on ensuring affordable rates and the availability of reasonably comparable services? The Commission seeks comments on these conclusions.

Fixed broadband data. Section 54.408(c)(1)(ii) of the Commission's rules 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." The Commission expressed the "belie[f] that 70 percent of consumers constitutes a "substantial majority" in the context of fixed broadband speeds." WCB 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.

In 2016, the year the fixed broadband data usage allowance standard was enacted, 52% of fixed broadband plans allowed for unlimited data. This figure rose to 75% in 2024. While WCB 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.

Fixed broadband speed. Per Commission rules, WCB sets the fixed broadband speed minimum service standard at the 30th percentile of subscribed broadband speeds. However, if WCB 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 (WCB has used the Connect America Fund Broadband Loop Support speed, which is currently 25/3 Mbps). To maintain the minimum service standard at its current level, 25/3 Mbps, after increasing it in 2020, 2019, 2018, and 2017 from the initial 10/1 Mbps standard, WCB has not published a new 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.

The Commission is 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. The Commission seeks comments 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 the Commission's minimum service standards. 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?

Support for Consumers Reliant on Voice Services

The Commission seeks comments 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. 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,” under the Act. 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.”

In accordance with the *2016 Lifeline Report and Order*, WCB 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. The second step occurred on December 1, 2020, from \$7.25 to \$5.25. The *2016 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. WCB, however, has issued one-year waiver extensions every year since to pause the phase-out of voice-only service. The most recent temporary waiver is currently in effect and ends on December 1, 2026. Reasons for the waivers have included the minority of Lifeline subscribers that continue to subscribe to voice-only services, the heightened reliance on voice service during the COVID-19 pandemic, the existence of alternative low-income broadband benefit programs, the potential harm from subscribers’ lack of access to emergency services hotlines, the fact that bundled services may not be fully utilized, and maintaining service until the Commission determines whether to implement Commission report recommendations and deregulatory Commission priorities.

The Commission seeks comments on whether to 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. 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 the Commission continue on the path toward ending Lifeline support for voice-only service, but at a later date? Should the Commission 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?

Finally, the Commission seeks comments on ancillary rule or guidance changes to support changes to the existing minimum service standards and their adjustment mechanisms proposed here and by commenters.

Preventing Duplicative Support

The Commission seeks comments on whether changes to the one-per-household rule are necessary or warranted to achieve program goals and minimize waste, fraud, and abuse. Currently the Commission's rules limit Lifeline service to one Lifeline discount per household. 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. 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. In order to better enforce the one-per-household rule and help prevent duplicative support, the Commission established the National Verifier and the NLAD, which were fully launched and implemented by 2020. 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. Although these mechanisms help facilitate eligibility determinations in accordance with the one-per-household rule, the ultimate responsibility to ensure compliance with the rule remains with ETCs. 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." Instead, ETCs "remain fully liable if they provide false, misleading, or fraudulent information" and if they provide duplicate Lifeline discounts.

Recently, a commenter noted that ETCs are unable to see how many households are enrolled in Lifeline with other ETCs at a single address. Lifeline rules require ETCs to query the NLAD to determine whether a household is already receiving a Lifeline service. 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. The Commission seeks comments 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? Could AI tools help USAC identify instances of duplicative support?

The Commission also seeks comments on whether to revisit the one-per-household rule. Should the Commission revise its rule to make it a one-per-*residence* rule? If the Commission moved to a one-per-residence rule, how should instances be handled 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 multiple households applying for Lifeline at the same residence be handled—for example, should the Commission provide benefits to the first applicant to enter an approved application into the NLAD? What dispute resolution processes does the Commission need to have in place if such a rule change were made?

Alternatively, should the Commission 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 the Commission make any one-per-residence limit or larger cap on the number of households at an address a rebuttable presumption, and if so, what types of evidence should be considered to rebut that presumption? Should the Commission redefine an independent economic household, and if so, how should it be redefined? 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?

In addition, the Commission proposes 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.” The Commission proposes codifying the rule in §54.410(a) of the Commission’s rules, 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.” Commission codification of the 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 Commission rule §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.

Optimizing Lifeline Program Processes for Integrity and Efficiency

The Commission seeks comments on whether to 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 to streamline the annual reporting forms for ETCs.

Opt-Out State Reforms

The Commission seeks comments on whether to 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 duplicative Lifeline support that were at least as robust as the NLAD and covered all ETCs operating in the state and their subscribers. After the launch of the National Verifier, WCB elected to allow the National Verifier to rely on state processes to facilitate eligibility determinations in NLAD opt-out states. 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. 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. 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. 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.

The Commission has 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, WCB 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. More broadly, FCC OIG recently found that providers across opt-out states received nearly \$5 million in Lifeline reimbursements for deceased individuals across five years. The Commission seeks comments on whether the Lifeline program should continue to permit different eligibility verification 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.

The Commission seeks comments 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? 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? 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? 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?

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 the Commission were to consider mandating nationwide reliance on the National Verifier for Lifeline? What are other potential impacts on consumers to consider?

Minimizing Reporting Burdens

The Commission seeks comments 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 suggested various ways of streamlining FCC Form 481 and FCC Form 555, 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. ETCs report financial and operations data on the FCC Form 481 and recertification results on the FCC Form 555.

Some commenters raised the possibility of combining all or parts of FCC Form 481 and FCC Form 555, and possibly other FCC forms. The Commission notes 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. The Commission seeks comments 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.

Alternatively, the Commission seeks comments 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). 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?

As to commenters' request that the Commission limits 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 filings, the Commission seeks comments 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, the Commission seeks comments 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).

Commenters in the *Delete, Delete, Delete* proceeding have suggested revising or eliminating certain reporting requirements. The Commission seeks comments 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. The Commission seeks comments on whether to 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, (2) certification that the carrier is able to function in emergency situations in compliance with Lifeline rules, and (3) descriptions of the terms and conditions of voice telephony service plans offered to Lifeline subscribers. Similarly, the Commission seeks comments 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.

For each of these requirements, the Commission seeks comments 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). If commenters believe this information should still be collected from ETCs, the Commission request specific recommendations on how to revise the requirements to make the data more useful for individual

and aggregate analysis. The Commission also seeks comments on whether commenters have specific revisions to the questions, as they exist on the current forms, to make them clearer or less burdensome.

Finally, the Commission seeks comments 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? With respect to non-compliance in Lifeline generally and the changes proposed in the NPRM, what 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 the Commission can make to further ensure that Lifeline carriers are notified of the basis for recovery, and are able to respond appropriately?

Promoting Principled Service Provider Conduct

ETC Compliance Plans

The Commission examines 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. The Commission also seeks comments on how to 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.

The "own facilities" requirement of section 214(e)(1)(A) of the Act 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. In the *2012 Lifeline Report and Order* (FCC 12-11) published at 77 FR 12952, March 2, 2012, 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. Carriers were required to comply with all 911 and enhanced 911 service obligations. They also were required to submit and receive approval from WCB for a compliance

plan including certain required information concerning how the carrier will comply with all Lifeline program service requirements and program integrity obligations.

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. Of the examples listed, Q Link Wireless committed the most 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. 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. 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. On July 24, 2025, Asad received a sentence of 60 months' imprisonment. In light of this history, the Commission seeks comments on changes to the conditions placed on non-facilities-based ETCs subject to forbearance that would promote Lifeline program integrity.

Compliance Plan Requirements. The Commission seeks comments 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; (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 § 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.

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 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? 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?

For a compliance plan to be approved, the ETC must demonstrate that it is financially and technically capable of operating in the Lifeline program. 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.” 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

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 the Commission require the ETC to demonstrate financial health using the TIE ratio and/or other financial ratios? If so, what ratio or ratios should be required 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?

The Commission seeks comments 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 WCB's review and processing of compliance plans? Are there current regulatory processes at the Commission that WCB should leverage to assist in such reviews such as seeking public comment on submitted compliance plans?

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? The Commission seeks comments on what the conditions should be for terminating a Lifeline compliance plan. Should Lifeline compliance plans terminate when ETCs are found guilty of committing fraud or other misconduct in the Lifeline program? Should compliance plans terminate when ETCs change corporate ownership or control without notifying the Commission and receiving approval of an updated compliance plan? Or should ETCs be permitted to restart participation in the Lifeline program and continue under their previously approved compliance plan if they establish to the Commission's satisfaction that they have returned to their prior corporate structure and control? Under what circumstances should Lifeline compliance plans terminate? 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 WCB review approved compliance plans? Should all compliance plan amendments require WCB approval? Which compliance plans amendments should require WCB 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 logistically? Should the frequency of compliance plan submissions be based on the number of subscribers that a provider has? The Commission seeks comments 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 the Commission 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?

Letters of Credit. The Commission seeks comments 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. 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?

The Commission also seeks comments 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. How should the Commission 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 the Commission's 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 the FDIC, the Federal Reserve, and the Office of the Comptroller of the Currency (OCC). Each agency has codified nearly identical criteria to determine a bank’s capitalization status and whether it is “well capitalized.” 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. 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?

Revocation of Compliance Plans. The Commission seeks comments on the instances in which a compliance plan should be revoked. If an approved entity receives an unfavorable outcome in an enforcement action, *e.g.*, a forfeiture order, should that result in revocation of WCB’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? 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? In the event that WCB

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?

Reimbursement for Services that Consumers Actually Use

ETCs are permitted to offer Lifeline service without assessing and collecting a monthly fee, but must adhere to certain specified usage requirements. 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. However, the Commission has identified several instances in which ETCs may be attempting to evade the usage requirement by offering plans with billing arrangements structured to appear compliant with §54.407(c) of the Commission's rules, but that may not be. To prevent attempts to evade usage requirements and to minimize waste, fraud, and abuse in the program, the Commission proposes to 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. The Commission anticipates that this action would further encourage ETCs to stop offering existing plans structured to circumvent the Commission's 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.

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. 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. Providers are responsible for tracking subscriber usage and retaining

appropriate usage documentation to demonstrate compliance with the usage requirements. 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.

The Commission established this Lifeline usage rule in the *2012 Lifeline Report and Order*. 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.” 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.” 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 owed within a reasonable amount of time will the carrier not be subject to the non-usage requirements.” 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.

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 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. 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, WCB 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.”

A few other ETCs have begun offering consumer payment plans using accounts held by the provider, sometimes known as “digital wallets.” Under these plans, upon enrollment, subscribers are required to deposit funds into a refundable digital wallet account that is largely controlled by the ETC, with some or limited engagement by the subscriber.

The Commission tentatively concludes that the usage tracking requirements currently codified in § 54.407 (c)(1) through (2) of the Commission’s rules 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 the Commission’s billing standard. This effort seems to be in furtherance of avoiding the Lifeline program requirement to track usage and de-enroll for non-usage. The Commission believes 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. The Commission seeks comments on this tentative conclusion.

The Commission seeks comments 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? Are there conditions under which a prepayment-based plan is equivalent to debiting a customer's credit card on file? What level of customer engagement is sufficient to meet the "assess and collect" standard (e.g., monthly opt-in versus opt-out)? What changes to the Commission's rules would establish clear parameters for such plans and ensure support is not wasted on service not needed by a qualifying low-income household?

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. The Commission now wishes to reexamine this calculus. The Commission is currently engaging with stakeholders on its wide-ranging *Delete, Delete, Delete* proceeding, which aims to overhaul Commission rules to spur communications investment, expansion, and innovation. 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." 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. Does the Commission’s proposal eliminate these concerns?

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. The Commission seeks comments on whether, in addition to certification requirements, the Commission should require providers to demonstrate usage of supported service along with reimbursement claims. 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 the Commission require if adopting 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? The Commission seeks comments 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?

Commission rules require that providers retain documentation that demonstrates compliance with program requirements. The Commission seeks comments on whether these rules should be modified to identify the methods of tracking usage and the documentation that providers must maintain to comply with its 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 the Commission 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 the Commission's usage rules? Would defining it as a "formatted collection of information about a chargeable event for use in billing and accounting" be appropriate? What alternative forms of proof should the Commission 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?

The Commission tentatively concludes 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 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? The Commission tentatively concludes to continue to collect certification information about usage data, but invite comment on this proposal.

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? Why might consumers fail to use their service for 30 days or more? How long would ETCs need to come into compliance with the Commission's proposed change requiring usage tracking on all service plans, regardless of whether a monthly fee is assessed and collected?

What changes should be made to the current activation standard? Should the Commission modify or eliminate the Lifeline service activation requirement in § 54.407(c)(1) of the Commission's rules? 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? Is the purpose of the Lifeline service activation requirement largely duplicative to the requirement in § 54.401(a) of the Commission's rules that Lifeline must be a service that "provides qualifying low-income consumers with voice telephony service or broadband internet access?" 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?

ETC Agreements With Non-ETCs

The Commission next seeks comments 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. 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." Under the Lifeline rules, direct service is defined as "the provision of service *directly* to the qualifying low-income consumer," and Lifeline service is a "non-transferable retail service offering provided *directly* to qualifying low-income consumers."

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. These situations raise questions about whether 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.

Such arrangements may be distinguished from permissible marketing agreements that an ETC may enter into to bring in more customers that 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* (FCC 19-11) published at 84 FR 71308, December 27, 2019, date 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. Should ETCs be required to notify the Commission in advance of entering into agreements with third-parties to market Lifeline services?

The Commission also seeks comments on whether to broaden the definition of “enrollment representative” for Lifeline as done with ACP or go further to address any agents of an ETC, and whether to place additional restrictions on such agents and non-ETCs in their Lifeline related activities and compensation. The Commission seeks comments on whether to 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. 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. 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?

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? Should Commission rules require criminal background checks before an RAD ID is issued? If so, what crimes should disqualify an applicant from the RAD? Should ETCs or USAC be responsible for criminal background checks? 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 the Commission 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 the Commission 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 the Commission 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?

Updating Lifeline Rule Text

The Commission seeks comments on whether to streamline the existing program rules in light of the establishment of the National Verifier and the sunset of the EBB program and ACP.

National Verifier Updates. The Commission makes several proposals to streamline Lifeline program rules to reflect the functionality of the National Verifier. There are portions of the Commission's rules that pre-date the establishment of the National Verifier and continue to contemplate Lifeline ETCs completing certain activities that USAC, the National Verifier, the NLAD, or state administrators perform. 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. 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. Second, the Lifeline rules currently discuss pathways for eligibility determinations that are no longer available with the full launch of the National Verifier. The Commission seeks comments on updating Lifeline program rules to reflect these improved eligibility determination processes now that the National Verifier has fully launched.

Third, the Commission proposes to revise the rule for de-enrollment under § 54.405(e)(4) of the Commission's rules 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, the Commission proposes to update and consolidate § 54.410(b) through (d), (f), (h), and (i) of the Commission's rules, to reflect that the National Verifier and state administrators (rather than ETCs) make the initial determinations of eligibility and annual recertifications, and to update § 54.410(d) of the Commission's rules to reflect the creation of FCC Form 5629, a program application form. Fifth, the Commission proposes to edit § 54.417 of the Commission's rules to reflect that the effective date of the rule was set at February 17, 2016. The Commission seeks comments 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.

The Commission seeks comments 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 § 54.410(h) of the Commission's rules, 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?

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. As a result, there are no longer subscribers in these programs or a basis to enroll new subscribers. Therefore, the Commission tentatively concludes to delete the EBB program and ACP rules from the Code of Federal Regulations, including rules regarding the Affordable Connectivity Outreach Grant Program. 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." The Commission's 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 function. Specifically, the Commission intends that providers must continue to retain documentation in accordance with the rules, even after they are deleted. 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, the Commission proposed an amendment to Lifeline § 54.417 of the Commission's rules to make clear that the EBB program's, ACP's, and Affordable Connectivity Outreach Grant Program's recordkeeping requirements remain in effect even after their deletion. The Commission seeks comments on whether there are any concerns with deleting these rules in their entirety, including any basis for concluding record retention or audit requirements would be undermined by this deletion or that enforcement or recovery actions related to these programs would be affected. How can the Commission 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 the Commission's proposed amendment to the Lifeline rules sufficient to maintain enforcement of the recordkeeping and audit rules and does the rule's placement in Lifeline create confusion? Are any additional changes to the Commission's 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, the Commission asks 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. The Commission also seeks comments 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.

In addition, the Commission seeks comments on deleting the portion of § 54.400(s)(3) of the Commission's rules 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 § 54.1806(a)(2) of the Commission's rules to verify a member of the survivor's household received a Federal Pell Grant. The Commission tentatively concludes that this portion of the rule is no longer necessary, because survivors will still be able to show financial hardship through the National

Verifier. Moreover, the alternative verification process was a specific approach allowed under the Consolidated Appropriations Act and its unique circumstances amid the COVID-19 pandemic, rather than a process required under the Safe Connections Act, which is the focus of § 54.400(s)(3) of the Commission's rules. The Commission believes 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). The Commission believes this is particularly true here, because the 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.

Benefits and Costs

The Commission seeks comments on the benefits and costs of these proposed rule changes. The Commission expects its proposed reforms will affect both low-income consumers and service providers. The Commission seeks comments on both the benefits and costs of each proposed rule change and also the totality of the rule changes proposed. Will the proposed changes lead to more competition and/or better service offerings for consumers? Will consumers face any increased costs or nonmonetary burdens as a result of the proposed rule changes? What are the benefits to service providers of minimizing reporting burdens? How will service providers overall benefit from improved service provider conduct? Will there be any costs to service providers to implement the improved program processes? Will any costs to service providers result in costs to the consumer? To what extent will the proposed rule changes impact USF expenditures?

II. PROCEDURAL MATTERS

A. Paperwork Reduction Act Analysis

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), the Commission seeks specific comments on how to further reduce the information collection burden for small business concerns with fewer than 25 employees.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act of 1980, as amended (RFA), 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.” Accordingly, the Commission has prepared an Initial Regulatory Flexibility Analysis (IRFA) concerning the possible impact of potential rule and/or policy changes contained in the NPRM on small entities. 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 in the DATES section of this document and must have a separate and distinct heading designating them as responses to the IRFA.

Ex Parte Rules. This proceeding shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules. 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 Commission rule § 1.1206(b), 47 CFR 1.1206(b). In proceedings governed by Commission 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.

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>.

C. Initial Regulatory Flexibility Analysis

As required by RFA, the Commission has prepared this IRFA of the policies and rules proposed in the NPRM assessing the possible significant economic impact on a substantial number of small entities. The Commission request 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 in the DATES section of this document. In addition, the NPRM and IRFA (or summaries thereof) will be published in the *Federal Register*.

Need for, and Objectives of, the Proposed Rules

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. The Lifeline program was implemented in 1985 in the wake of the 1984 divestiture of AT&T. 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. 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. 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.

In the NPRM, the Commission considers 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 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.

Description and Estimate of the Number of Small Entities to Which the Proposed Rules Will Apply

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. The RFA generally defines the term "small entity" as having the same meaning as the terms "small business," "small organization," and "small governmental jurisdiction." In addition, the term "small business" has the same meaning as the term "small business concern" under the Small Business Act. 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. 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.

The Commission's actions, over time, may affect small entities that are not easily categorized at present. The Commission therefore describes three broad groups of small entities that could be directly affected by its actions. In general, a small business is an independent business having fewer than 500 employees. These types of small businesses represent 99.9% of all businesses in the United States, which translates to 34.75 million businesses. Next, "small organizations" are not-for-profit enterprises that are independently owned and operated and not dominant their field. While the Commission does not have data regarding the number of non-profits that meet that criteria, over 99 percent of nonprofits have fewer than 500 employees. Finally, "small governmental jurisdictions" are defined as cities, counties, towns, townships, villages, school districts, or special districts with populations of less than fifty thousand.

Based on the 2022 U.S. Census of Governments data, the Commission estimates that at least 48,724 out of 90,835 local government jurisdictions have a population of less than 50,000.

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) codes and corresponding SBA size standard. Based on currently available U.S. Census data regarding the estimated number of small firms in each identified industry, the Commission concludes that the proposed rules will impact a substantial number of small entities. Where available, the Commission also provides additional information regarding the number of potentially affected entities in the industries identified in Table 1 - *2022 U.S. Census Bureau Data by NAICS Code*, Table 2 - *Telecommunications Service Provider Data* and Table 3 - *Cable Entities Data*.

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

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.

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 the Commission inquires 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 the Commission 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, the Commission also inquires 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 its non-usage rules.

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 the Commission's 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 the Commission discusses. The Commission expects the comments received 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 the Commission may develop final rules that minimize such costs and address such issues to the extent possible.

Discussion of Significant Alternatives Considered That Minimize the Significant Economic Impact on Small Entities

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. 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."

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 comments on ways to reduce regulatory reporting burdens on ETCs participating in Lifeline, particularly small businesses.

In the NPRM, the Commission seeks comments on adjusting minimum service standards in the low income communications market. Specifically, the NPRM seeks comments 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 comments 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 comments on ways to amend or eliminate certain information that is required on these forms or whether to entirely eliminate the use of certain forms.

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 the Commission discusses 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.

Federal Rules that May Duplicate, Overlap, or Conflict with the Proposed Rules

None.

III. ORDERING CLAUSES

Accordingly, IT IS ORDERED, pursuant to the authority contained in section 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 the Notice of Proposed Rulemaking IS ADOPTED.

IT IS FURTHER ORDERED that, pursuant to applicable procedures set forth in §§ 1.415 and 1.419 of the Commission's rules, 47 CFR 1.415, 1.419, interested parties may file comments on the Notice of Proposed Rulemaking on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]** and reply comments are due on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

List of Subjects in 47 CFR Part 54

Communications common carriers, Reporting and recordkeeping requirements,
Telecommunications, Telephone.

FEDERAL COMMUNICATIONS COMMISSION.

Marlene Dortch,
Secretary.

Proposed Rules

For the reasons discussed in the preamble, 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 E – Universal Service Support for Low-Income Consumers

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

§ 54.400 Terms and definitions.

* * * * *

(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 new 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) * * *

(i) * * *

(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 paragraphs (b)(2)(i) through (iii), (c)(2)(i) through (iii), and (i) and revising paragraphs (a) through (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) of this section 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 revising 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 subparts P, R, and S 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 subparts P, R, and S of this part will also have no impact on the ability of the Commission or the Administrator to engage in audits or 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]

* * * * *

Subpart S – [Removed and Reserved]

13. Remove and reserve subpart S, consisting of 54.1900 through 54.1904.

§§ 54.1900 through 54.1904 [Removed and Reserved]

* * * * *