

# FCC Proposed Changes Would Undermine Lifeline, a Key Program that Helps to Close the Digital Divide

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## **Nearly 70% of Americans Who Use Lifeline Service Would Lose Affordable Phone and Broadband Access from their Current Provider**

Washington, D.C. - On Thursday, Nov. 16, the FCC is scheduled to vote on a combined set of orders and proposals that, if adopted, would destabilize and impair the federal Lifeline program and leave many of the most vulnerable people in the country without access to affordable communications. The Lifeline program provides essential, affordable voice and data service for low-income families who use the program for daily life essentials, including searching for jobs, completing homework, and communicating with employers, healthcare professionals, and teachers. Lifeline is one of four federal Universal Service programs and the only one targeted directly to helping low-income households, in all parts of the nation, overcome the cost barrier to connectivity.

Especially troubling is a proposal that would leave approximately 70 percent of the current Lifeline families stranded by the loss of their Lifeline service provider, solely because they are non-facilities based providers of communications services (for example, the prepaid wireless companies that provide Lifeline service). In some parts of the nation, these are the only companies that offer Lifeline service. Other proposals would place overall budget caps on the program that could shrink the size of all recipients' benefits. And, they would place a lifetime cap on individual users, which would result in many consumers losing affordable service. Such proposals increase uncertainty that will make it extremely difficult, if not nearly impossible, to attract communications providers into the Lifeline marketplace.

"It is alarming that if adopted by the FCC, these proposals would remove providers of affordable telecommunications service for nearly 70 percent of the low-income households who rely on Lifeline to connect to our modern communications network," said National Consumer Law Center attorney Olivia Wein. "Instead, we should keep and strengthen recent reforms that modernized the Lifeline program to bridge the digital divide and allow millions of low-income families to partake in daily activities that many of us take for granted, such as using the internet for work, homework or to communicate with doctors and teachers."

Lifeline was created 30 years ago by President Reagan to help ensure that the most vulnerable people in the United States had access to lifesaving communications services. Reforms implemented in 2012 have driven down program costs and strengthened accountability. In 2016, the FCC adopted an order to modernize Lifeline for the digital age.