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**For Immediate Release****FCC MODERNIZES LIFELINE PROGRAM FOR THE DIGITAL AGE*****New Rules Will Help Make Broadband More Affordable for Low-Income Americans***

WASHINGTON, March 31, 2016 – The Federal Communications Commission today modernized and reformed its Lifeline program to help low income consumers afford access to the 21<sup>st</sup> Century’s vital communications network: the Internet.

Since 1985, Lifeline has helped make telephone service affordable for low-income Americans. Today, consumers need Internet access for full and meaningful participation in society. Yet 43 percent of nation’s poorest households say they can’t afford modern broadband service.

To help close this digital divide, the Order adopted by the Commission today refocuses Lifeline support on broadband, which will enable low-income Americans to share in the 21<sup>st</sup> Century opportunities that access to the Internet provides. At the same time, new rules build on recent reforms in the program to combat waste fraud and abuse and increase program efficiency.

For the first time, Lifeline will support stand-alone broadband service as well as bundled voice and data service packages. To spark competitive service options for Lifeline consumers, the rules will unlock the Lifeline broadband marketplace to attract additional providers. And new service standards will ensure that supported services meet modern needs.

The rules significantly strengthen the Commission’s landmark 2012 reforms (<http://go.usa.gov/cGykW>) of the program by establishing an independent National Eligibility Verifier to confirm subscriber eligibility. At the same time the verifier deters waste, fraud and abuse, it will encourage participation by legitimate providers by removing the burden of eligibility screening.

Finally, a budget mechanism will limit Lifeline's cost to ratepayers. Specifically, the Order:

- **Provides support for robust broadband**
  - Allows Lifeline support for stand-alone mobile or fixed broadband Internet access service, as well as bundles including fixed or mobile voice and broadband
  - Phases in mobile broadband requirement over five years
  - Helps close the homework gap by promoting the offering of mobile devices with Wi-Fi and hotspot functionality
  
- **Ensures that Lifeline subscribers receive services meeting 21st Century needs**
  - Sets minimum standards for broadband to enable consumers to fully participate in digital society:

- Fixed speed standard based on what a substantial majority of consumers receive (currently 10 Mbps downloads/1 Mbps uploads)
  - Sets minimum monthly fixed broadband usage allowance standard, starting at 150 GB and updated thereafter
  - Phases in minimum standards for mobile broadband service, starting at 500 MB per month of 3G data by Dec. 1, 2016, 1 GB by Dec. 1, 2017, and increasing to 2 GB per month by the end of 2018
  - Phases in mobile voice monthly standards: 500 min/mo., beginning on Dec. 1, 2016; 750 min/mo. on Dec. 1, 2017; and 1,000 min/mo., starting on Dec. 1, 2018.
  - Anticipates technological advances in the convergence of mobile voice and data, phasing in broadband requirement as support for stand-alone voice decreases to \$7.25 on Dec. 1, 2019; \$5.25 by Dec. 1, 2020; and no support by Dec. 1, 2021, except in areas where there is only one Lifeline provider
  - Voice remains eligible for full support as part of a voice and data bundle
  - Full review of standards phase-in and report to Commission required by mid-2021
- **Unlocks the Lifeline marketplace to encourage participation by broadband providers, increasing availability and consumer choice**
  - Provides streamlined, nationwide entry for a new category of providers, called Lifeline Broadband Providers
  - Establishes a third-party National Eligibility Verifier, reducing cost to providers of verifying subscriber eligibility
  - Modernizes rules to improve program flexibility, reduce burdens, and incentivize participation by providers
- **Builds on 2012 reforms to close remaining vulnerabilities to waste, fraud and abuse**
  - National Eligibility Verifier removes the opportunity for providers to enroll ineligible subscribers
  - Refines list of federal programs that may be used to validate Lifeline eligibility to those that support electronic validation, are most accountable, and best identify people needing support (SNAP, SSI, Medicaid, Veterans Pension, HUD Federal Public Housing Assistance, Tribal), along with income-based eligibility
  - Increases transparency by making program data publicly available and understandable, including subscriber counts by provider and uniform disclosure of annual subscriber recertification data
- **Establishes budget mechanism to minimize impact on ratepayers**
  - Sets budget of \$2.25 billion, indexed to inflation, sufficient to allow for increased participation generated by support for broadband service
  - Requires FCC's Wireline Competition Bureau to notify Commission when spending reaches 90 percent of the budget and to prepare an analysis of the causes of spending growth, with recommended actions for the Commission to consider.
  - Maintains current \$9.25 monthly household subsidy
- **Retains Tribal lands designation for the Cherokee Outlet in Oklahoma where residents will continue to receive enhanced Tribal Lifeline support**

These and other changes will fully modernize Lifeline to support broadband service and obtain the highest possible value from the expenditure of Universal Service funds.

To learn more about the Lifeline program for low-income Americans, visit <https://www.fcc.gov/general/lifeline-program-low-income-consumers>.

Action by the Commission March 31, 2016 by Notice of Proposed Rulemaking (FCC 16-39). Chairman Wheeler, Commissioners Clyburn and Rosenworcel approving. Commissioners Pai and O’Rielly dissenting. Chairman Wheeler, Commissioners Clyburn, Rosenworcel, Pai and O’Rielly issuing separate statements.

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*This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).*