

## VPS Consulting Memo

# Lifeline New Low-Income Program Rules

## Summary

### Overview

The FCC adopts new stricter Lifeline Low-Income program rules.

### Background

The Lifeline program was originally established in 1985 to ensure that low-income consumers had access to affordable, landline telephone service. Today, the Lifeline program provides qualifying low-income consumers discounts on voice or broadband Internet access service, as well as in a bundled service. Currently, qualifying low-income consumers receive a standard \$9.25 monthly discount on Lifeline-supported voice or broadband Internet access service or bundled service that satisfies the FCC's minimum service standards, and those who reside on Tribal lands can receive up to a \$34.25 monthly discount on Lifeline service that satisfies the minimum service standards. Starting December 1, 2019, consumers will receive a reduced standard \$7.25 monthly discount for voice service, which is the start of a gradual step down for mobile or voice-only services.

### Released Order

In late October the FCC released an order that adopts new stronger rules for the Lifeline program that will attempt to reduce abuses and fraud in the program. The goal is to strengthen the program's enrollment, recertification and reimbursement processes with the aim of reducing or eliminating improper payments, which have been an ongoing concern for the program.

## FCC Lifeline Program New Reform Rules Include:

- Prohibiting participating carriers from paying commissions to employees or sales agents based on the number of consumers who apply for or are enrolled in the Lifeline program
- Requiring participating carriers' employees or sales agents involved in enrollment to register with the program administrator, the Universal Service Administrative Co. (USAC)
- Strengthening prohibitions barring Lifeline providers from claiming "subscribers" that are deceased
- Taking additional steps to better identify duplicate subscribers, prevent reimbursement for fictitious subscribers, and better target carrier audits to identify potential FCC rule violations
- Increasing transparency by posting aggregate subscribership data, including data broken out at the county level, on USAC's website
- Increasing transparency with states by directing USAC to share information regarding suspicious activity with state officials
- Restoring the states' traditional role of designating carriers to participate in the Lifeline program.

All Lifeline providers should review and update their policies to ensure they are following the stricter new Lifeline program rules.

## Additional Information

The link to the full public notice is here:

<https://docs.fcc.gov/public/attachments/FCC-19-111A1.pdf>

For information on this issue or if you would like VPS guidance, please contact these members of the Vantage Point Solutions consulting team:

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