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**For Immediate Release****FCC Takes Steps to Modernize and Reform Lifeline for Broadband**

Washington, D.C. (June 18, 2015) – The Federal Communications Commission today took significant steps to modernize its Lifeline program, seeking comment on restructuring the program to better support 21<sup>st</sup> Century communications while building on existing reforms to continue strengthening protections against waste, fraud and abuse.

Lifeline was established in 1985 to help make phone service affordable for low-income Americans. In 2008, the Commission expanded the program to allow participation by low-cost wireless providers. In 2012, the Commission made significant reforms, including a database that has essentially ended program abuse caused by multiple Lifeline subscriptions in a household.

But now, 30 years after Lifeline was founded, the Commission has concluded it is time for a fundamental, comprehensive restructuring of the program to meet today's most pressing communications needs: access to broadband.

Broadband has become essential to participation in modern society, offering access to jobs, education, health care, government services and opportunity. Unfortunately, income remains a significant barrier to broadband adoption:

- While over 95% of households with incomes of \$150,000 or more have access, only 48% of those making less than \$25,000 have service at home.
- Low-income consumers disproportionately use smart phones for Internet access – but nearly 50% of them have had to cancel or suspend smartphone service due to financial hardship.

Lifeline helps makes communications services more affordable for low-income consumers by providing a \$9.25 a month subsidy. The item adopted by the FCC proposes and seeks comment on maintaining the same \$9.25 subsidy, and seeks to use that money as efficiently and effectively as possible to deliver modern communications services. Proposals on which the Commission seeks comment also include:

- Adopting minimum service standards for both voice and broadband service
- Whether broadband should be a required offering of Lifeline providers
- How to encourage more competition to improve price and service
- How to encourage more participation by the states.

Building on the 2012 reforms, the item also proposes streamlining and tightening the process of verifying consumer eligibility by taking it out of the hands of providers. Ideas include

establishing a third-party “national verifier,” coordination with other federal needs-based programs, and considering the use of direct subsidies to consumers through vouchers. The item also seeks comment on a budget for the program.

Finally, the item includes an Order that makes immediate reforms to reduce waste, fraud and abuse. These include requiring providers to retain documentation of consumer eligibility, which will improve oversight and audits.

Action by the Commission June 18, 2015 by Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order(FCC 15-71). Chairman Wheeler, Commissioners Clyburn and Rosenworcel with Commissioners Pai and O’Rielly dissenting. Chairman Wheeler, Commissioners Clyburn, Rosenworcel, Pai and O’Rielly issuing 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).*