

***Resolution to Ensure that the Federal Lifeline Program Continues to Provide Service to Low-Income Households***

*Whereas* on Dec. 1, 2017, the Federal Communications Commission (“FCC”) released a Fourth Report and Order, Order on Reconsideration, Memorandum Opinion and Order, Notice of Proposed Rulemaking (“NPRM”), and Notice of Inquiry addressing the federal Lifeline program and “Bridging the Digital Divide for Low-Income Consumers;”

*Whereas* in the NPRM, the FCC tentatively concludes that it “erred in preempting state commissions from their primary responsibility to designate [Eligible Telecommunications Carriers] under section 214(e) of the [Telecommunications] Act [of 1996] and seeks comment on this issue;”

*Whereas* in the NPRM, the FCC proposes to eliminate the “stand-alone LBP [Lifeline Broadband Provider] designation.”

*Whereas* since 1985, the federal Lifeline program has provided eligible low-income households with more affordable access to telecommunications services so that low-income households can be connected to jobs, healthcare, education, family, and friends;

*Whereas* currently, approximately 11.3 million households participate in the federal Lifeline program receiving \$9.25 per month from the federal Universal Service Fund;

*Whereas* the federal Lifeline program is transitioning from an affordable voice subsidy to an affordable broadband subsidy. As of December 2017, the minimum usage amount for mobile broadband is 1 GB and as of December 2018, the minimum usage amount for mobile broadband will be 2 GB;

*Whereas* since 2009, the FCC, determining that it is in the public interest, has granted forbearance to wireless resellers from “owning their own network” to obtain Eligible Telecommunication Carrier (“ETC”) designation to provide Lifeline service;

*Whereas* since 2009, many wireless resellers have been approved as ETCs by the FCC and the States providing voice and broadband service;

*Whereas* the FCC, in the NPRM, seeks comment on the lawful role of States in the Lifeline program. States have been and will continue to be an important player in the Lifeline program where they have approved service providers as “eligible telecommunication carriers” pursuant to 47 CFR 54.201(b) to receive Lifeline funds; partnered with the FCC to prevent “waste, fraud, and abuse”; and used their own State dollars creating state Lifeline programs to supplement the federal Lifeline subsidy;

*Whereas* the FCC seeks comment on ways states can be encouraged to work cooperatively with the FCC and USAC [Universal Service Administrative Company] to integrate their state databases into the National Verifier without unnecessary delay. States are committed to preventing waste, fraud, and abuse and look forward to partnering with the FCC to launch the National Verifier;

*Whereas* the FCC seeks comment on discontinuing Lifeline support for non-facilities-based services. Non-facilities-based Lifeline providers make up approximately 74 percent of the Lifeline market with approximately 8.3 million households. By contrast, facilities-based providers are only 26 percent of the market with approximately 2.9 million households and each year their Lifeline customers have decreased;

*Whereas* by discontinuing Lifeline support for non-facilities-based services, the FCC will disconnect more than 8.3 million low-income households; *and*

*Whereas* the FCC is seeking comment about a budget for the Lifeline program, examining different mechanisms to determine the “responsible level and to prevent undue burdens on ratepayers.” The FCC proposes an annual cap for Lifeline disbursements and for the “program to automatically make adjustments to maintain the cap in the event the budget is exceeded.” According to 2014/2015 census data, only 33 percent of all eligible households subscribe to Lifeline services; *now therefore be it*

*Resolved* that the Board of Directors of the National Association of Regulatory Utility Commissioners (“NARUC”), convened at its 2018 Winter Policy Summit in Washington, DC, urges the FCC to continue to cooperate with the States and acknowledge States’ significant role in the Lifeline program; *and be it further*

*Resolved* that NARUC urges the FCC to approve its tentative decision in the “Fourth Report and Order, Order on Reconsideration, Memorandum Opinion and Order, Notice of Proposed Rulemaking, and Notice of Inquiry” (WC Docket Nos. 17-287, 11-42 and 09-197) to: (1) eliminate the stand-alone Lifeline Broadband Provider designation; and (2) reverse its pre-emption of State regulatory authority to designate Eligible Telecommunications Carriers; *and be it further*

*Resolved* that NARUC urges the FCC to continue to allow non-facilities based carriers to receive Lifeline funds because they have been crucial in ensuring that low-income households are connected to vital telecommunication services; *and be it further*

*Resolved* that NARUC urges the FCC, in any budget it sets for the Lifeline program that it carefully balance: (1) ensuring that qualified households that are current subscribers do not lose their eligible Lifeline benefit; and (2) that there is reasonable and rational growth in the Lifeline fund to serve subscribers in an amount that does not exceed the current soft budget notification amount.

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*Sponsored by the Committee on Consumers and the Public Interest and the Committee on Telecommunications*

*Adopted by the NARUC Board of Directors, February 14, 2018*