

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
Lifeline and Link Up Reform and Modernization) WC Docket No. 11-42
Telecommunications Carriers Eligible for) WC Docket No. 09-197
Universal Service Support)
Connect America Fund) WC Docket No. 10-90

ORDER

Adopted: July 3, 2024

Released: July 3, 2024

By the Chief, Wireline Competition Bureau:

I. INTRODUCTION

1. In this Order, the Wireline Competition Bureau (Bureau) extends, for an additional year, the waiver pausing both the phase-out of Lifeline support for voice-only services and the increase in Lifeline minimum service standards for mobile broadband data capacity. Without this decision, support for services that meet only the voice minimum service standard, which currently stands at \$5.25 per month, would be eliminated in most areas on December 1, 2024.1 Additionally, absent a pause, the minimum service standard for mobile broadband data capacity would rise from 4.5 GB to 5.25 GB per month beginning December 1, 2024.2

2. As discussed below, we again find good cause to pause these changes for an additional year. This action occurs at a time when the marketplace for affordable broadband services is undergoing significant changes as a result of the end of the Affordable Connectivity Program (ACP).3 This action will avoid any changes that could potentially result in the disruption of communications for Lifeline

1 See Lifeline and Link Up Reform and Modernization et al., WC Docket No. 11-42, Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd 3962, 3989-97, paras. 73-98 (2016) (2016 Lifeline Order); 47 CFR §§ 54.403(a)(2)(iv)-(v).

2 Because the relevant available data that would be needed to compile the mobile updates for 2024 was released more than 18 months ago, the formula for determining the minimum service standards for mobile broadband data capacity will use the most recent year-over-year percentage change in smartphone data usage per subscriber, which yields an increase from the current 4.5 GB per month standard to 5.250 GB per month. See 2016 Lifeline Order, 31 FCC Rcd at 3997, para. 97; 47 CFR § 54.408(c)(2)(iii). The data used for this calculation is from the Communications Marketplace Report, which was released in December 2022. Communications Marketplace Report, GN Docket No. 22-203, Report, 37 FCC Rcd 15514 (2022) (2022 Communications Marketplace Report). If the data was newer than 18 months, the 2016 Lifeline Order explains that instead of the calculation listed above, the minimum service level for mobile broadband capacity would be the product of 70 percent, the number of mobile-cellular subscriptions per household, the percentage of Americans who own a smartphone, and the average data used per mobile smartphone subscriber. See 2016 Lifeline Order, 31 FCC Rcd at 3995-3996, para. 94; 47 CFR § 54.408(c)(2)(ii).

3 See Wireline Competition Bureau Announces the Final Month of the Affordable Connectivity Program, WC Docket No. 21-450, Public Notice, DA 24-195, 1 (WCB 2024) (ACP Funding Public Notice).

subscribers and will also provide the Commission additional time to consider the data found in the ACP Transparency Data Collection and *Future of USF Report*, which will help inform future Commission decisions on supporting voice-only service and setting Lifeline minimum service standards.⁴ Moreover, minimizing changes to the Lifeline program will reduce burdens on providers to allow them to enroll new subscribers impacted by the wind-down of ACP.

II. BACKGROUND

3. In the *2016 Lifeline Order*, the Commission adopted Lifeline program revisions intended to promote low-income consumers' access to robust and affordable broadband services.⁵ These changes included phasing-in higher mobile broadband data capacity minimum service standards while phasing-down Lifeline support for voice-only services.⁶ In doing so, the Commission intended to “avoid undue consumer disruption and to allow Lifeline providers sufficient time to adjust operations as the Commission moves from a primarily voice-only Lifeline program to a Lifeline program embracing broadband services.”⁷

4. The *2016 Lifeline Order* scheduled the first step of the phase-down in Lifeline support for voice-only services to begin on December 1, 2019, when support was reduced from \$9.25 to \$7.25.⁸ The Commission took the second step, as instructed by the *2016 Lifeline Order*, on December 1, 2020, reducing support from \$7.25 to \$5.25.⁹ The *2016 Lifeline Order* contemplated a complete phase-out of Lifeline support for voice-only services on December 1, 2021, when support for such services was to be eliminated in most areas.¹⁰ Since then, however, the Bureau has paused the phase-out of voice-only services through one-year waiver extensions, recognizing the importance that voice service has to some Lifeline subscribers and the role it played in fulfilling consumers' heightened need to access emergency services during the pandemic.¹¹ Furthermore, the Bureau has recognized the need to understand how the ACP has impacted Lifeline, and to evaluate the future of USF programs in general.¹² The most recent temporary waiver is currently still in effect and ends on December 1, 2024.¹³

5. The mobile broadband data capacity minimum service standards were created to ensure consumers have access to modern communications services, without mandating the purchase of

⁴ See *Report on the Future of the Universal Service Fund*, WC Docket No. 21-476, Report, 37 FCC Rcd 10041 (2022) (*Future of USF Report*); *The Office of Economics and Analytics and the Wireline Competition Bureau Announce Publication of Affordable Connectivity Program Transparency Data Collection Summary*, WC Docket No. 21-450, Public Notice, DA 24-504 (WCB 2024), <https://www.fcc.gov/document/oea-and-wcb-announce-publication-acp-transparency-data-collection> (*ACP Transparency Data Collection Public Notice*).

⁵ *2016 Lifeline Order*, 31 FCC Rcd at 3966-77, 3989-97, paras. 12-43, 73-98.

⁶ *Id.* at 3985-86, paras. 62-65.

⁷ *Id.* at 3985, para. 62.

⁸ *Id.* at 3986, para. 64; 47 CFR § 54.403(a)(2)(ii).

⁹ See *2016 Lifeline Order*, 31 FCC Rcd at 3986, para. 64; 47 CFR § 54.403(a)(2)(iii).

¹⁰ *2016 Lifeline Order*, 31 FCC Rcd at 3986, para. 64; 47 CFR § 54.403(a)(2)(iv).

¹¹ See *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42, Order, 36 FCC Rcd 15539, 15545-15547, paras. 13-18 (WCB 2021) (*2021 Waiver Order*); *Lifeline and Link Up Reform and Modernization et al.*, WC Docket Nos. 11-42, Order, 37 FCC Rcd 7692, 7697-7699, 5-8, paras. 12-22 (WCB 2022) (*2022 Waiver Order*).

¹² See *2022 Waiver Order*, 37 FCC Rcd at 7696-7699, paras. 13, 16-22; *Lifeline and Link Up Reform and Modernization et al.*, WC Docket Nos. 11-42 et al., Order, 38 FCC Rcd 6096, 6100-6102, paras. 11-17 (WCB 2023) (*2023 Waiver Order*).

¹³ See *2023 Waiver Order*, 38 FCC Rcd at 6099-6102, paras. 10-17.

prohibitively expensive offerings.¹⁴ To accomplish this, the *2016 Lifeline Order* adopted a gradual increase in minimum service standards until December 1, 2019.¹⁵ The *2016 Lifeline Order* instructed the Bureau to establish future annual minimum service standard increases for mobile broadband data capacity using a set formula and data contained in the Commission's annual *Mobile Wireless Competition Report* starting in 2019.¹⁶ Because the *Mobile Wireless Competition Report* was discontinued, the *Communications Marketplace Report* is now used. Specifically, the formula requires the Bureau to: (1) divide the total number of mobile-cellular subscriptions in the United States by the total number of American households and round to the nearest hundredths place before multiplying by; (2) the percentage of Americans who own a smartphone, and rounding this number to the nearest hundredth before multiplying by; (3) the average data used per mobile smartphone subscriber. The product of (1)-(3) is rounded to the nearest hundredths and then multiplied by 0.7, and the result is rounded up to the nearest 250 MB.¹⁷ However, the *2016 Lifeline Order* provided a default calculation, should "any of the data sources required by the calculations [be] older than 18 months," by which the minimum service level for mobile broadband data capacity would automatically increase from its previous level by the most recent year over year percentage change in smartphone data usage per subscriber.¹⁸

6. In 2019, the Commission found good cause to partially grant a petition from CTIA and others to waive the impending increase in the minimum service standard for mobile broadband data capacity and instead established a minimum service standard of 3 GB per month.¹⁹ In 2020, the Bureau acted to partially grant a petition from the National Lifeline Association to waive the formula-defined increase and instead establish a minimum service standard of 4.5 GB per month.²⁰ More recently, the Bureau has found good cause to pause the increase for a year, and the standard is set to increase beginning December 1, 2024.²¹ This year, based on the secondary approach for calculating increases because the data for the typical approach is older than 18 months, the minimum service standard for mobile broadband data capacity is set to increase to 5.25 GB per month beginning December 1, 2024.²²

7. From January 2022 through May 2024, the Commission launched and ran the ACP, which grew to become the largest broadband affordability program in the nation's history, serving over 23 million households before the Commission needed to wind-down the program due to lack of additional funding from Congress.²³ The ACP provided a monthly discount of up to \$30 for broadband service, and

¹⁴ See *2016 Lifeline Order*, 31 FCC Rcd at 3989, para. 71.

¹⁵ See 47 CFR § 54.408(b)(2)(ii).

¹⁶ See *2016 Lifeline Order*, 31 FCC Rcd at 3995, para. 93; 47 CFR § 54.408(b)(2)(ii).

¹⁷ See *2016 Lifeline Order*, 31 FCC Rcd at 3995-96, paras. 93-94; 47 CFR § 54.408(c)(2)(ii).

¹⁸ See *2016 Lifeline Order*, 31 FCC Rcd at 3997, para. 97; 47 CFR § 54.408(c)(2)(iii).

¹⁹ See *Lifeline and Link Up Reform and Modernization et. al.*, WC Docket No. 11-42, Order, 34 FCC Rcd 11020, 11020, 11024, paras. 2, 13 (2019) (*2019 Waiver Order*); see also *Joint Petition to Pause Implementation of December 2019 Lifeline Minimum Service Standards Pending Forthcoming Marketplace Study*, WC Docket No. 11-42 (filed June 27, 2019).

²⁰ See *Lifeline and Link Up Reform and Modernization et. al.*, WC Docket No. 11-42, Order, 35 FCC Rcd 12958, para. 2 (WCB 2020) (*2020 Waiver Order*); see also *National Lifeline Association Petition for Waiver of Lifeline Mobile Broadband Minimum Service standard and Voice Support Phase-Down*, WC Docket No. 11-42 (filed Aug. 27, 2020).

²¹ See *2023 Waiver Order*, 38 FCC Rcd at 6101-6102, paras. 14-17; see also *2022 Waiver Order*, 37 FCC Rcd at 7698-7699, paras. 18-22.

²² See 47 CFR § 54.408(b)(2)(ii)(D).

²³ See *Affordable Connectivity Program*, WC Docket No. 21-450, Report and Order and Further Notice of Proposed Rulemaking, 37 FCC Rcd 484, 484, para. 1 (2022) (*ACP Order*); *Affordable Connectivity Program*, WC Docket No. 21-450, Order, DA 24-23, at 1-2, paras. 1-3 (WCB 2024).

up to \$75 a month for households on qualifying Tribal lands.²⁴ Under the ACP, in addition to providing an ACP-supported broadband service to the household, participating providers can also offer a reimbursement of up to \$100 per household for a connected device if the household contributes more than \$10 but less than \$50 for a connected device.²⁵ Several, but not all, criteria that conferred ACP enrollment eligibility also confer Lifeline enrollment eligibility, and many Lifeline providers also participated in the ACP.²⁶

8. The Infrastructure Act, which established the ACP, also instructed the Commission to launch the ACP Transparency Data Collection to collect information about the price and subscription rates of each internet service offering received by households enrolled in the ACP,²⁷ and to issue “a report [to Congress] on the options of the Commission for improving its effectiveness in achieving the universal service goals for broadband”²⁸ In November 2022, the Commission adopted final rules in its ACP Transparency Data Collection Order.²⁹ The Bureau and the Office of Economics and Analytics announced the publication of data from the data collection in May 2024.³⁰

9. The *Future of USF Report*, which was adopted on August 12, 2022, found that a persistent minority of Lifeline consumers opt for voice-only Lifeline plans.³¹ It also recommended that the Commission “initiate a rulemaking to evaluate how the Lifeline program can best operate with the Affordable Connectivity Program and examine lessons learned from implementation of the EBB Program and the Affordable Connectivity Program that may be able to be applied to Lifeline.”³² The *Report* further recommended that the Commission “consider continuing Lifeline support for voice-only service

²⁴ See 47 CFR § 54.1803(a).

²⁵ See *ACP Order*, 37 FCC Rcd at 538-539, paras. 110-12.

²⁶ See 47 CFR §§ 54.409, 54.1800(j), 54.1805. ACP and Lifeline eligibility are established by either having a household income below a certain threshold or participating in a federal assistance program. All federal assistance programs that establish Lifeline eligibility also establish ACP eligibility. These include Medicaid, Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income, Federal Public Housing Assistance, or Veterans and Survivors Pension Benefit. Consumers residing on qualifying Tribal lands may also establish Lifeline eligibility if a member of the household participates in Bureau of Indian Affairs General Assistance, Head Start (only those households meeting its income qualifying standard), Tribally administered Temporary Assistance for Needy Families (TANF), or the Food Distribution Program on Indian Reservations. Certain federal assistance programs confer ACP eligibility, but not Lifeline eligibility, including having a member of a subscriber’s household that has been approved to receive meals as part of the National School Lunch and Breakfast Program, has received a federal Pell grant in the current award year, or receives assistance through the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Similarly, a consumer is eligible for Lifeline if their household income is at or below 135% of the Federal Poverty Guidelines, while the ACP income-based eligibility standard is more expansive, extending ACP eligibility to a consumer if their household income is at or below 200% of the Federal Poverty Guidelines. A consumer may subscribe to both programs, but no more than one member of a household may subscribe to each, distinct program.

²⁷ See Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, div. F, tit. V, § 60502(c) (Infrastructure Act); *Affordable Connectivity Program*, WC Docket No 21-450, Notice of Proposed Rulemaking, 37 FCC Rcd 7216 (2022).

²⁸ Infrastructure Act, div. F, tit. I, § 60104(c).

²⁹ See *Affordable Connectivity Program*, WC Docket No. 21-450, Fourth Report and Order and Further Notice of Proposed Rulemaking, 37 FCC Rcd 13773, 13827, paras. 120-130, 59 (2022) (*ACP Transparency Data Collection Order*).

³⁰ See *ACP Transparency Data Collection Public Notice*.

³¹ *Future of USF Report*, 37 FCC Rcd at 10072-10073, 10078, paras. 55, 67.

³² See *id.* at 10074-10075, para. 58.

based on strong support in the record”³³ and “consider how best to revisit the minimum service standards prescribed by the 2016 Lifeline Order.”³⁴ The Commission has not had an opportunity to fully consider these recommendations in light of the end of ACP and recent data obtained through the ACP Transparency Data Collection.

III. DISCUSSION

10. The Bureau acts on its own motion to extend its waiver of the implementation of the phase-out in Lifeline support for voice-only services and the increase in the Lifeline minimum service standards for mobile broadband data capacity for one additional year, until December 1, 2025. In evaluating whether good cause exists for waiver of its rules,³⁵ the Commission considers whether the particular facts make strict compliance inconsistent with the public interest.³⁶ The Commission may also take into account concerns of hardship, equity, or more effective implementation of policy on an individual basis.³⁷ Waiver of the Commission’s rules is therefore only appropriate if special circumstances warrant a deviation from the general rule, and such deviation will serve the public interest.³⁸ As further discussed below, the Bureau finds good cause to act on delegated authority to waive the Lifeline rules as described herein.³⁹

11. Our decision to further extend this waiver stems from careful consideration of how to continue to support a stable and robust affordable broadband market through the Lifeline Program. There is good cause to maintain Lifeline’s status quo to minimize disruptions faced by households that subscribe to Lifeline—which is currently the only federal broadband affordability program.⁴⁰ Minimizing short-term changes to Lifeline is vital to ensuring Lifeline subscribers are best able to find affordable service options in the Lifeline program by avoiding the possibility of providers increasing prices to offset higher mobile data capacity requirements. This waiver also allows the Commission to better understand the availability of affordable broadband offerings in the current marketplace and allows the Commission additional time to consider the recommendations found in the *Future of USF Report*.⁴¹ Thus, we find good cause to pause, until December 1, 2025, both the elimination of voice-only support and the increase in minimum service standards for mobile broadband data capacity.

12. *Voice Support Phase-Out.* Last year, we paused the scheduled phase-out in Lifeline support for voice-only services due in large part to a continued reliance on voice service.⁴² We continue to see a persistent minority of households still relying on qualifying Lifeline voice service for their connection needs. Indeed, approximately 275,000 Lifeline households continue to subscribe to a voice-only qualifying plan.⁴³ It is unclear what effect the elimination of voice support would have on this population’s ability to retain an affordable voice-service plan and whether this population has access to

³³ See *id.* at 10078-10079, paras. 67-68.

³⁴ *Id.* at 10080-10081, para. 69.

³⁵ See 47 CFR § 1.3.

³⁶ *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990).

³⁷ *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969); *Northeast Cellular*, 897 F.2d at 1166.

³⁸ *Northeast Cellular*, 897 F.2d at 1166.

³⁹ See 47 CFR § 0.291; *2016 Lifeline Order*, 31 FCC Rcd at 4120, para. 433.

⁴⁰ See, e.g. USAC, Board Materials for April 2024, High Cost & Low Income Committee Briefing Book at 53-54 (Apr. 2024), <https://www.usac.org/wp-content/uploads/about/documents/leadership/materials/hcli/2024/2024-04-29-HCLI-Briefing-Book-Public.pdf> (High Cost & Low Income Committee Briefing Book).

⁴¹ *Future of USF Report*, 37 FCC Rcd at 10071-10080, paras. 58-74.

⁴² *2023 Waiver Order*, 38 FCC Rcd at 6100, para. 12.

⁴³ See High Cost & Low Income Committee Briefing Book at 53-54.

any alternative communications service. Our action today ensures that these subscribers are not required to subscribe to broadband bundled plans to maintain their access to a Lifeline-supported service. Our action also permits these households to maintain access to voice service that bridges a gap in the pursuit of universal service.⁴⁴ We are particularly cognizant of the potential harm if a Lifeline subscriber loses their voice service and their access to services such as 911, 988, and other critical support hotlines.⁴⁵

13. We also find that it is in the public interest to further pause the complete phase-out of voice-only support to allow the Commission to fully consider the future of its low-income affordability programs. The *Future of USF Report* made numerous suggestions about which portions of the Lifeline program the Commission should consider retaining and adjusting.⁴⁶ One of the *Future of USF Report*'s recommendations was for the Commission to consider continuing Lifeline support for qualifying voice services.⁴⁷ Pausing the phase-out of voice-only support honors this suggestion in the short-term, while also giving the Commission additional time to consider a more comprehensive approach for addressing this issue.

14. *Mobile Broadband Data Capacity Minimum Service Standard.* Last year, the Bureau paused the increase to the minimum service standard for mobile broadband data capacity, primarily due to potential cost barriers that an increase would bring to providers and subscribers, data showing that Lifeline subscribers may not benefit from an increase in the usage allowance, and the need for the Commission to review the results of the inaugural ACP Transparency Data Collection.⁴⁸ This rationale continues to support continuing to pause the increase in the mobile broadband data capacity standards.

15. The data capacity minimum service standard for mobile broadband aims to balance the dueling goals of access and affordability by ensuring consumers have access to the robust service needed to participate in modern society while also ensuring consumers are able to afford such access. Absent action, the current minimum service standard would increase from 4.5 GB to 5.25 GB per month.⁴⁹ While this increase is lower than the increases the Bureau has previously temporarily waived, it comes at a time when the affordable broadband market is undergoing significant changes due to the end of the ACP, therefore, there is a strong interest in avoiding any potential disruption of service to Lifeline subscribers in this environment. In this environment, an increase in this standard presents a potential risk that providers could raise the price of plans such that subscribers may not be able to afford a plan that offers qualifying broadband service, even with the Lifeline benefit, and may force providers to offer wasteful plans that subscribers are unlikely to fully utilize.⁵⁰ With this time-limited waiver, however, we do not intend to signal that all future increases in the Lifeline mobile broadband data capacity minimum service standard would warrant a waiver.

⁴⁴ See also *2021 Waiver Order*, 36 FCC Rcd at 15546, para. 16 (finding that “retail rates for bundled broadband plans that would meet the Lifeline program’s current minimum service standards for broadband data capacity far exceed the cost of plans that would qualify as Lifeline voice-only plans,” which could require some Lifeline subscribers “to either move to a more expensive bundled broadband plan, or forego voice service altogether.”).

⁴⁵ See, e.g., *National Domestic Violence Hotline*, <https://www.thehotline.org/> (last visited May 20, 2024).

⁴⁶ See, e.g., *Future of USF Report*, 37 FCC Rcd at 10041 10072-10080, paras. 58-71.

⁴⁷ See *Future of USF Report*, 37 FCC Rcd at 10076-10077, paras. 67-68.

⁴⁸ *2023 Waiver Order*, 38 FCC Rcd at 6101-6102, paras. 14-17.

⁴⁹ See *2016 Lifeline Order*, 31 FCC Rcd at 3997, para. 97; *2022 Communications Marketplace Report* 47 CFR § 54.408(c)(2)(iii).

⁵⁰ See *2022 Waiver Order*, 37 FCC Rcd at 7695, para. 7 (“Relying on limited data provided by Lifeline service providers, the Marketplace Report found that 93 percent of Lifeline subscribers use less than 4 GB of data per month, and 76 percent of all reported Lifeline subscribers use less than 1 GB per month.”).

16. Moreover, the *Future of USF Report* recommended that the Commission further consider revisions to the Lifeline program's minimum service standards.⁵¹ Retaining the current minimum service standards for mobile broadband data capacity grants the Commission additional time to consider how to establish a minimum service standard that evolves with changing technology and usage patterns and to consider the data collected through the ACP Transparency Data Collection, which provides insight into the plans ACP subscribers purchased and can help inform future Commission decisions about the Lifeline minimum service standards.⁵² Further, a temporary pause here will ensure that qualifying service is affordable and meets the connectivity needs of low-income consumers on an ongoing basis. For all of these reasons, we find good cause to pause the Lifeline minimum service standards for mobile broadband data capacity.

IV. ORDERING CLAUSES

17. ACCORDINGLY, IT IS ORDERED, pursuant to the authority contained in sections 1-4 and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154 and 254, and sections 0.91, 0.291, and 1.3 of the Commission's rules, 47 CFR §§ 0.91, 0.291, and 1.3, that section 47 CFR § 54.401(b), 47 CFR § 54.403(a)(2), and 47 CFR § 54.408(b)(2)(ii)(D) of the Commission's rules ARE WAIVED to the limited extent provided herein.

18. IT IS FURTHER ORDERED, that pursuant to section 1.102(b)(1) of the Commission's rules, 47 CFR § 1.102(b)(1), this Order SHALL BE EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION

Trent B. Harkrader
Chief
Wireline Competition Bureau

⁵¹ See *Future of USF Report*, 37 FCC Rcd at 10077-10078, para. 69.

⁵² See *ACP Transparency Data Collection Public Notice*.