



Members Brief

An informational brief prepared by the LSC staff for members and staff of the Ohio General Assembly

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Lifeline Program

Lifeline is a federal program overseen by the Federal Communications Commission (FCC) to advance Congress’s goal of universal telecommunications service by offering discounts for certain voice telephone and broadband internet services to eligible low-income consumers. The FCC has established minimum service standards that must be satisfied by Lifeline providers to receive payments under the program.

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What is Lifeline?

Lifeline is a federal universal service program overseen by the Federal Communications Commission (FCC) to provide discounts for voice telephone and broadband internet services for qualifying low-income consumers across the country. Lifeline also has been referred to as “Obamaphone” in popular culture, despite predating the Obama administration. Lifeline is paid out of the universal service fund (see “**Lifeline funding**” below). It is administered by the Universal Service Administrative Company (USAC), though states are provided authority to adopt regulations not inconsistent with the FCC’s rules to preserve and advance universal service.¹

Lifeline traces its roots back to the Communications Act of 1934, which first articulated Congress’s universal service goal of making telecommunications service available at a reasonable

¹ 47 United States Code (U.S.C.) 254(f); 47 Code of Federal Regulations (C.F.R.) 54.401(a) and 47 C.F.R. 54.701(a); see the FCC [Universal Service overview](#), which may be accessed by conducting a keyword “Universal Service” search on the FCC’s website: fcc.gov.

cost across the country. To further Congress's universal service goal, the FCC created Lifeline in 1985 to provide affordable, landline telephone service to qualifying low-income consumers. The Telecommunications Act of 1996 codified the Lifeline Program, along with other universal services support mechanisms to be overseen by the FCC.²

Since the Telecommunications Act of 1996, Lifeline has seen a number of notable changes. In 2005, the FCC, during the George W. Bush administration, determined that wireless carriers, as well as nonfacility-based resellers of wireless service, are eligible to provide Lifeline service.³ Then, in 2008, the FCC fully opened the door for Lifeline service to be provided by pure wireless resellers by determining TracFone complied with all conditions for providing Lifeline service.⁴ Beginning in the early 2010s, the FCC ramped up efforts to reduce waste and abuse of Lifeline by creating both the National Lifeline Accountability Database and the National Lifeline Eligibility Verifier. Most recently, in 2016, a new rule was issued requiring Lifeline providers to deliver broadband internet service meeting minimum standards set by the FCC, either independently or bundled with voice service, to eligible consumers or else receive reduced Lifeline funding.⁵

Who is eligible for Lifeline?

Federal law extends eligibility for Lifeline service to a "qualifying low-income consumer." To be a qualifying low-income consumer, neither the consumer nor anyone in the consumer's household can be receiving or be subscribed to Lifeline, and at least one of the following must be met:

1. The consumer's household income is at or below 135% of the federal poverty guidelines for a household of that size;
2. The consumer, at least one of the consumer's dependents, or the consumer's household receives benefits from Medicaid, Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI), Federal Public Housing Assistance, or Veterans and Survivors Pension Benefit; or
3. The consumer lives on tribal lands⁶ and the consumer, at least one of the consumer's dependents, or the consumer's household participates in Bureau of Indian Affairs general assistance, Tribally administered Temporary Assistance for Needy Families, Head Start, or

² *Nat'l Lifeline Ass'n v. FCC*, 921 F.3d 1102, 1106 (D.C. Cir. 2019).

³ *In the Matter of Federal-State Joint Board on Universal Service; Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. 214(e)(1)(A) and 47 C.F.R. 54.201(i)*, 20 FCC Rcd. 15095 (F.C.C. 2005).

⁴ *In re Federal-State Joint Board on Universal Service et al.*, 23 FCC Rcd. 6206 (F.C.C. 2008).

⁵ 47 C.F.R. 54.403; *Lifeline and Link Up Reform and Modernization, Telecommunication Carriers Eligible for Universal Service Support, Connect America Fund*, 81 Federal Register (Fed.Reg.) 33026, 33026-33027 (May 24, 2016), *Lifeline and Link Up Reform and Modernization, Advancing Broadband Availability Through Digital Literacy Training*, 77 Fed.Reg. 12952, 12954 (Mar. 2, 2012).

⁶ 47 C.F.R. 54.400(e). See the Universal Service Administrative Company [Eligible Tribal Lands Map \(PDF\)](#), which may be accessed by conducting a keyword "Enhanced Tribal Benefit" search on the Company's website: usac.org.

the Food Distribution Program on Indian Reservations. There are no tribal lands in Ohio for purposes of Lifeline.

The National Lifeline Eligibility Verifier and the National Lifeline Accountability Database serve as central locations for initial eligibility determinations and enrolling eligible subscribers.⁷

Who provides Lifeline?

A service provider that is an “eligible telecommunications carrier” (ETC) must provide Lifeline services meeting minimum requirements set by the FCC (see “**What is covered?**” below). Additionally, only an ETC is eligible to receive Lifeline support payments. For a service provider to become an ETC, the provider must both: (1) meet all requirements outlined in federal and state law, and (2) be designated as an ETC by the appropriate government entity. Both steps for becoming an ETC are explained further below.⁸

ETC eligibility requirements

Federal law requires a telecommunications service provider to satisfy all of the following to be eligible for classification as an ETC:

1. Be a common carrier (that is, a person who provides communication service to the general public for a fee);
2. Offer services, notably wireless services, that are supported by federal universal service support mechanisms (see “**What is covered?**” below) using the provider’s own facilities or a combination of its own facilities and resale of another carrier’s services;
3. Advertise the availability of universal service and the charges for the service using media of general distribution;
4. Meet requirements for public interest, convenience, and necessity.⁹

In addition to these requirements, an ETC applicant that is an Incumbent Local Exchange Carrier (ILEC) must meet the Lifeline requirements in Ohio Administrative Code (O.A.C.) 4901:1-6-19. An ILEC is a person that provided landline service (telephone exchange service) in an area and was a member of the exchange carrier association before February 8, 1996 (the effective date of the Telecommunications Act of 1996) or the successor or assign of the member.¹⁰

ETC designation

The primary responsibility for designating ETCs is left up to state utilities commissions, like the Public Utilities Commission of Ohio (PUCO). The state commission must, either on its own

⁷ 47 C.F.R. 54.404, 54.409, and 54.410; O.A.C. 4901:1-6-19(H).

⁸ 47 U.S.C. 214(e)(1).

⁹ 47 U.S.C. 214(e)(1); 47 U.S.C. 153(11); 47 C.F.R. 54.101, 54.201, and 54.202.

¹⁰ R.C. 4927.01(A)(5) and (15); see the PUCO [ETC application form \(PDF\)](#), which may be accessed by conducting a keyword “Eligible telecommunication carrier form” search on PUCO’s website: puco.ohio.gov/home.

or upon request, designate as an ETC for a service area any entity that meets the eligibility requirements discussed above. More than one ETC may be designated for a service area.¹¹

An ETC may be designated by the FCC if the common carrier is not subject to the jurisdiction of a state commission or if no common carrier will provide interstate service requested to an unserved community.¹²

How is Lifeline provided?

What is covered?

Congress delegated authority to the FCC to determine what telecommunications services would be supported by Lifeline, taking into account technological advances. Currently, the FCC allows Lifeline support to be used for voice telephone, fixed broadband internet, and mobile broadband internet services that meet certain minimum standards. A Lifeline provider may also provide devices, including cell phones, to its consumers, provided that the devices meet Wi-Fi and hotspot functionality requirements.¹³ The current minimum service standards are listed in the following table.

Lifeline Minimum Service Standards as of June 22, 2022 ¹⁴	
Service	Minimum Requirements
Fixed voice	None
Mobile voice	1,000 minutes
Fixed broadband	Speed: 25 megabits per second downstream/3 megabits per second upstream Data usage allowance: 1,229 gigabytes per month
Mobile broadband	Speed: 3G Data usage allowance: 4½ gigabytes per month

Lifeline support amount

A designated ETC receives federal Lifeline support payments monthly for providing Lifeline service to qualifying consumers. The ETC must pass the entire support amount it receives on to the qualifying consumer.¹⁵ The monthly support amounts are listed in the following table.

¹¹ 47 U.S.C. 214(e)(1)-(3); R.C. 4927.04(D).

¹² 47 U.S.C. 214(e)(3) and (6).

¹³ 47 U.S.C. 254(c); 47 C.F.R. 54.400(l) and (m), 54.401(a) and (b), and 54.408(f).

¹⁴ See the Universal Service Administrative Company [Minimum Service Standards](#), which may be accessed by conducting a keyword “Minimum Service Standards” search on the Company’s website: usac.org.

¹⁵ 47 C.F.R. 54.403(a)(1).

Monthly Lifeline Support Amount as of June 22, 2022 ¹⁶		
Amount	Service	Description
\$5.25 ¹⁷	Voice	Only voice service that meets minimum voice service standards.
\$9.25	Broadband	Only broadband service that meets minimum broadband service standards.
\$5.25	Bundled voice	Both voice and broadband services, but meets only the voice minimum service standards.
\$9.25	Bundled broadband	Both voice and broadband services, but meets only the broadband minimum service standards.
\$9.25	Bundled voice and broadband	Both voice and broadband services that meets the voice and broadband minimum service standards.
+\$25	Tribal lands	Eligible residents of tribal lands receive an extra \$25 in addition to the normal Lifeline support amount.

Lifeline funding

Federal law requires every telecommunications carrier that provides interstate telecommunications service to contribute to the universal service fund. Similarly, federal law also requires every intrastate telecommunications carrier to contribute, in a manner determined by the state, to the preservation and advancement of universal service in that state. These universal service contributions may be collected through a charge on customers' bills. The total amount distributed by USAC for Lifeline in 2021 was \$723,769,573.¹⁸

¹⁶ 47 C.F.R. 54.403(a)(1), (2), and (3); see the Universal Service Administrative Company [Minimum Service Standards](#), which may be accessed by conducting a keyword "Minimum Service Standards" search on the Company's website: [usac.org](https://www.usac.org).

¹⁷ Lifeline support for both voice and bundled voice services were supposed to be discontinued on December 1, 2021. The FCC later deferred the expiration to December 1, 2022. 47 C.F.R. 54.403(a)(2) and (3); *In the Matter of Lifeline and Link Up Reform and Modernization; Telecommunications Carriers Eligible for Universal Service Support; Connect America Fund*, 2021 FCC LEXIS 4175.

¹⁸ 47 U.S.C. 254(d) and (f); 47 C.F.R. 54.712; R.C. 4927.13(D); see the Universal Service Administrative Company [Lifeline Disbursements Data](#), which may be accessed by conducting a keyword "Program Data" search on the Company's website: [usac.org](https://www.usac.org).