

Advancing Digital Equity: An Update on the FCC's Lifeline Program



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District and school technology leaders strive to ensure that students and educators have access to high-capacity broadband whenever and wherever learning takes place. According to the latest Pew research, **5 million households with school-age children do not have broadband access; low-income families make up a top-heavy share of those households and are four times as likely** to be impacted.¹ These children risk falling into the “homework gap” and furthering the digital divide. As identified by the Consortium for School Networking (CoSN) in its “[Digital Equity Action Toolkit](#),” there are a variety of tools districts can use to facilitate broadband access outside of schools. Below is an update on one of those tools, the Federal Communications Commission’s (the FCC’s) Lifeline program.



The FCC's Lifeline Program

Lifeline is an FCC program that provides discounted telecommunications services to low-income Americans. The program provides a **subsidy of \$9.25 per month, per household**, to purchase service from participating communications companies. To qualify, a household's income must be at or below 135 percent of the federal poverty guideline or a member of the household must be a participant in Supplemental Nutritional Assistance Program (SNAP), Medicaid, Supplemental Security Income (SSI), Federal Public Housing Authority (FPHA) or Section 8, Veteran's Pension and Survivor Benefit, or Tribal Programs. States have traditionally played a role in designating companies as eligible to offer services that can receive Lifeline benefits and some states go further by offering their own additional subsidy.

In March 2016, the FCC voted to update the Lifeline program with implementation that was scheduled to begin in December 2016. The changes included the following:

- **The program was expanded to explicitly include broadband service.** Previously, Lifeline benefits were only available if consumers from low-income families opted for phone or bundled services. Stand-alone broadband packages are a more affordable option for many families looking to access the internet.
- **Lifeline providers are required to offer devices that are Wi-Fi enabled and have hotspot functionality.** Wi-Fi can allow students and their parents to avoid hefty overage charges when the Lifeline device is connected to a Wi-Fi network. Hotspot functionality can allow students to access the internet using their computer, tablet, or another device when it is connected to a Lifeline hotspot. This requirement was set to be phased-in over time.

- **A new process was created to add broadband providers to the system.** Many phone and cable companies do not offer Lifeline services, so the FCC designed a new process to add companies into the program. The FCC created a **nationwide Lifeline Broadband Provider (LBP) designation**, which is a streamlined system meant to quickly increase competition in the market, thus providing higher-quality, lower-cost services to low-income families.

These reforms were intended to streamline the method for broadband providers to effectively and affordably serve low-income families.

Modernization in Jeopardy

We call upon the FCC to implement fully the March 2016 reforms. Two events call into question whether or not companies will be able to enter the Lifeline program through the new LBP designation process:



1. **New leadership at the FCC.** In January 2017, President Trump appointed Ajit Pai to head the FCC. In February 2017, Chairman Pai reversed two of his predecessor's decisions that had granted LBP status on nine companies.² The effect of this change was to halt those companies from offering subsidized broadband service through Lifeline. In March 2017, Chairman Pai announced that the FCC would not grant any of the applications submitted through the LBP designation process. He also announced that the FCC would soon start a new rulemaking to eliminate the LBP designation process, returning the power to designate Lifeline-eligible companies to the states.
2. **NARUC lawsuit.** The FCC's March 2016 Lifeline modernization order is currently the subject of a court challenge by National Association of Regulatory Utility Commissions (NARUC)—a group comprised of the states' public utility commissions. NARUC argues that the FCC usurps state authority and overreached by cutting the states out of the LBP designation process. In March 2017, Chairman Pai announced that the FCC would not defend its March 2016 order in court.

A Time for Action

At the federal level, advocates should call on the FCC to fully implement the 2016 modernization order and move forward with the LBP designation process. At the state level, district technology leaders should now look to their **state's public utility commissions** and **state legislatures** for action and encourage them to ensure that Lifeline providers are equipped to offer broadband.

Specifically, advocates should recommend the following:

- States should provide a state-level legal framework that includes a "broadband-only" option for providers. Currently, state laws and frameworks only support services tied to voice and text offerings. An updated framework should allow eligible households to also choose a provider that offers stand-alone broadband.
- If a state offers its own Lifeline subsidy in addition to the \$9.25 subsidy from the federal government, it should reassess if the subsidy amount is enough to cover all the services covered by Lifeline. If it does not offer an additional subsidy, the state should be encouraged to do so.
- Offer certification requirements that are aligned with other states and the FCC to reduce barriers to entry for new entrants to the market and promote competition.

Tips for Effective Advocacy

- **Consult Existing Tools.** CoSN's "State Policy Advocacy Toolkit" is a helpful resource and is available at <http://cosn.org/state-chapter-advocacy-toolkit>.
- **Know What Offerings Exist—and Do Not Exist—in Your State.** Nationwide, there are 900 different Lifeline providers, but a much smaller number of providers operate in each state. Universal Service Administrative Company (USAC) shows how many providers are offering various Lifeline services in each state; visit the website at <http://www.usac.org/li/tools/disbursements/default.aspx>.
- **Utilize and Leverage Local Data.** Data illustrating how many households do not have broadband at home and have students who fall into the "homework gap" is useful in persuading regulators and state legislatures to act. Though national data is of interest, more targeted and local data is even more powerful and compelling.

If your school leadership team has conducted community surveys, include that data. If your school leadership team has not yet conducted a community survey, use the free survey templates for connectivity of students and parents created in partnership by CoSN and the Friday Institute for Educational Innovation at North Carolina State University, available at http://cosn.org/sites/default/files/pdf/CoSN%20Digital%20Equity%20Toolkit%20Survey%20Templates%2C%20February%202016_1.pdf.



Additionally, the U.S. Census Bureau has state-specific statistics on internet usage and adoption, available at <https://www.census.gov/data/tables/2012/demo/computer-internet/computer-use-2012.html>.

Local stories of students struggling to get online and complete homework assignments, as well as success stories of what can happen when a child does receive access, can also be a useful tool in communicating why it is essential for state commissions and legislatures to take quick action to increase the number of Lifeline providers offering stand-alone broadband.

For updates on the Lifeline program, consult the FCC's website at www.fcc.gov and USAC's website at <http://usac.org/li/tools/news/default.aspx>.

This document was prepared by the Alliance for Excellent Education and the Consortium for School Networking in April 2017.

Endnotes

- 1 John B. Horrigan, "The Numbers Behind the Broadband 'Homework Gap,'" *FACTANK News in the Numbers*, Pew Research Center, April 20, 2015, <http://www.pewresearch.org/fact-tank/2015/04/20/the-numbers-behind-the-broadband-homework-gap/>.
- 2 The companies whose LBP designations were reversed are SpotOn Networks; Boomerang Wireless; KonaTel, Inc.; STS Media, Inc. DBA FreedomPop; Applied Research Designs, Inc.; Kajeet Inc.; Liberty Cablevision of Puerto Rico, LLC; Northland Cable Television; and Wabash Independent Networks.