

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Bridging the Digital Divide for Low-Income Consumers)	WC Docket No. 17-287
)	
Telecommunications Carriers Eligible for Universal Service Support)	WC Docket No. 09-197
)	
Affordable Connectivity Program)	WC Docket No. 21-450
)	
Emergency Broadband Benefit Program)	WC Docket No. 20-445

COMMENTS OF FREE PRESS

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EXECUTIVE SUMMARY

If Chairman Carr's rhetoric were a reliable indicator, a casual observer could be forgiven for presuming that the FCC's Lifeline program was plagued with payments to people somehow scamming cellphone companies in order to illegitimately obtain a subsidized bare-bones mobile data and voice plan. But behind the Chair's headline-seeking is a much less salacious reality: the Lifeline program is a successful, yet under-utilized, income benefit for the poorest families.

Though this latest Commission proposal frets over what to do about "unlawful aliens" obtaining support, the reality as noted by the Commission itself is that Lifeline benefits are already only available to "citizens and qualified aliens." If implemented, the Commission's proposed interpretations of the Welfare Reform Act would not result in any Lifeline program savings, but would cause a chilling effect and reduce program participation among those who are understandably afraid that the simple act of applying for a benefit for which they legitimately qualify could result in their unlawful arrest and deportation.

The truth, which the Commission is surely aware of, is that there is currently no method by which a household can qualify for federal Lifeline benefits without submitting a large amount of verifiable information that includes the last four digits of the applicant's Social Security number. Nothing the Commission now proposes would "strengthen" the program by further reducing enrollment by "unqualified aliens," because those persons are already unable to qualify. This includes the Commission's push to collect potential applicants' full nine-digit Social Security numbers. This radical, privacy-threatening proposal would not improve program integrity, and in fact the collection of full Social Security numbers stands in stark contrast to the clear bipartisan intent of Congress to have government agencies reduce their flippant and unnecessary over-collection of such sensitive personal information.

There are important lessons that policymakers can draw from Lifeline's 40-plus year history, lessons that indicate the program is most successful when designed around the needs of users. The real-world evidence that speaks to why some qualifying households participate in Lifeline while others do not could help the Commission and Congress as they each consider longer-term changes to federal affordability policies.

However, the Commission's latest proposed changes to the Lifeline program are not based on reason or evidence, but on the Chairman's partisan politics, and his need to be seen by the White House as enthusiastically attacking the President's enemies. With this proposal and his recent actions on other matters, Carr has shown he does not respect the Commission's independence, and in fact is willing to use the power of this government agency in the furtherance of Donald Trump's demagoguery. Therefore the only sensible recommendation at this time is for this Commission to leave Lifeline as-is, until such a time when the Commission is once again led by someone who cares about the public interest, and demonstrates intellectual and moral integrity.

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I. Introduction.

Free Press strongly agrees with Commissioner Gomez’s statement about this proceeding, which opened with the truth that “connectivity should be treated as an essential service, not used as a political tool.” Unfortunately, with his latest missive on the Lifeline Program, FCC Chairman Brendan Carr has chosen to use his power in a manner that will not make broadband more affordable or the Lifeline program more effective, but will instead depress participation amongst the most vulnerable low-income families. We submit these comments that detail why the latest proposed changes to Lifeline are unnecessary and in fact harmful to the Commission’s and Congress’s telecom affordability and adoption goals. We also briefly review the lessons that serious policymakers can draw from the Lifeline program’s 40-plus year history, which suggest that the Commission should be looking for ways to increase the user utility of the Lifeline benefit instead of adding more unnecessary and privacy-threatening eligibility verification enrollment hurdles.

II. The Commission’s Proposed Changes to the Lifeline Program are Based on the Chairman’s Partisan Politics, not Reasoned- and Evidence-Based Policymaking.

A. Lifeline Benefits are Already Only Available to “Citizens and Qualified Aliens.”

One question in the *Notice*¹ perfectly encapsulates the political theater of this latest Lifeline proceeding: “Does the fact that Lifeline benefits are already limited to citizens and qualified aliens affect the PRWORA analysis?”² The answer to this question is self-evident. The fact that Lifeline benefits are already limited in this manner renders the *Notice*’s analysis of this statute, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (“PRWORA”), irrelevant to the policy outcome. Federal Universal Service Fund Low-Income

¹ *In the Matter of Lifeline and Link Up Reform and Modernization et. al.*, MB Docket No. 11-42 *et. al.*, Notice of Proposed Rulemaking, FCC 26-8 (rel. Feb. 23, 2026) (“*Notice*”).

² *Notice* ¶ 19.

Program (“Lifeline”) benefits are now, and have always been, limited to citizens and “qualified aliens,” and the changes the Commission proposes won’t affect that.

Thus, this current proceeding is merely another example of the current Commission’s elevation of hateful identity politics above serious public policy analysis. To put it mildly, that is unfortunate, as the Lifeline program is vital to millions of families across the political spectrum. The Chairman’s eagerness to abuse his power just to make political statements may help the White House remember who he is, but it actively undermines the Commission’s statutory goal of ensuring that “all the people of the United States, without discrimination on the basis of race, color, religion, national origin, or sex” may access “adequate facilities at reasonable charges.”³

If implemented, the proposed interpretations of PRWORA would not result in any program savings, but would have the potential to cause a chilling effect and reduce program participation by certain qualifying households. This is because there is currently no method by which a household can qualify for Lifeline benefits without submitting a large amount of verifiable information that includes the last four digits of the applicant’s social security number. As the *Notice* recognizes, a “Lifeline applicant currently must provide on their application . . . either the last four digits of their Social Security number (SSN) or Tribal identification number (if the applicant is a member of a Tribal nation and does not have an SSN).”⁴ Social Security numbers are only issued to U.S. citizens, non-citizens authorized to work by the Department of Homeland Security, Green Card Holders, certain international students with authorized on-campus or off-campus employment, or other non-citizens with legal status.⁵

³ 47 U.S.C. § 151.

⁴ *Notice* ¶ 6. *See* 47 C.F.R. § 54.410(d)(2)(vi).

⁵ 20 C.F.R. § 422.104.

The National Lifeline Accountability Database (“NLAD”) verification process requires applicants to provide the last four digits of their SSN.⁶ Prior to last November, the only states to opt-out of NLAD verification were California, Oregon and Texas.⁷ Texas prior to the issuance of the *Notice* already required applicants to submit their last-4 SSN digits.⁸ Oregon prior to the *Notice* already required applicants’ full 9-digit SSN.⁹

At best, the Commission seems confused about how California conducted verification prior to the agency’s revocation of California’s NLAD exemption.¹⁰ But a more probable explanation is that Chairman Carr’s office is unconcerned with the facts, and tried to make an example out of a state that chooses to administer its own state low-income program in a manner that it deems most-effective for achieving its own goals. Prior to last October, the state made it quite clear to potential federal Lifeline program applicants that they would be required to submit the last four digits of their SSN.¹¹ The CPUC made changes to this requirement, after the enactment of a new Privacy Law (California Assembly Bill 1303, or “AB 1303”). While the Commission chose to interpret AB 1303 as prohibiting collection of the last four digits of an applicant’s SSN, the California Public Utilities Commission (“CPUC”) noted that this is an

⁶ Lifeline Application, Form 5629, OMB 3060-0819, at 2 (Feb. 2026).

⁷ Universal Service Administrative Company, “National Verifier Annual Report and Data” at 3 (Jan. 30, 2026).

⁸ “Low-Income Telephone/Broadband Discount Program (Texas Lifeline) Enrollment Form,” Public Utility Commission of Texas, Section 1.

⁹ “Oregon Lifeline Application,” Oregon Public Utility Commission, Section A.

¹⁰ *See Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, Order, DA 25-965 ¶ 6 n.18 (Nov. 20, 2025).

¹¹ *See* “Program Guidelines: Is California LifeLine Right for You?,” California Lifeline Program (Sept. 18, 2025 archives version, accessed from archive.org) (“The Federal Communications Commission requires collection of Date of Birth and last 4 digits of Social Security Number or Tribal ID Number on application and renewal forms to be eligible for . . . federal Lifeline discounts.”).

incorrect interpretation of the law and the state’s process.¹² As the CPUC noted, “the CPUC established two enrollment paths for California residents to apply. Applicants with SSNs [m]ust provide the last 4 digits of their SSN (SSN4) and their applications will continue to be considered for federal Lifeline eligibility. Applicants without SSNs [m]ust attest that they do not have an SSN4 to provide and submit alternative identity documentation such as a California Driver License. Customers without an SSN4 are restricted to state-only support. Their applications will not be submitted for federal eligibility determination.”¹³

Therefore, Chairman Carr’s *casus belli* to revoke California’s NLAD opt-out and launch this proceeding is based on a falsehood. Nothing about AB 1303 would lead to non-citizens or “unqualified aliens” receiving federal Lifeline support. This proceeding’s central proposal serves no practical purpose. It’s just one more vain attempt by Brendan to raise his culture warrior standing in the eyes of the Trump administration, which seems to gain immense gratification from treating immigrants as subhuman.

B. The Commission Must Not Require Lifeline Participants to Submit Their Full Nine-Digit Social Security Number. This Information is Not Necessary to Verify Eligibility, and its Collection Would Put Low-Income Americans at Risk of Ruinous Identity Theft.

The *Notice* proposes to collect Lifeline applicants’ full nine-digit Social Security numbers in order to take “advantage of all available resources to verify the identity and lawful status of Lifeline program applicants.”¹⁴ However, the Commission fails to explain why, how, and to what degree the collection of this highly-sensitive Personally Identifiable Information (“PII”) would improve the eligibility verification process above what’s already possible with the

¹² Letter to Marlene H. Dortch from Ana Maria Johnson, California Public Utilities Commission, WC Docket No. 11-42, at 3 (Dec. 23, 2025).

¹³ *Id.* (internal citations omitted; emphasis added).

¹⁴ *Notice* ¶ 25.

extensive information collected on the agency’s Form 5629. And the *Notice* completely ignored, and failed to seek comment on, the potential costs of collecting this information – especially costs to applicants whose lives could be ruined by now all-too-common hacks and breaches of centralized databases.

The Commission’s push to collect full nine-digit SSNs stands in stark contrast to the clear bipartisan intent of Congress to have government agencies reduce their flippant and unnecessary over-collection of PII. For example, the Consolidated Appropriations Act of 2024 required the Department of Veterans Affairs to “discontinue collecting and using Social Security account numbers to authenticate individuals in all information systems of the Department of Veterans Affairs for all individuals.”¹⁵ This is not a new or partisan concern. In 2007, the Bush Administration’s OMB issued a Memorandum to U.S. departments and agencies ordering them to “establish a plan in which the agency will eliminate the unnecessary collection and use of social security numbers,” and “explore alternatives to agency use of Social Security Numbers as a personal identifier for both Federal employees and in Federal programs.”¹⁶ At a 2017 Congressional hearing titled “Protecting Americans’ Identities: Examining Efforts to Limit the Use of Social Security Numbers,” Rep. Tom Rice (R-SC) said “[t]he federal government needs to ensure it is doing all it can to protect Americans’ identities and that Social Security numbers are not being used unnecessarily.”¹⁷

¹⁵ Consolidated Appropriations Act, 2024, P.L. 118-42, Division A, Title II, Sec. 237 (2024).

¹⁶ Office of Mgmt. & Budget, Exec. Office of the President, M-07-016, “Safeguarding Against and Responding to the Breach of Personally Identifiable Information,” at 7 (2007).

¹⁷ “Federal Agencies Have ‘A Long Way to Go’ to Limit the Use of Social Security Numbers and Adequately Protect Americans’ Identities,” Press Release, United States Committee on Ways and Means (May 23, 2017).

The potential that this highly sensitive PII may be unintentionally disclosed is hardly theoretical, and just because it involves a federal agency ordering a non-governmental organization (here, USAC) to collect this information doesn't magically make that collection invulnerable to a breach. Indeed, the OMB itself has been breached repeatedly, with the hackers obtaining the SSNs of tens of millions of employees and prospective employees, some of whom merely applied for government work 15 years before the breach.¹⁸

There is simply no reason for the Commission to require USAC to collect Lifeline applicants' nine-digit SSNs. Doing so would run counter to the current Social Security Administration's best practices, which state that "organizations should avoid using Social Security numbers (SSNs) as identifiers for any type of transaction," and instead use alternative identifiers.¹⁹ USAC's NLAD verification process is already very robust,²⁰ and the Commission has failed to demonstrate that the risks associated with the collection of full nine-digit SSNs are justified.

¹⁸ Congressional Research Service, "Cyber Intrusion into U.S. Office of Personnel Management: In Brief," R44111 (July 17, 2015).

¹⁹ "Avoid Identity Theft: Protect Social Security Numbers," Social Security Administration, Philadelphia Region (archived from Dec. 29, 2025) (emphasis added).

²⁰ USAC notes that Lifeline's "National Verifier automatically verifies the consumer's identity and address using: Third-Party Identity Verification (TPIV), USPS Address Matching Service (AMS), and Data checks for duplicate benefits for the same person or the same address. [. . .] The National Verifier automatically verifies a consumer's participation in a qualifying government program through established Computer Matching Agreements (CMA) with state and federal government organizations. USAC has federal data connections with the United States Department of Housing and Urban Development (HUD) to verify participation in the Federal Public Housing Assistance program (FPHA), the Centers for Medicare and Medicaid Services (CMS) to verify participation in Medicaid, and the United States Department of Veterans Affairs (VA) to verify participation in qualifying Veterans Pension and Survivors Benefit programs." *See* Universal Services Administrative Company, "Eligibility Verification" (accessed Apr. 30, 2026). According to USAC these program-based eligibility enrollees accounted for nearly three-quarters of Lifeline subscribers. *See* Universal Services Administrative Company, "Lifeline's Data and Statistics" (program data for 2025; accessed Apr. 30, 2026). USAC requires applicants who cannot be verified via these automated checks to submit additional paperwork.

C. In Order to Avoid Harming Low-Income Families, the Commission Should Not Modify its Lifeline Rules at This Time.

As we detailed above, the Lifeline benefits are only available to citizens or qualified aliens. Thus the central proposal of this proceeding – formally confirming that PRWORA applies to Lifeline – would not alter the *status quo* outcome, but it would frustrate the process that is needed to faithfully implement the law and achieve the Commission’s and Congress’s communications policy goals.

But the *Notice* contemplates other program changes too, and tees up a discussion of longer-term Lifeline reform. While it is usually a prudent idea for the Commission to review its programs periodically to examine their effectiveness, there is ample reason to fear that any changes this Commission makes to the Lifeline program would be arbitrary, capricious, and harmful to the public interest. Under Chairman Carr’s leadership, this Commission has demonstrated that it cannot be trusted to promote the public interest in any policy matters that involve race, ethnicity, gender, immigration status, free speech, competition, and a host of other matters that the Trump administration and Chairman Carr have willfully politicized.²¹ And when

²¹ For example, the *Notice* and the Chairman raise again the specter of deceased persons remaining enrolled in Lifeline. But the *Notice* fails to properly contextualize the scope of any such payments (which, according to the *Notice*, amounted to \$5 million during 2020–2025, or about one-tenth of one percent of the program’s disbursements), or offer any cost-benefit analysis of any policy changes that would attempt to further reduce these illegitimate payments to carriers. *Notice* ¶ 68. Indeed, the *Notice* doesn’t offer any specific proposals on how to further reduce the already-low amount of these illegitimate payments, other than to imply – without evidence – that they were somehow exacerbated by California’s NLAD opt-out process, even though the deceased enrollee issue was more acute in Texas. *See* Statement of Commissioner Anna Gomez, *Notice* at 64. Free Press strongly agrees that carriers should not receive payments for services that are not received by qualifying households. But nothing proposed in the *Notice* would directly address this issue, nor does the *Notice* attempt to explain the Commissions’ view of the efficacy of its past efforts to address the deceased enrollee matter. *See, e.g., In the Matter of Lifeline and Link Up Reform and Modernization et al., MB Docket No. 11-42 et al., Fifth Report and Order, Memorandum Opinion and Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking*, 34 FCC Rcd 10886, ¶¶ 92–93 (2019).

it comes to policies that impact immigrants, the public has ample reason to be wary of any and all actions taken by the Trump administration, which has repeatedly violated the U.S. Constitution and U.S. law in the name of carrying out President Trump’s hate-filled agenda.²²

Let us be clear: the *Notice*’s central proposal – codifying the Lifeline’s eligibility *status quo* – would not lead to de-enrollment of “unqualified aliens,” because the enrollment process already ensures that program participation is “limited to citizens and qualified aliens.”²³ But Chairman Carr’s actions would almost certainly depress legitimate program participation by people in the racial and ethnic demographic groups specifically targeted by the Trump Administration’s unlawful and unconstitutional immigration enforcement actions. In fact, many people who fit those racial and ethnic categories are fully documented citizens, yet targeted based simply on the color of their skin, how they look, or how their name sounds. When government agents are literally kidnapping²⁴ and deporting people who are lawfully residing inside the U.S.,²⁵ that creates a climate of fear that keeps people from participating in public life, including accessing critical governmental services. It is not surprising that the *Notice* fails to identify this harm and cost of the proposed rule changes, but the discouragement of legitimate program participation is a real outcome cost that has no identifiable offsetting benefit.

²² For a few examples from the past month alone, *see, e.g.*, Kyle Cheney, “Appeals court rules against ICE’s mandatory detention policy,” *Politico* (Apr. 28, 2026); Hamed Aleaziz and Nicholas Nehamas, “Under Trump, Green Card Seekers Face New Scrutiny for Views on Israel,” *New York Times* (Apr. 25, 2026); Michael Kunzelman and Lindsay Whitehurst, “Appeals court rules that Trump’s asylum ban at the border is illegal,” *Associated Press* (Apr. 24, 2026) Sergio Martínez-Beltrán, “Federal judge rules DHS illegally stripped immigration status from thousands who entered through CBP One App,” NPR (Apr. 1, 2026).

²³ *Notice* ¶ 19.

²⁴ *See, e.g.*, Mark Vanleave and Steve Karnowski, “Minnesota authorities investigate arrest by ICE of a Hmong American man as a possible kidnapping,” *Associated Press* (Apr. 13, 2026).

²⁵ *See, e.g.*, Uriel J. García and Alejandro Serrano, “ICE deported man who says he’s a U.S. citizen after traffic stop in Central Texas,” *The Texas Tribune* (Apr. 23, 2026).

Free Press strongly believes that the Lifeline program is a critical tool for the FCC and State Commissions to use to ensure everyone residing in the U.S. has access to basic communications services. There is universal agreement that access to both basic and advanced telecom services is a critical input for people to contribute positively to the U.S. economy and society. Understanding where adoption gaps exist, and investigating the reasons for those gaps, is indispensable to responsible policymaking, and something the Commission should pursue without the intrusion of radical, hate-based political concerns.

Thus, to aid policymakers and others who are actually serious about achieving the goals of the Communications Act, below we discuss the history of the Lifeline program, and the lessons that the Commission should take from its four-plus decades of efforts to make telecom services more affordable. That history demonstrates Lifeline's continued essential nature for the poorest among us, and the importance of efforts to modernize the fund to meet consumers' evolving needs, as well as the need for policymakers to create a sustainable subsidy program for the advanced, high-speed home telecommunications services we call broadband.

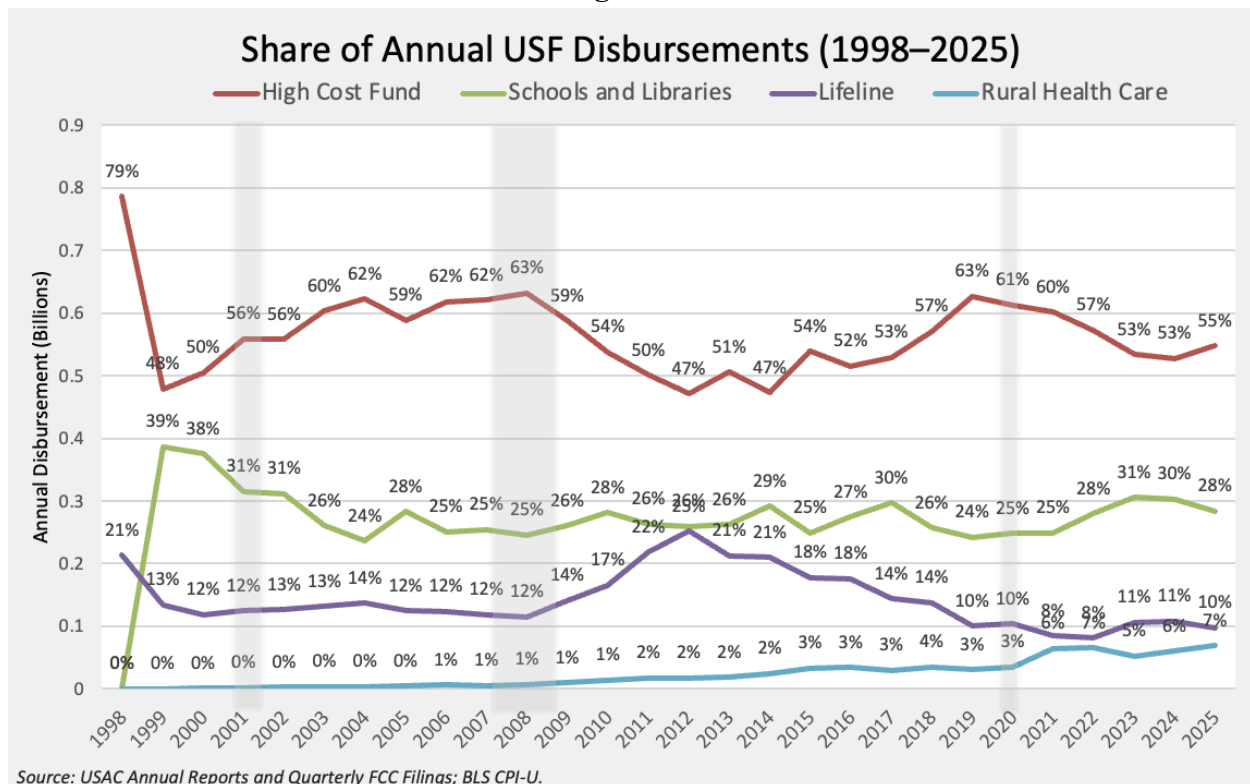
III. The Lifeline Program Is a Critical Income Subsidy to Many of the Poorest People in America, Ensuring Uninterrupted Access to Basic Telecommunications Services. The Commission Must Not Make Any Further Program Changes that Would Undermine Congress's Telecommunications Affordability Goals.

Though Lifeline is a highly successful and vital public assistance program, it is often placed in jeopardy by policymakers that seek to score political points by engaging in a war on the poor. Given the outsized amount of attention it gets for vague allegations of people receiving benefits for which they do not qualify, one might think the program is in fiscal crisis and plagued with fraud. But in reality, Lifeline represents an increasingly small and declining portion of Universal Service Fund ("USF") expenditures; and the tired narrative of waste, fraud and abuse is overblown, and frankly offensive, as those formally accused of program abuse are carriers, not

customers.²⁶ As Figure 1 below shows, Lifeline currently accounts for just one tenth of the entire USF, a proportion that has steadily decreased as the overall size of USF has stabilized on a nominal basis and actually declined on an inflation-adjusted basis (see Figure 2).

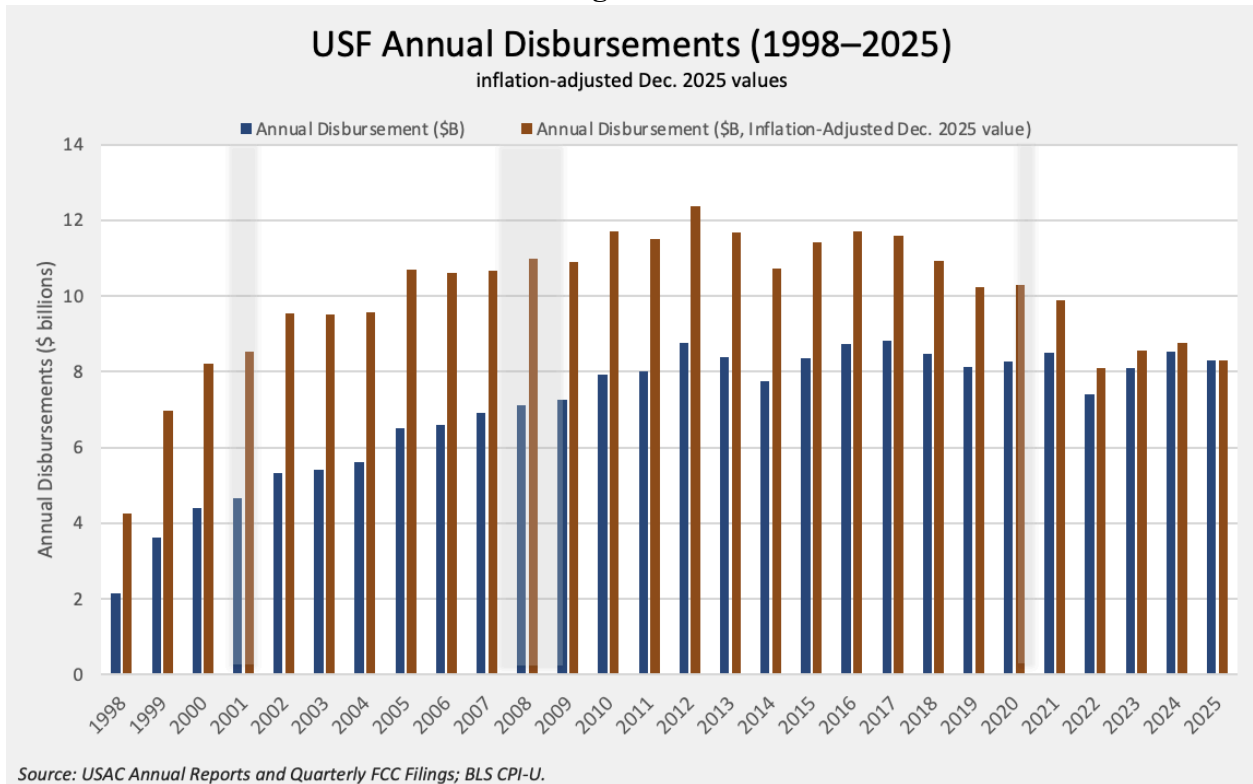
Fortunately, despite all the misleading noise surrounding Lifeline, the data tells a far different story. Lifeline is essential to keeping the most vulnerable among us connected, and protects low-income families from having to forgo other necessities just to maintain access to essential communications services. Below we review this data and the lessons it can teach policymakers who are serious about achieving the Communications Act’s low-income affordability and adoption goals.

Figure 1:



²⁶ See, e.g., *In the Matter of Total Call Mobile, Inc.*, Notice of Apparent Liability for Forfeiture and Order, 31 FCC Rcd 4191 (2016); *In the Matter of TracFone Wireless, Inc.*, Notice of Apparent Liability for Forfeiture and Order, 35 FCC Rcd 3459 (2020).

Figure 2:



A. The History of Lifeline Indicates that the Program is Most Effective When the Program is Designed to Meet the Real-World Needs of Low-Income Families.

The Commission created the Lifeline program in 1985 to ensure that low-income consumers would not lose basic local telephone service as the country navigated the transition away from the national AT&T monopoly.²⁷ Under this monopoly, the company kept long distance charges artificially high, and used the excess returns as a cross-subsidy to make local telephone service more affordable. With the introduction of long distance market competition following the AT&T divestitures, the Commission began to replace this system of implicit cross-subsidies with various intercarrier access fees and direct user fees, all to ensure that the

²⁷ *MTS and WATS Market Structure; Amendment of Part 67 of the Commission's Rules and Establishment of a Joint Board*, CC Docket Nos. 78-72, 80-286, Decision and Order, 50 Fed. Reg. 939 (rel. Dec. 28, 1984, pub. Jan. 8, 1985) (“1985 Lifeline Order”).

new local monopoly Bell companies could recover costs and earn a regulated rate of return without dramatically increasing the rates for local service.

Acting on a recommendation from the Federal-State Joint Board (“Joint Board”), the Commission expanded the Subscriber Line Charge (“SLC”), a direct, non-traffic-sensitive charge for local carriers to levy on their customers to recover a portion of the cost of the local loop. This newly expanded portion of the SLC was initially set at \$1 per month for residential lines, increasing to a frozen level of \$2 per month after one year.²⁸ The Joint Board and the Commission were concerned that even this increase in the price of local service could cause hardship for low-income users and potentially decrease telephone subscribership.²⁹ Thus, the Joint Board recommended, and the Commission adopted, a subsidy system for low-income users that became known as the Lifeline program. The initial form of the program was a 50 percent reduction in the SLC for qualifying households in states that matched this discount (thereby zeroing out the entire SLC for those households).³⁰ The program subsequently expanded, first to subsidize initial connection fees,³¹ and later to make support available to consumers in all states whether or not the state matched the federal subsidy.³²

²⁸ See *1985 Lifeline Order* ¶ 3.

²⁹ The impact of the SLC was meant to be offset by a corresponding decrease in the price of long distance service. However, use of long distance was not uniform across all consumer populations, with those of limited means less likely to use long distance than wealthier consumers. That meant lower-income consumers were more likely to see a net price increase as a result of the new SLC, because these customers would realize little to no offsetting savings on long distance services they did use in the first place.

³⁰ See *1985 Lifeline Order* ¶ 6.

³¹ This became known as the “Link Up” program, which offset half of the initial connection fee for landline telephone service, up to \$30.

³² See *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, ¶ 346 (1997) (“*1997 Universal Service Order*”). The federal Lifeline program was initially funded via charges on interexchange carriers, collected by the National

In 1985, there was ample reason for the Commission to be concerned about the impact on the poor of any increase in local phone service costs. The nominal average monthly rate for a residential access line was \$15.18 in 1984, more than 80 percent higher than it had been 5 years earlier, returning to a high not seen since before the 1973 recession.³³ The imposition of a new \$2 fee represented a double-digit percentage increase in that average cost of local phone service, an amount that the Commission felt could harm universal service.

Lifeline saw steady but measured growth during the years following its creation up until 1998, when as noted above the Commission expanded the program to all states whether or not a state contributed matching funds. Prior to that, from 1987 through 1997, the number of participants increased from 1.1 million to 5.1 million, a compound annual growth rate (“CAGR”) of 17 percent (see Figure 3).

During this time the inflation-adjusted program expenditures saw a CAGR of 26 percent, from \$33 million in 1987 to \$323 million in 1997 (see Figure 4). The average cost per-beneficiary (inflation-adjusted) increased during this period, from \$2.59 per subscriber per month in 1987, to \$5.27 in 1997 (see Figure 5). This amounts to a CAGR of 7.4 percent during the period, and a smaller 2.7 percent CAGR from 1988 to 1997 (which excludes the impact of the ramp up in the program’s first year). In other words, once the program was up and running, prior to the 1998 expansion, the program grew as participation rose, but the average subscriber’s benefit increased slightly below the rate of general inflation during that time (3.5 percent).³⁴

Exchange Carrier Association and routed back to the local exchange carriers who were required to waive the SLCs for their qualifying low-income consumers.

³³ See “Trends in Telephone Service,” Federal Communications Commission, Industry Analysis and Technology Division, Wireline Competition Bureau, Tbl. 13.3 (Sept. 2010).

³⁴ Free Press calculation of the Historical Consumer Price Index for All Urban Consumers U.S. city average, all items (“CPI-U”).

Figure 3:

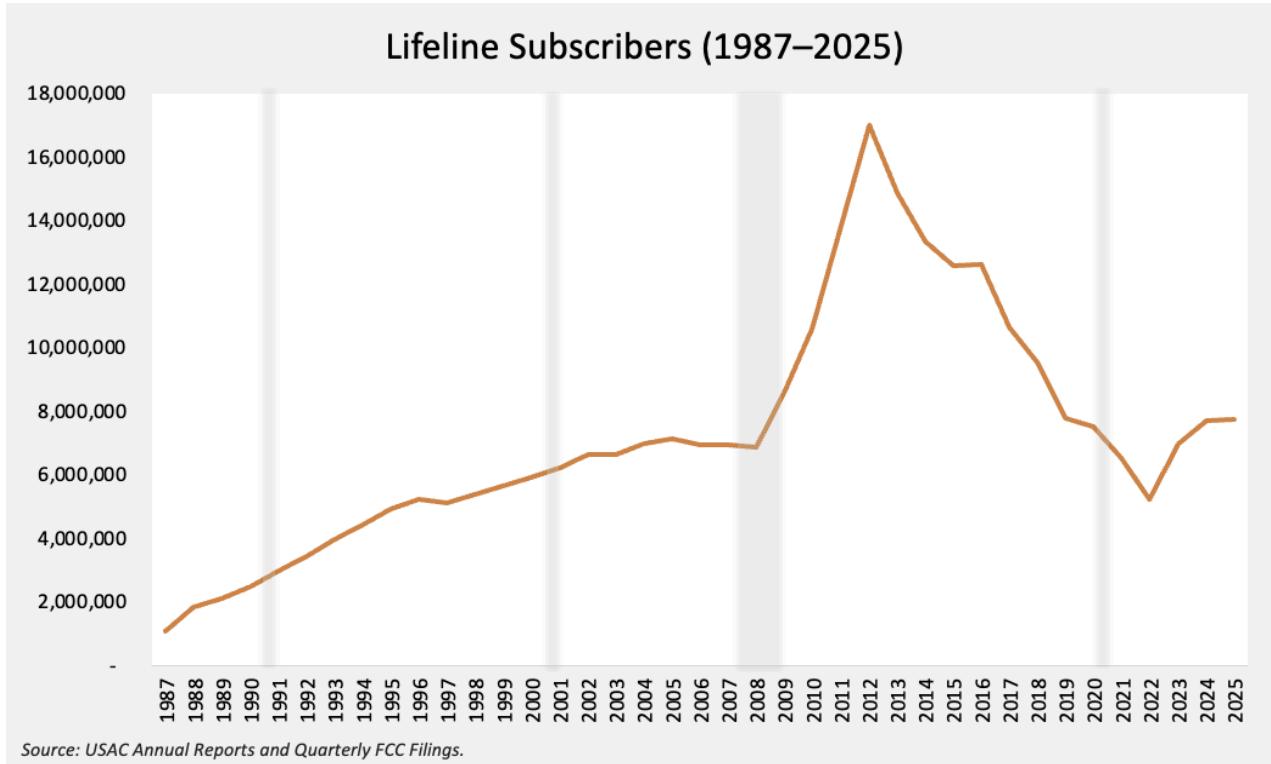


Figure 4:

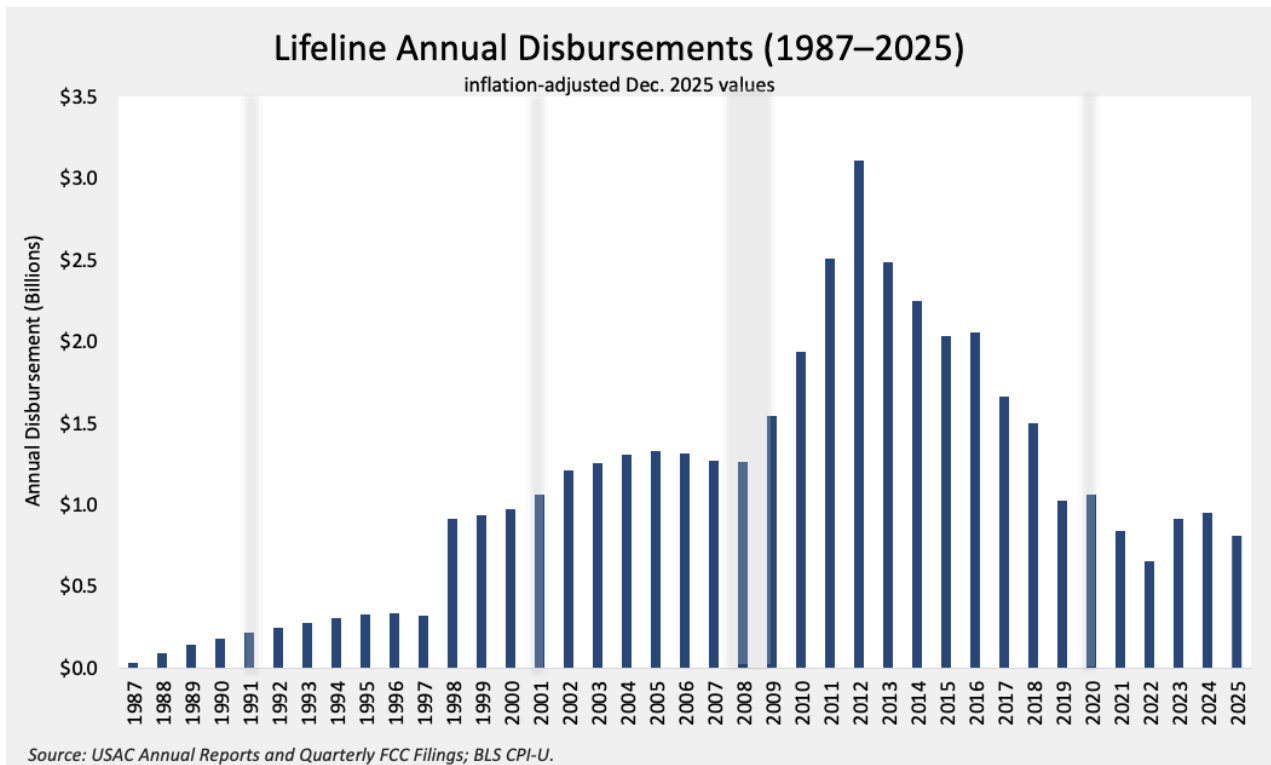
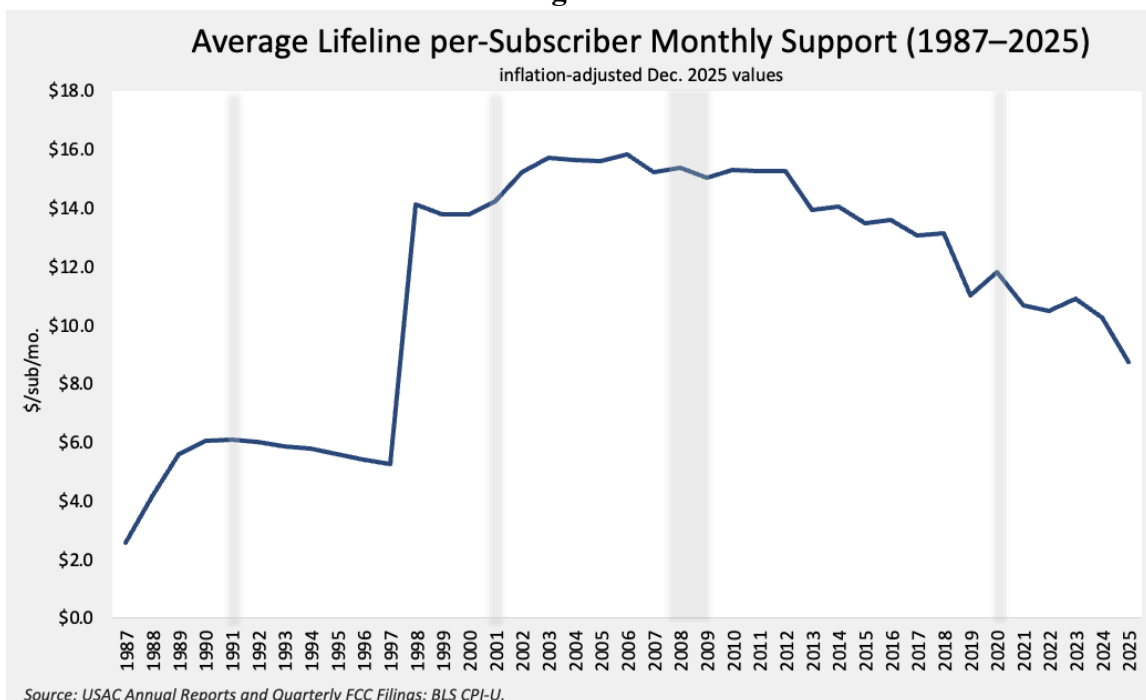


Figure 5:



Following the 1998 expansion of Lifeline eligibility to low-income Americans in every state, the fund’s annual disbursements nearly tripled, as did the monthly per-subscriber disbursements. However, the number of participants did not. From 1998 through 2008 the CAGR for program participants was just 2.4 percent, with the overall program distributions increasing at a CAGR of 3 percent. Program participation actually declined between 2005 and 2008. Some of this decline may have been due to the Commission’s reforms on eligibility verification and record keeping (adopted in 2004 and in effect as of June 2005), which took place as the economy recovered from the 2001 recession.³⁵ But there’s also ample reason to suspect that, during this

³⁵ *In the Matter of Lifeline and Link-Up*, WC Docket No. 03-109, Report and Order and Further Notice of Proposed Rulemaking, 19 FCC Rcd 8302 (2004). This Order actually expanded the eligibility guidelines to include qualification based on income alone, as well as qualification via Temporary Assistance for Needy Families (“TANF”) or the National School Lunch’s free lunch program (“NSL”) (in addition to other then-existing program-based qualifications). However, the Commission also added new verification and record keeping requirements, which may have combined with an improving economy to produce a slight net decline in program participation.

same time, consumers (including low-income consumers) increasingly found less value in local landline service compared to mobile telephony. Many low-income consumers may have found greater value in pre-paid mobile services than they found in a subsidized local phone line, which would still require the user to spend \$10, \$20, or more each month even after the subsidy – for a service tied to a single location.³⁶

In 2005, the Commission changed course from its prior policy and granted the Mobile Virtual Network Operator (or “MVNO”) Tracfone the first ever Lifeline-Only ETC waiver.³⁷ In 2008, TracFone began to draw Lifeline funds, and became a state-designated ETC in 10 states and the District of Columbia.³⁸ More wireless-only ETC designations followed: Virgin Mobile in 2009,³⁹ and iWireless, Allied, Consumer Cellular and others in 2010.⁴⁰ The expansion of Lifeline

³⁶ The nominal average monthly rate for a residential access line was \$24.64 in 2005. *See supra* note 33. The average nominal per subscriber monthly support from the low-income program was \$9.47, but this included Link Up support as well as Tribal support (the latter of which provided up to \$25 per month per subscriber). Thus, for many program participants, the actual monthly discount at this time was likely well below the program’s \$9.47 average level.

³⁷ *Petition of Tracfone Wireless, Inc. for Forbearance from 47 U.S.C. Section 214(e)(1)(A) and 47 C.F.R. Section 54.201(i), Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Order, 20 FCC Rcd 15095 (2005) (conditionally granting TracFone’s petition for forbearance from the facilities requirement of Section 214(e)(1)).

³⁸ *Federal-State Joint Board on Universal Service, TracFone Wireless, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the State of New York et al.*, CC Docket No. 96-45, Order, 23 FCC Rcd 6206 (2008) (designating TracFone as an ETC for Lifeline support only in New York, Virginia, Connecticut, Massachusetts, Alabama, North Carolina, Tennessee, Delaware, New Hampshire, Pennsylvania, and the District of Columbia, but denying ETC designation in Florida as that state’s PUC asserted its ETC-designation authority).

³⁹ *Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A); Petition for Designation as an Eligible Telecommunications Carrier in the State of New York; Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Pennsylvania; Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia; Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of North Carolina; Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of Tennessee*, CC Docket No. 96-45, Order, 24 FCC Rcd 3381 (2009)

⁴⁰ *See, e.g., Federal-State Joint Board on Universal Service; Telecommunications Carriers Eligible for Universal Service Support; i-wireless, LLC Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A)*, CC Docket No. 96-45, WC Docket No. 09-197, Order, 25 FCC Rcd 8784 (2010);

to a mode of telephony service in which consumers found greater utility, and which was free up to a certain level of usage,⁴¹ had a profound impact on program participation and the program itself. In 2008, Competitive Eligible Telecommunications Carriers (“CETCs,” a category that includes wired and wireless carriers but consists of mostly the latter) received 18 percent of Lifeline funds.⁴² By the end of 2024, this exceeded 97 percent, with landlines accounting for only 4 percent of Lifeline subscriptions.⁴³ And illustrating how concentrated the program’s distribution has become in a national wireless market environment, just four carriers (Verizon’s TracFone, T-Mobile’s Assurance Wireless, TSC Acquisition Corporation’s TruConnet, and Apeiron Systems’ Infiniti Mobile) accounted for more half of Lifeline spending in 2024.⁴⁴

It is clear that expanding Lifeline to wireless and lowering the supported service’s price to the user, just as consumer demand shifted away from wireline telephony towards mobile services and the economy worsened, all combined to drive program enrolment substantially higher. The number of Lifeline enrollees increased from 6.9 million in 2008 to 17 million in

see also Federal-State Joint Board on Universal Service; Telecommunications Carriers Eligible for Universal Service Support; Allied Wireless Communications Corporation Petition for Eligible Telecommunications Carrier Designations in the State of North Carolina, CC Docket No. 96-45, WC Docket No. 09-197, Order, 25 FCC Rcd 12577 (2010); Federal-State Joint Board on Universal Service; Telecommunications Carriers Eligible for Universal Service Support; Head Start Petition for Forbearance; Consumer Cellular Petition for Forbearance; Midwestern Telecommunications Inc. Petition for Forbearance; Line Up, LLC Petition for Forbearance, CC Docket No. 96-45, WC Docket No. 09-197, Order, 25 FCC Rcd 10510 (2010).

⁴¹ TracFone initially offered Lifeline subscribers 68 free monthly minutes, increasing this to 250 minutes once Virgin Mobile entered the program with its 200 minute per-month offering.

⁴² “Universal Service Monitoring Report 2025,” Federal Communications Commission, Tbl. 2.4 (rel. Feb. 5, 2026).

⁴³ *Id.* at Tbl. 2.6.

⁴⁴ *Id.* at Tbl. 2.5.

2012, before declining following the *2012 Lifeline Reform Order*.⁴⁵ Free Press estimates that the Lifeline program participation rate doubled from 21 percent in 2008 to a peak of 42 percent in 2012. According to the Universal Service Administrative Company (“USAC”), the 2025 Lifeline program participation rate was 21 percent, with under 8 million enrolled households.⁴⁶ In contrast, the Affordable Connectivity Program (“ACP”), which offered a more flexible \$30 monthly discount on home broadband internet and mobile data services, saw enrollment rise from zero to more than 23 million households in two years, with a peak participation rate of 43 percent.⁴⁷ We also note that despite the massive economic and societal disruptions caused by the COVID-19 pandemic, which highlighted the need for robust internet connections, Lifeline program enrollment declined sharply during 2020–2022 (see Figure 3 above).

These data strongly suggest that a user’s perceived utility of a service is a very important factor to account for when optimizing program design. That is, a subsidy alone will not be effective if it is subsidizing a service that people do not find very useful. This real-world experience also indicates there is ample justification for both a basic low-income mobile “lifeline” subsidy that ensures participants can make and receive voice calls, send and receive SMS messages, and access basic online information and a subsidy that helps low-income families maintain the kind of robust home internet service that is an indispensable part of modern life.

⁴⁵ *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656 (2012) (“*2012 Lifeline Reform Order*”).

⁴⁶ Universal Service Administrative Company, “Program Data, Lifeline Participation Rate” (2026).

⁴⁷ Jericho Casper, “Affordable Connectivity Program Reached More Than Twice the Families of Lifeline,” *Broadband Breakfast* (Sept. 15, 2025).

The Lifeline program (and any other low-income telecom subsidy program) can only maximize its utility to users, and thus its effectiveness, if it is designed to be flexible and if it enables users to decide what telecommunications services are best suited to their individual needs. For some, this might be a bare-bones wireless voice service, used only occasionally and in case of emergency. Others may find greater utility if the subsidy can be used to make the monthly cost of a smartphone voice/SMS/data plan more affordable. Still others might find the most utility in a plan that makes the cost of fixed broadband service more affordable, so their children have the internet access needed to complete their homework. Even among one type of service, households will perceive different utilities for different plans. Because the overarching goal of the Lifeline program is to make all telecommunications services more affordable to low-income Americans,⁴⁸ and affordability is directly related to an individual consumer's perceived utility of a service, the Commission must structure Lifeline to be responsive to individual preferences.

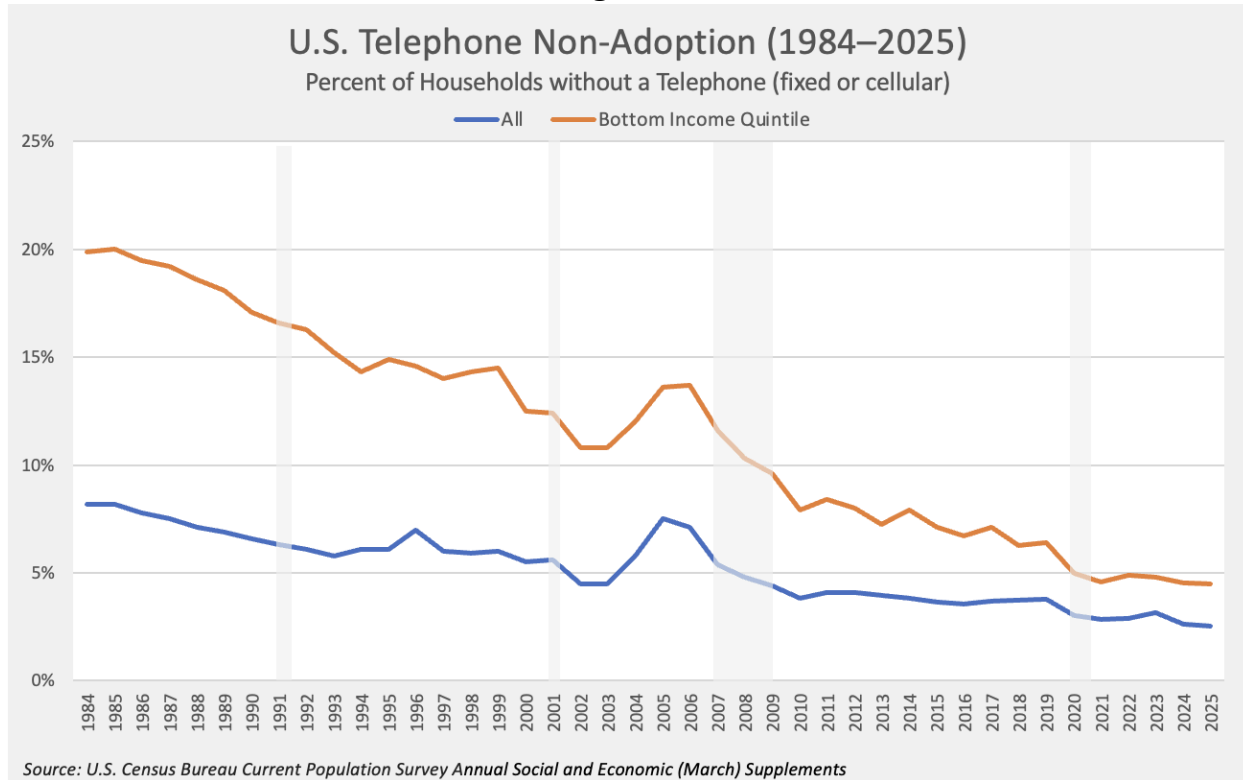
B. Adoption of Telephone and Internet Services Are at All-Time Highs, But Adoption and Use Gaps Remain for Low-Income Households and the Unhoused.

When the Joint Board first recommended the creation of a federal subsidy program in order to offset the increased cost of basic telephone services caused by post-monopoly era regulatory reforms, more than 9 out of every 10 households had telephone service. Only 8.2 percent of U.S. homes did not. This already low level of non-adoption declined even further in

⁴⁸ See, e.g., *1997 Universal Service Order* ¶ 335 (“With respect to the Lifeline and Link-Up programs, we observe that the Act evinces a renewed concern for the needs of low-income citizens. Thus, for the first time, Congress expresses the principle that rates should be ‘affordable,’ and that access should be provided to ‘low-income consumers’ in all regions of the nation. These principles strengthen and reinforce the Commission’s preexisting interest in ensuring that telecommunications service is available ‘to all the people of the United States.’ Under these directives, all consumers, including low-income consumers, are equally entitled to universal service as defined by this Commission under section 254(c)(1).”) (internal citations omitted).

subsequent years, reaching an all-time low of just 2.5 percent of households not adopting telephone service by 2025 (see Figure 6).

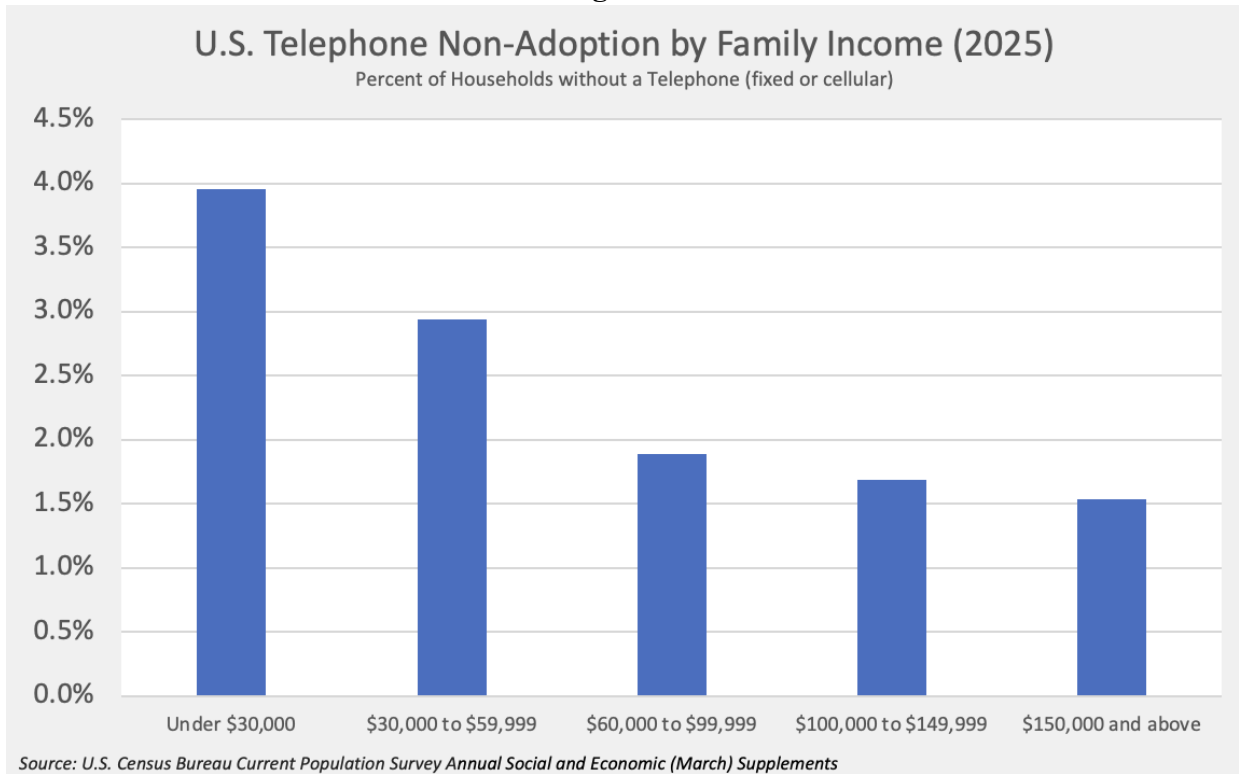
Figure 6:



The United States has made great strides closing the telephony adoption gap, yet small divides remain even for telephone service. The income-related gap is one of these. Nearly four percent of households with annual incomes below \$30,000 do not have access to a telephone (neither wired nor mobile) within their home, and adoption levels increase as income increases (see Figure 7).⁴⁹

⁴⁹ We present data from the Census Bureau’s Current Population Survey (“CPS”), and not its American Community Survey (“ACS”), because the latter includes persons residing in group homes and other group living quarters, while the former does not. This difference is important, because the universal availability of telecommunications services in group quarters masks the demographic differences in home telecom access and use. For example, the ACS 2024 one-year data indicated that only 0.7 percent of respondents reported residing in a location without access to a telephone, while 3 percent reported residing in a location without access to the internet. Though the ACS and the CPS use different survey questions, that alone would not be likely to account for the full differences between the two surveys.

Figure 7:

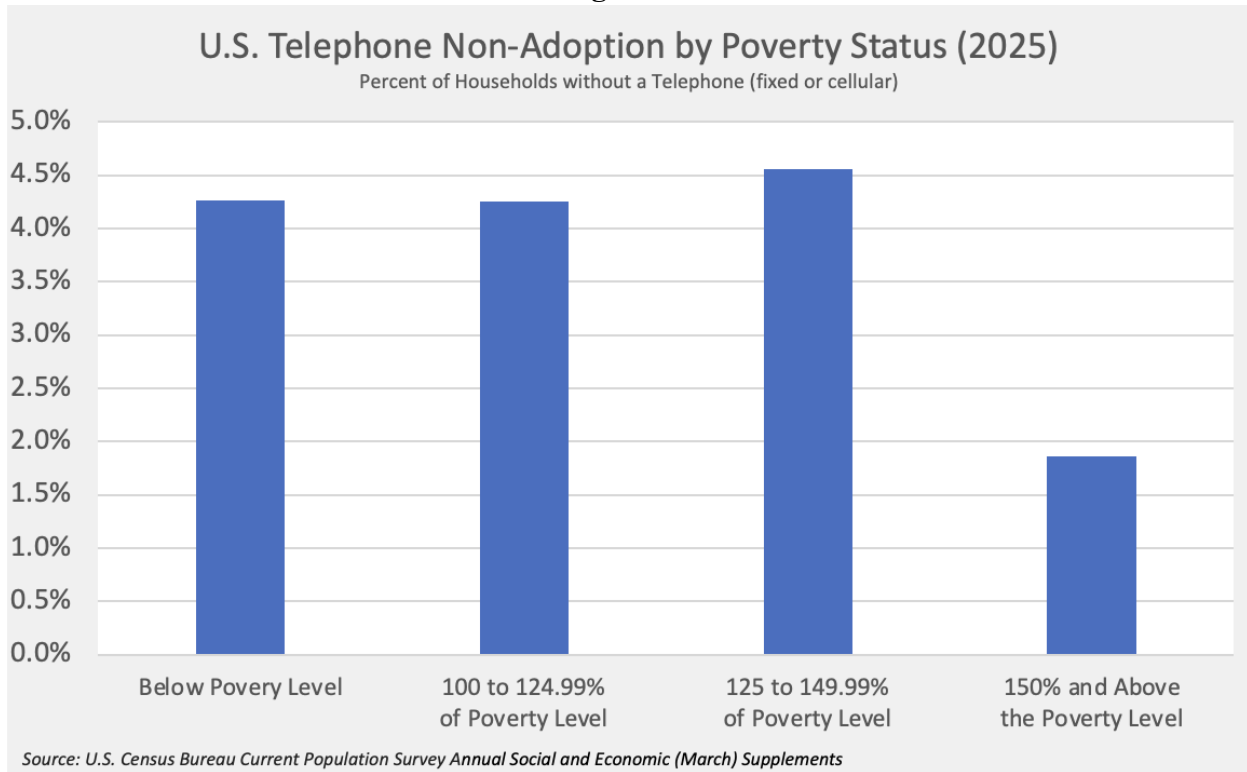


The data in Figure 7 is instructive, but not directly analogous to Lifeline eligibility thresholds. Lifeline eligibility is not directly tied to a household’s income, but is based on whether that household’s income is below 135 percent of the Federal Poverty Line (“FPL”) (which unfortunately does not vary by state, with the exception of Alaska and Hawaii, nor by metropolitan area);⁵⁰ or whether the household participates in other programs that target lower-income users, such as SNAP. However, as we see below in Figure 8, the telephone non-adoption rate for those below 135 percent of the FPL is likely reasonably close to the non-adoption rate for those in the bottom income quintile, or those with annual family incomes below \$30,000 during 2025.⁵¹

⁵⁰ 91 Fed. Reg. 1797 (Jan. 15, 2026).

⁵¹ According to the March 2025 CPS Annual Social and Economic Supplement, 19 percent of persons (excluding those residing in group quarters) were part of a household that had annual family incomes below \$30,000.

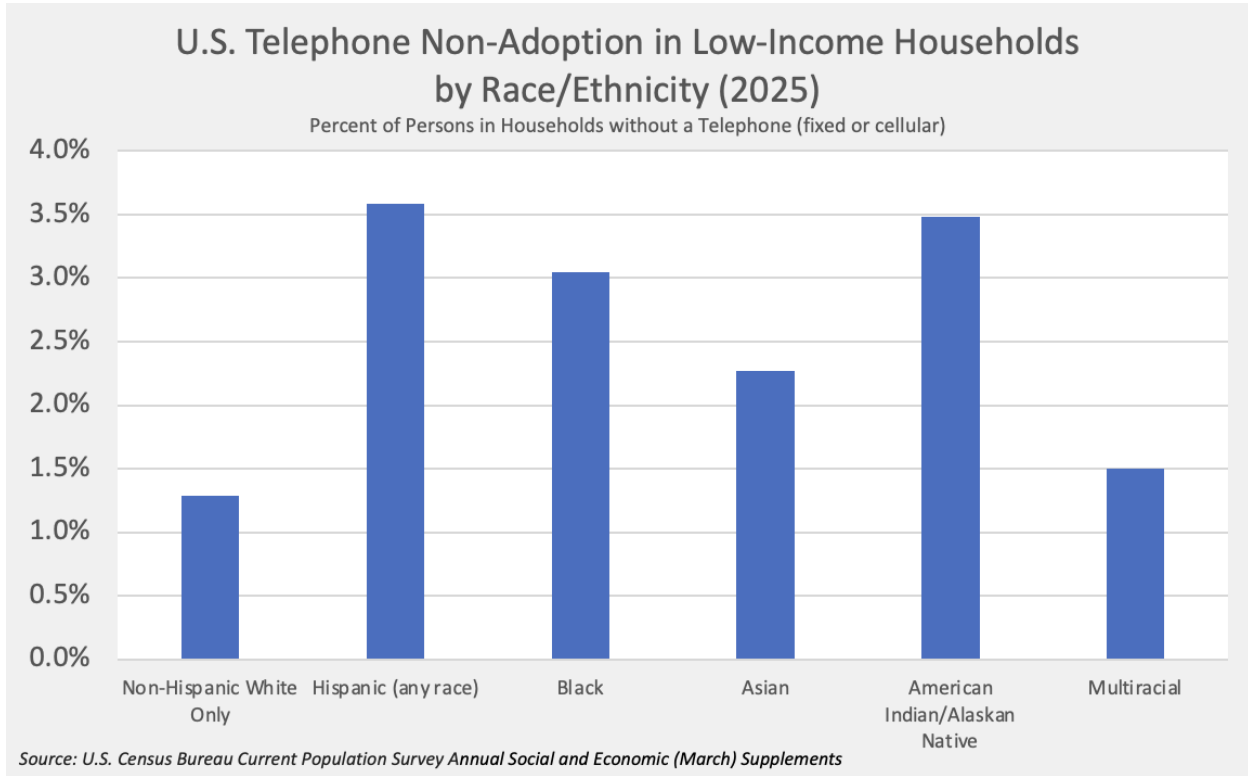
Figure 8:



Income alone is not the only aspect of the telecom adoption divide that the Commission must recognize and address. Historically there have been significant differences in adoption of telephony and internet services between persons of various races and ethnicities.⁵² Though these race/ethnicity adoption gaps have shrunk as overall adoption nears market saturation, small but meaningful differences remain. For example, the telephone non-adoption rate for persons identifying on the Census Bureau’s Current Population Survey (“CPS”) as Hispanic or Latino is nearly three times that of non-Hispanic White CPS respondents, and the telephone non-adoption rate for Black CPS respondents was more than twice that of non-Hispanic White respondents (see Figure 9).

⁵² To compare the current data presented herein to data from a decade ago, see figures in our 2016 report and 2015 comments.. See S. Derek Turner, Free Press, “Digital Denied: The Impact of Systemic Racial Discrimination on Home-Internet Adoption,” at 71–76 (Dec. 2016); Comments of Free Press, *In the Matter of Lifeline and Link Up Reform and Modernization et al.*, MB Docket No. 11-42 *et al.*, at 31–34 (filed Aug. 31, 2015).

Figure 9:



While these gaps can be explained in part by the relatively higher levels of poverty among Hispanic/Latinos and Black Americans compared to non-Hispanic White Americans, those income gaps do not completely account for these differences. As Figures 10 and 11 indicate, even within the low-income U.S. population, telephone non-adoption by Hispanic/Latinos remains a bigger issue than it is for non-Hispanic Whites.

Figure 10:

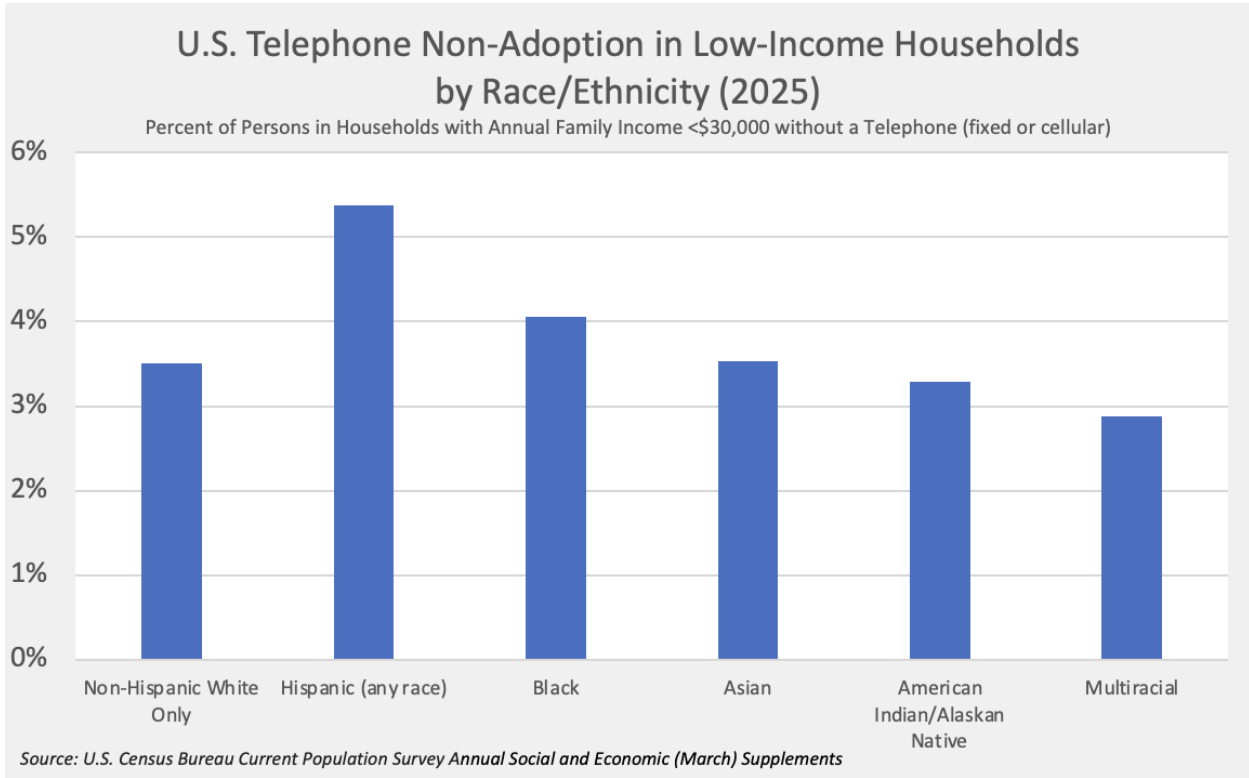
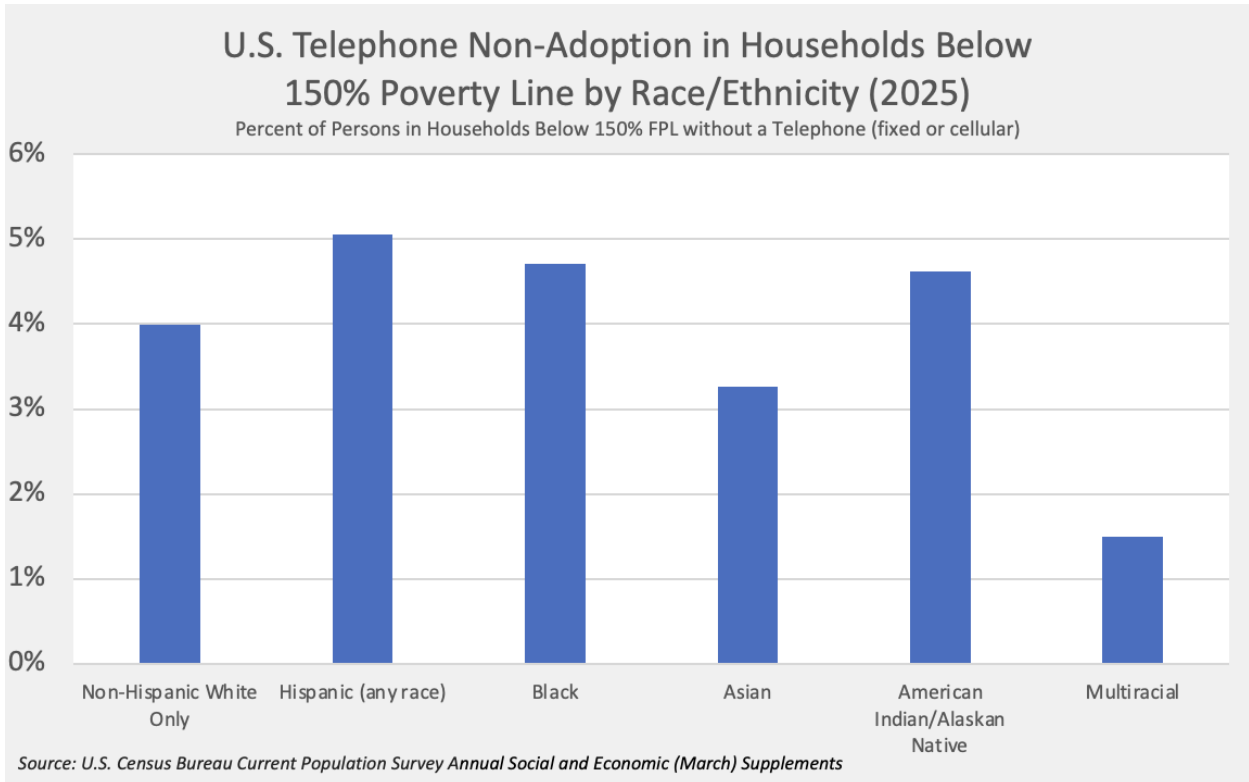


Figure 11:



The CPS also asks respondents for their citizenship status. The March 2025 data showed a 1.4 percentage point gap in telephone non-adoption between citizens and non-citizens (see Figure 12). There was a gap of 1.1 percentage points between citizens living below 150 percent of the FPL (4.2 percent) and non-citizens living below 150 percent of the FPL (5.2 percent). The statistical similarity in the size of these gaps indicates that citizenship status likely plays no role in telephone adoption *amongst low-income populations*. Further, there is no indication of any relationship between telephone non-adoption among the poor and immigration. As we see in Figure 13, the level of telephone non-adoption for those born in the U.S. who live below 150 percent of the FPL is virtually identical to the level of non-adoption among those living below 150 percent of the FPL who immigrated in the last five years.

Figure 12:

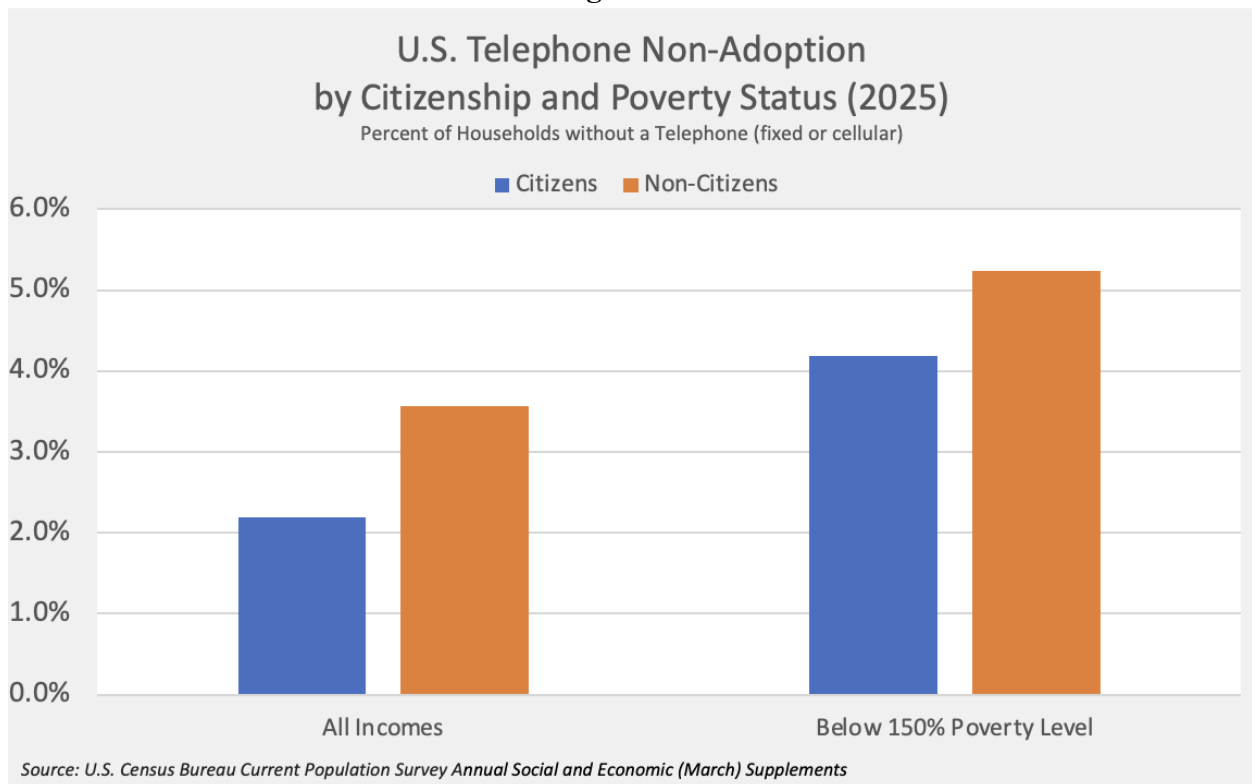
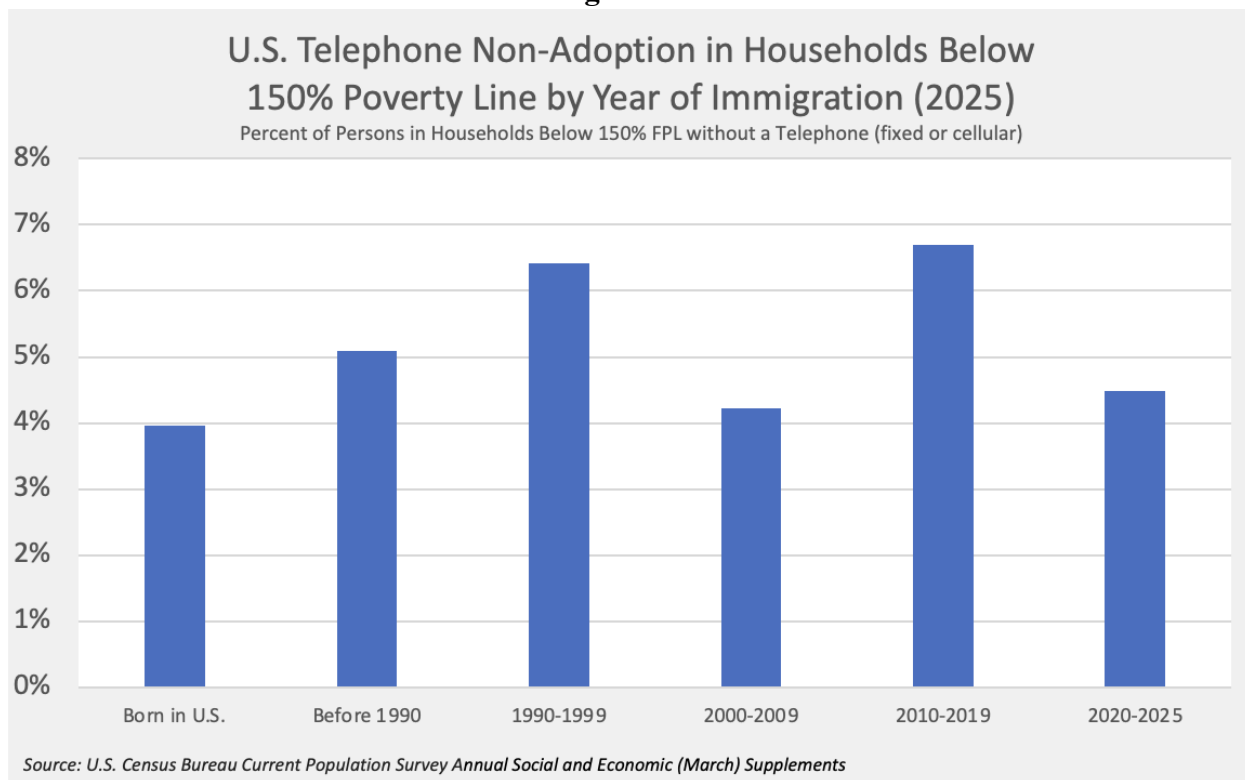


Figure 13:



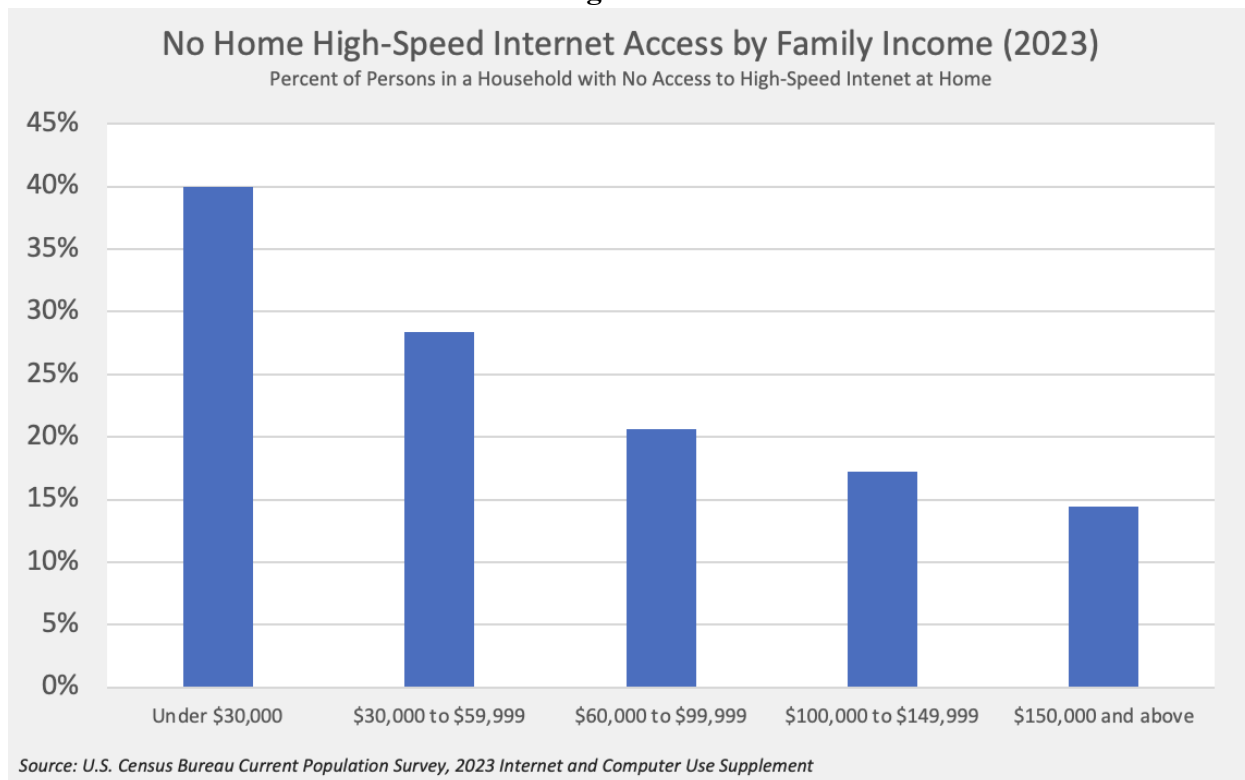
With the widespread availability of low-cost, pre-paid cellular services, where unsubsidized plans are available for less than \$10 per month,⁵³ it is no surprise that adoption levels are high among all demographic and income groups. And while the home internet access and use gaps have narrowed in recent years, these access and use gaps remain sizable between people at different income levels.⁵⁴ According to the most recently available CPS Computer and

⁵³ See, e.g., Jeff Carlson, “Best Prepaid Phone Plans for 2026,” *CNET* (Apr. 6, 2026).

⁵⁴ The CPS Computer and Internet Use Supplement contains a variety of questions that seek to identify which types of internet connections people have access to at home, and whether or not people use the internet at home (via any technology). Home access and home use are closely related, but not identical. For example, some people may have a mobile data service that they do not use at home. The 2023 CPS Computer and Internet Use Supplement indicates that 28 percent of those in the bottom income quintile reported no one in their household using the internet at home, compared to just 10 percent of those in the top two income quintiles.

Internet Use Supplement data (from November 2023), 40 percent of those in the bottom income quintile lacked access to a high-speed internet connection at home (see Figure 14).⁵⁵

Figure 14:



However, unlike a decade ago, we no longer see large gaps in wired home internet adoption between non-Hispanic Whites and other racial/ethnic demographic groups (see Figure 15).⁵⁶ What's more, there are no longer sizable gaps in wired home internet adoption between

⁵⁵ The March CPS Supplement asks about a person's poverty status, but does not ask about a person's home internet use, which is a part of the biannual November CPS Internet and Computer Use Supplement. That survey contains a family income question, but does not report the respondent's poverty status.

⁵⁶ In the 2015 CPS, 64 percent of non-Hispanic White persons aged 3 and above reported access to wired internet at home, compared to 48 percent of Hispanic/Latinos and 48 percent of Black persons aged 3 and above. The 2023 data shows a 4.4 percentage point wired home Internet adoption gap between non-Hispanic White and Hispanic/Latino persons aged 3 and above, and a 1.7 percentage point gap between non-Hispanic White and Black persons aged 3 and above.

low-income households that identify as non-Hispanic White, Hispanic/Latino, or Black households (see Figure 16).⁵⁷

These data and the success of the ACP subsidy program suggest a responsible path forward for Lifeline and other low-income telecom subsidy programs: Policymakers should focus on maximizing the utility of any subsidy benefit by ensuring widespread carrier participation; establishing program rules that enable users to apply the benefit towards whichever services best meet their needs; and mandating robust outreach to qualifying households.⁵⁸ In contrast, policymakers should absolutely avoid sowing confusion and discouraging program participation. We are deeply concerned that the actions contemplated in the instant *Notice* will do exactly that, in particular by discouraging program participation in households that fit the racial and ethnic demographic groups targeted by this Administration’s rhetoric and policies, or households inhabited by persons of various immigration statuses even if the householder applying is a citizen or “qualified alien.”

⁵⁷ In 2015, these gaps in low-income wired home internet adoption were approximately 10 percentage points between non-Hispanic White and Hispanic/Latino households, and 9 percentage points between non-Hispanic White and Black households. The 2023 data shows a 2.8 percentage point wired home internet adoption gap between low-income non-Hispanic White households and low-income Hispanic/Latino households, and a 0.7 percentage point gap between low-income non-Hispanic White households and low-income Black households.

⁵⁸ *See, e.g.,* Casper, *supra* note 47 (reporting on an analysis by professors at Georgetown’s business school finding that “ACP’s higher take-rates were closely tied to strong partnerships between private providers, local governments, and trusted third-party outreach actors”).

Figure 15:

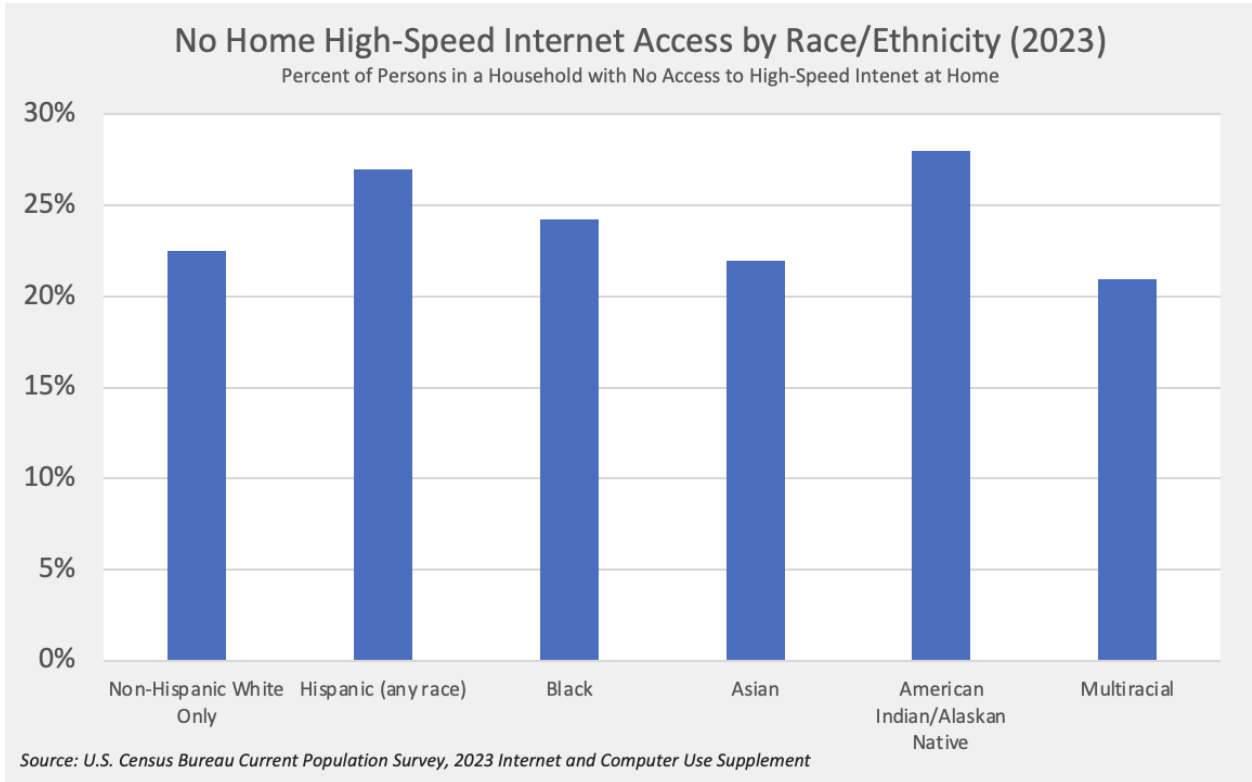
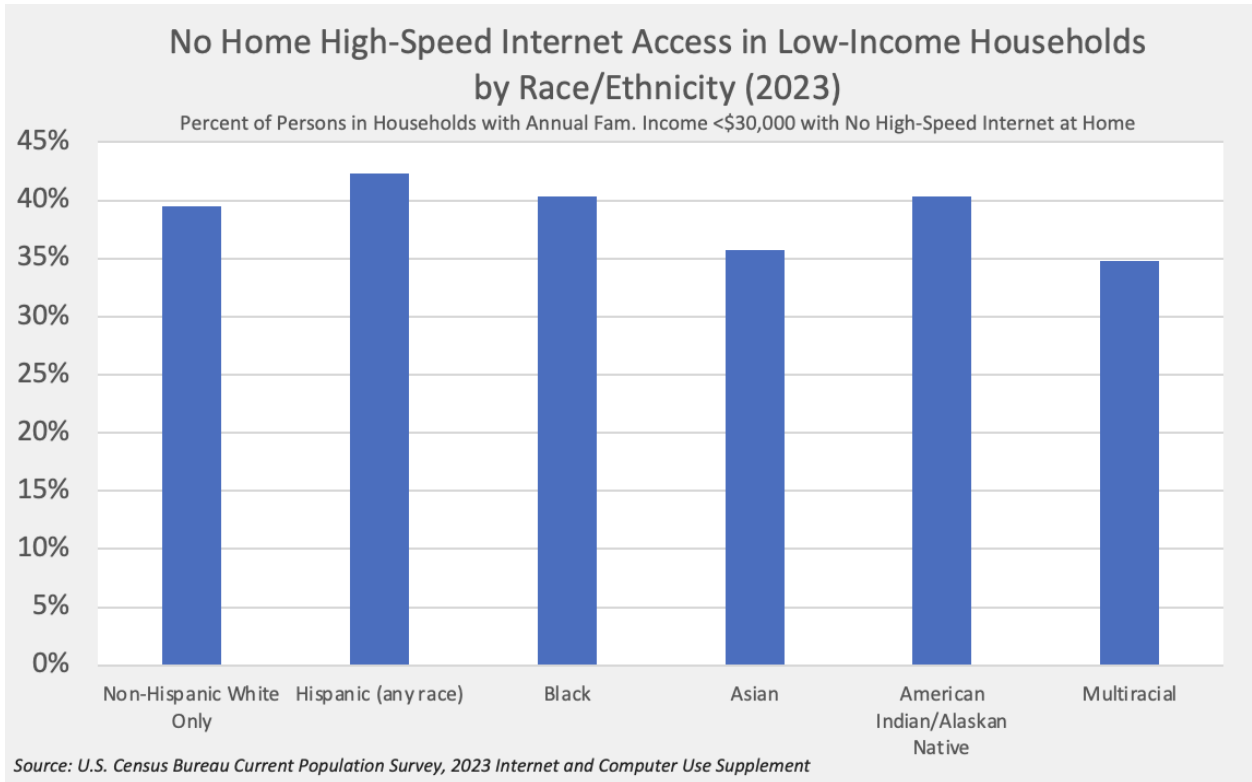


Figure 16:



V. Conclusion

We look forward to a future when the Commission once again is led by someone who cares about the public interest, understands the agency's role as an independent regulator, is faithful to the Constitution, and demonstrates intellectual and moral integrity. But that time is not now. Therefore, because Lifeline is currently working as intended for nearly 8 million low-income households, and because of the Chairman's demonstrated unseriousness and untrustworthiness, our central recommendation at present for the Commission is to make none of the unnecessary and outright harmful changes to its Lifeline rules proposed in the instant *Notice*.

Respectfully Submitted,

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