

**Comments of the International Center for  
Law & Economics**

*RE: Lifeline and Link Up Reform and Modernization, et al.  
(WC Docket No. 11-42, WC Docket No 17-287, WC Docket  
No 09-197, WC Docket No 21-450, WC Docket No 20-445)*

*May 4, 2026*

**Authored by:**

**Jeffrey Westling** (Senior Scholar, International Center for Law & Economics)

**Kristian Stout** (Director of Innovation Policy, International Center for Law & Economics)

## I. Introduction and Overview

The International Center for Law & Economics (ICLE) submits these comments in response to the Federal Communications Commission's (FCC) public notice on reforms to the Lifeline program.<sup>1</sup> ICLE is a nonprofit, nonpartisan research center that applies law & economics methodologies to public policy. Its work promotes sound economic analysis and consumer welfare, particularly in dynamic, technology-driven markets such as telecommunications.

The Universal Service Fund (USF) has expanded access to voice and data services, but it has long faced persistent waste, fraud, and abuse.<sup>2</sup> The program relies on mandatory contributions passed through to consumers as line-item charges on phone bills.<sup>3</sup> Improper payments therefore raise the cost of connectivity and undermine the program's purpose. The Commission is right to prioritize program integrity and limit excess costs.

The FCC has taken several steps over the past two decades to address these challenges.<sup>4</sup> The 2012 Lifeline reforms created the National Lifeline Accountability Database (NLAD), limited benefits to one per household, and established non-usage de-enrollment rules.<sup>5</sup> The 2016 reforms introduced the National Verifier to centralize eligibility determinations.<sup>6</sup> In 2019, the Commission added further safeguards, including restrictions on enrollment-based compensation, enhanced registration requirements, and stricter documentation rules.<sup>7</sup> These reforms improved oversight but did not eliminate systemic vulnerabilities.

Recent evidence underscores those remaining gaps. The FCC Office of Inspector General (OIG) found that, in three opt-out states, providers received about \$5 million to enroll more than 116,000 deceased individuals.<sup>8</sup> Nearly 40,000 of those enrollments may have occurred after death, indicating

---

<sup>1</sup> Lifeline and Link Up Reform and Modernization *et al.*, WC Docket No. 11-42 *et al.*, Notice of Proposed Rulemaking, FCC 26-8 (rel. Feb. 23, 2026), <https://docs.fcc.gov/public/attachments/FCC-26-8A1.pdf> (hereinafter NPRM).

<sup>2</sup> Lifeline and Link Up Reform and Modernization *et al.*, WC Docket No. 11-42 *et al.*, Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd 3962, ¶ 46 (2016), <https://docs.fcc.gov/public/attachments/FCC-16-38A1.pdf> (hereinafter 2016 Order).

<sup>3</sup> Paroma Sanyal & Coleman Bazelon, *The Economics of Universal Service Fund Reform*, THE BRATTLE GROUP 4-5 (2023), [https://incompas.org/wp-content/uploads/2024/10/The-Economics-of-USF-Reform-Brattle\\_FINAL.pdf](https://incompas.org/wp-content/uploads/2024/10/The-Economics-of-USF-Reform-Brattle_FINAL.pdf).

<sup>4</sup> *TracFone Wireless, Inc.*, Petition for Designation as an Eligible Telecommunications Carrier in New York *et al.*, Order, 23 FCC Rcd 6206 (2008), <https://docs.fcc.gov/public/attachments/FCC-08-100A1.pdf>.

<sup>5</sup> Lifeline and Link Up Reform and Modernization *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656 (2012), <https://docs.fcc.gov/public/attachments/FCC-12-11A1.pdf>.

<sup>6</sup> 2016 Order, *supra* note 2.

<sup>7</sup> Bridging the Digital Divide for Low-Income Consumers *et al.*, Fifth Report and Order *et al.*, 34 FCC Rcd 10886 (2019), <https://docs.fcc.gov/public/attachments/FCC-19-111A1.pdf>.

<sup>8</sup> See FCC OIG, Advisory Regarding Deceased and Duplicate Lifeline Subscribers 4 (2026), <https://www.fcc.gov/sites/default/files/FCC%20OIG%20Advisory%20Regarding%20Deceased%20and%20Duplicate%20Lifeline%20Subscribers.pdf> (hereinafter OIG Report).

fraud beyond delays in death-record updates.<sup>9</sup> The report also identified duplicate claims across multiple states.<sup>10</sup> These findings highlight structural weaknesses that require targeted reform.

The Commission should build on prior efforts with a disciplined, cost-benefit approach. Effective reforms must reduce waste, fraud, and abuse while preserving access for eligible households and maintaining provider participation. Measures such as eliminating the opt-out framework, adopting secondary consent verification, and improving data transparency offer targeted ways to strengthen integrity. At the same time, overly burdensome requirements—whether through rigid eligibility rules, excessive compliance obligations, or misaligned service standards—risk deterring participation and undermining the program’s goals.

Lifeline policy should reflect modern network realities and user needs. Minimum service standards should focus on the level of connectivity required for meaningful participation, not parity with average consumption. Prioritizing data-enabled service, streamlining reporting requirements, and aligning incentives with an all-IP communications environment would improve both efficiency and outcomes. The Commission should adopt reforms that deliver measurable integrity gains without sacrificing access, competition, or affordability.

## **II. Reducing Fraud Must Not Undermine Participation or Access**

The NPRM correctly targets waste, fraud, and abuse in the Lifeline program. The USF relies on a mandatory contribution assessed on telecommunications providers, which they pass directly to consumers as a line-item surcharge. The contribution factor now stands at 37%, making the surcharge one of the largest hidden taxes on telecommunications services.<sup>11</sup>

Improper payments directly harm the consumers the program intends to help. Funds paid to ineligible subscribers, deceased individuals, fraudulent enrollees, or providers that do not actually deliver service reduce the resources available to eligible households. The FCC owes ratepayers a clear duty to ensure these funds serve their intended purpose.

That said, eliminating waste, fraud, and abuse is only part of the Commission’s mandate. The agency must evaluate proposed reforms through a rigorous cost-benefit framework that accounts not only for improper payments, but also for the real costs that compliance burdens impose on eligible households and participating providers.<sup>12</sup> Section 254 of the Communications Act requires more

---

<sup>9</sup> *Id.* at 5

<sup>10</sup> *Id.* at 6.

<sup>11</sup> Proposed Second Quarter 2026 Universal Service Contribution Factor, Public Notice, DA 26-218 (rel. Mar. 16, 2026), <https://docs.fcc.gov/public/attachments/DA-26-218A1.pdf>.

<sup>12</sup> See Jerry Ellig, *Why and How Independent Agencies Should Conduct Regulatory Impact Analysis*, 28 CORNELL J.L. & PUB. POL’Y 1 (2018), <https://scholarship.law.cornell.edu/cgi/viewcontent.cgi?article=1489&context=cjlp>; see also Thomas Hazlett, *Benefit–Cost Analysis in the 5.9 GHz Band*, J. BENEFIT-COST ANALYSIS 1 (2025), <https://www.cambridge.org/core/journals/journal-of-benefit-cost-analysis/article/benefitcost-analysis-in-the-59-ghz-band/2788B60F3B5C9F87788F844742C7186A>.

than fraud reduction. It requires ensuring that low-income Americans can access quality services at affordable rates.<sup>13</sup>

Reforms that reduce fraud but also deter eligible households from enrolling or remaining in the program risk undermining that mandate. The same holds for reforms that increase provider costs to the point that participation declines, leaving eligible consumers with fewer or no service options.<sup>14</sup>

Provider participation is critical to the program's competitive structure. Lifeline depends on a sufficient number of Eligible Telecommunications Carriers (ETCs) to ensure meaningful consumer choice and coverage across geographic areas and demographic groups. If new requirements significantly raise compliance costs—especially for smaller, non-facilities-based ETCs that serve most Lifeline subscribers on thin margins—providers may scale back service, exit high-cost markets, or leave the program entirely.

The Commission should evaluate each proposed reform with a clear-eyed assessment of who bears the costs and whether those costs are proportionate to the expected gains in program integrity.

### **III. The Commission Should Eliminate the Opt-Out Framework**

The NPRM identifies a central problem: waste, fraud, and abuse in states that opted out of NLAD and the National Verifier.<sup>15</sup> The Commission should eliminate the opt-out framework and require all remaining states to transition to the federal National Verifier for eligibility verification and duplicate checking on a clear, reasonable timeline.

The evidence supports this change. The OIG Report found that providers in opt-out states received nearly \$5 million in reimbursements for more than 116,000 deceased individuals over five years.<sup>16</sup> About 40% of those payments went to individuals who had died, or may have died, before initial enrollment.<sup>17</sup> These failures reflect structural weaknesses in state-based systems.

The National Verifier addresses those weaknesses. It connects directly to federal and state databases for real-time or near-real-time eligibility checks. It conducts automated death checks using authoritative federal mortality data and applies uniform identity-verification standards nationwide.<sup>18</sup> These safeguards do not depend on state policy choices.

---

<sup>13</sup> 47 U.S.C. § 254(b).

<sup>14</sup> Comments of NCTA—The Internet & Television Association, WC Docket No. 11-42, at 4 (Apr. 19, 2021), <https://www.fcc.gov/ecfs/document/1041937652451/1>.

<sup>15</sup> NPRM, *supra* note 1, ¶ 8.

<sup>16</sup> OIG Report, *supra* note 8, at 4.

<sup>17</sup> *Id.* at 5.

<sup>18</sup> U.S. Gov't Accountability Off., GAO-21-235, *FCC Has Implemented the Lifeline National Verifier but Should Improve Consumer Awareness and Experience* (2021), <https://www.gao.gov/assets/gao-21-235.pdf>.

State deviations can undermine program integrity. California’s decision to eliminate the Social Security number requirement for Lifeline applicants weakened identity verification and made it harder to detect duplicate enrollments. The Commission lacked a proactive mechanism to prevent that change and had to rely on revocation after the fact.<sup>19</sup> No comparable vulnerability exists under the federal system, where the FCC controls verification standards and processes across all states.

The opt-out framework also creates inequities among ratepayers. A low-income household in Texas faces a different verification process, documentation burden, and duplicate-checking regime than an identical household in a neighboring state that uses the National Verifier. The integrity of a federally funded program should not vary based on geography. Yet evidence shows higher rates of improper payments in opt-out states than in states using the federal system.<sup>20</sup> The Commission’s experience with the Affordable Connectivity Program further demonstrates that a uniform federal verification framework is both feasible and more effective than a patchwork approach.

A unified system would also reduce administrative burdens. Providers operating across both NLAD and opt-out states must comply with multiple verification frameworks, each with different processes and requirements.<sup>21</sup> That fragmentation increases compliance costs and complexity. Requiring all states to use the National Verifier would replace that patchwork with a single, consistent system that providers can implement once and apply nationwide.

#### **IV. Secondary Verification Stops Unauthorized Enrollments**

FCC OIG investigations show that many consumers were enrolled in Lifeline without their knowledge or consent and never received service.<sup>22</sup> These unauthorized enrollments benefit only providers and agents who claim reimbursement. A secondary consent-verification requirement—conditioning enrollment or transfer on an affirmative response to a confirmation text or email—targets this fraud at its source. It does not raise eligibility barriers, add documentation, or require consumers to navigate complex processes. It simply ensures that the person listed on the application confirms their intent to enroll.

This requirement directly disrupts how enrollment fraud occurs. Fraud typically involves submitting an application using a real person’s information without consent or fabricating contact information to create fictitious subscribers.<sup>23</sup> Both schemes depend on the absence of a verification step requiring a response from the actual individual. A confirmation request sent to the applicant’s contact

---

<sup>19</sup> Lifeline and Link Up Reform and Modernization, Order, DA 25-965 (WCB Nov. 20, 2025), <https://docs.fcc.gov/public/attachments/DA-25-965A1.pdf>.

<sup>20</sup> See OIG Report, *supra* note 8.

<sup>21</sup> Univ. Serv. Admin. Co., *2026 National Verifier Annual Report and Data* (2026), <https://www.usac.org/wp-content/uploads/lifeline/documents/Data/2026-National-Verifier-Annual-Report-and-Data.pdf>.

<sup>22</sup> NPRM, *supra* note 1, ¶ 33.

<sup>23</sup> 2016 Order, *supra* note 2, Dissenting Statement of Commissioner Ajit Pai (“Sales agents schemed with consumers—who no longer had skin in the game—to enroll them in Lifeline multiple times, even if the consumer never qualified in the first place.”).

information creates an immediate check. If the contact information is fabricated, no one can respond, and the enrollment fails. If real information is used without consent, the individual receives an unexpected notice and can reject it, triggering scrutiny instead of completing a fraudulent enrollment.

This approach reflects standard fraud-prevention practices. Financial institutions, health care providers, and government agencies routinely use out-of-band confirmation to verify that the person initiating a transaction controls the relevant account.<sup>24</sup> Applying this well-established method to Lifeline is not experimental. It adopts a proven safeguard that works at scale in analogous contexts.

The benefits are even greater for transfers. When an ETC initiates a benefit transfer in NLAD, the system moves the subscriber to a new provider based solely on the initiating provider's certification of consent. There is no independent verification that the subscriber actually approved the transfer.<sup>25</sup> The OIG Report identifies unwanted transfers as a significant source of harm.<sup>26</sup> Consumers can be switched without notice, lose existing service relationships, and sometimes lose their phone numbers. These transfers benefit only the receiving provider and the agent.

A secondary verification requirement closes this gap. Subscribers who did not authorize a transfer would receive a notice before it occurs and could block it. That shifts detection from after-the-fact remediation to real-time prevention.

This reform would impose minimal burdens on legitimate users. Enrollment already requires applicants to complete certification forms, provide identifying information, and verify eligibility through the National Verifier. A confirmation step—tapping a link or replying to a message—adds only seconds. Most smartphone users already perform similar actions routinely. For willing, eligible applicants, the burden is *de minimis*. It is far less onerous than existing documentation, annual recertification, or certification requirements.

## **V. Minimum Standards Should Reflect Basic Connectivity Needs**

The NPRM asks whether the Commission should revise the Lifeline program's minimum service standards.<sup>27</sup> As the Commission evaluates the record, it should focus on what recipients actually need to benefit from connectivity.<sup>28</sup> The goal of a low-income support program is to ensure access to a threshold level of service sufficient for meaningful participation in modern economic and social life. That goal differs from providing parity with average or median consumer usage. Conflating the

---

<sup>24</sup> Nat'l Inst. of Standards & Tech., U.S. Dep't of Com., NIST Special Publication 800-63B, *Digital Identity Guidelines: Authentication and Lifecycle Management* § 5 (2017), <https://pages.nist.gov/800-63-3/sp800-63b.html#sec5>.

<sup>25</sup> UNIV. SERV. ADMIN. CO., Benefit Transfers, <https://www.usac.org/lifeline/national-lifeline-accountability-database-nlad/benefit-transfers> (last visited Apr. 29, 2026).

<sup>26</sup> OIG Report, *supra* note 8, at 5.

<sup>27</sup> NPRM, *supra* note 1, ¶¶ 43–56.

<sup>28</sup> Jeffrey Westling, *Redefining Broadband Speeds to Reflect User Needs*, AM. ACTION F. (June 15, 2023), <https://www.americanactionforum.org/insight/redefining-broadband-speeds-to-reflect-user-needs>.

two has contributed to the Commission's difficulties with the mobile broadband data-allowance update mechanism.<sup>29</sup>

The relevant question is not how much data the average smartphone user consumes or what median speeds look like. It is what level of service enables Lifeline subscribers to access core applications: job searches, telehealth, education, government services, emergency communications, banking, and basic social connection. The law & economics literature on broadband adoption consistently finds that the largest gains come from moving households from no connectivity to basic connectivity, not from incremental increases beyond that baseline.<sup>30</sup>

The applications that generate these gains are not bandwidth-intensive by modern standards. A telehealth visit typically requires about 1–6 Mbps of sustained throughput.<sup>31</sup> Job portals, government websites, and educational resources require far less. These are the services that justify a low-income subsidy program, and they function reliably at modest bandwidth levels consistent with current minimum service standards.

Even limited connectivity can be transformative. A household with access to a basic data plan can apply for jobs, communicate with health care providers, access benefits, and support children's education. Those benefits do not depend on 29 GB of monthly data or gigabit speeds. They depend on reliable access to a basic level of connectivity.

## **VI. Voice-Only Subsidies No Longer Make Sense**

Lifeline rules should maximize benefits to recipients while minimizing costs on consumers' phone bills. Voice-only plans may meet some users' needs, but adding basic data service imposes minimal additional cost on providers—especially if the Commission avoids overly burdensome minimum data-cap and bandwidth requirements. The benefits of including data, by contrast, are substantial.

On modern all-IP wireless networks, the marginal cost of providing basic broadband data alongside voice service is effectively zero. Voice over Long-Term Evolution (VoLTE) calls use only about 6.6 kbps to 23.85 kbps of bandwidth<sup>32</sup> and run over the same IP infrastructure and spectrum as data traffic. These networks were designed for data, with voice layered on top as a managed IP service, not as a separate circuit-switched function. As a result, the incremental cost of offering data access reflects the data allowance itself, not additional infrastructure. The Commission should recognize

---

<sup>29</sup> NPRM, *supra* note 1, ¶ 46.

<sup>30</sup> Wolfgang Briglauer, Jan Krämer & Nicole Palan, *Socioeconomic Benefits of High-Speed Broadband Availability and Service Adoption: A Survey*, 48 TELECOMM. POL'Y 7 (2024), <https://doi.org/10.1016/j.telpol.2024.102808>.

<sup>31</sup> FCC Consumer & Gov't Affs. Bureau, *Broadband Speed Guide*, [https://www.fcc.gov/sites/default/files/broadband\\_speed\\_guide.pdf](https://www.fcc.gov/sites/default/files/broadband_speed_guide.pdf) (last visited Apr. 29, 2026).

<sup>32</sup> Eur. Telecomm. Standards Inst. (ETSI), *Speech Codec Speech Processing Functions; Adaptive Multi-Rate–Wideband (AMR-WB) Speech Codec; General Description*, ETSI TS 126 171 V19.0.0 (3GPP TS 26.171 Ver. 19.0.0 Rel. 19), [https://www.etsi.org/deliver/etsi\\_ts/126100\\_126199/126171/19.00.00\\_60/ts\\_126171v190000p.pdf](https://www.etsi.org/deliver/etsi_ts/126100_126199/126171/19.00.00_60/ts_126171v190000p.pdf).

that the cost difference between a voice-only plan and a basic bundled broadband plan is far smaller than the current \$4 reimbursement differential suggests.

The consumer benefits of data access are far greater. Broadband enables participation in the full range of modern economic and social activity. In 2026, essential services—employment, health care, education, government services, banking, and communication—primarily rely on IP-based applications. A subscriber limited to voice-only service cannot fully access these opportunities. Subsidizing voice without enabling meaningful participation risks wasting program resources.

The Commission's broader policy goals reinforce this conclusion. The FCC has long encouraged the transition from legacy copper networks to all-IP infrastructure.<sup>33</sup> ICLE has consistently shown that this transition benefits both providers and consumers, while maintaining legacy networks imposes rising costs and diverts investment from next-generation services.<sup>34</sup> Existing rules can slow this transition by making migration more costly.

Continuing to subsidize a distinct voice-only Lifeline tier conflicts with these objectives. The Commission should not promote all-IP migration on one hand while preserving a subsidy structure that assumes voice remains a separate, standalone service. Aligning Lifeline with modern network realities requires prioritizing data-enabled service as the baseline.

## VII. A One-Per-Residence Rule Would Exclude Eligible Households

The NPRM proposes a one-per-residence rule to address multiple Lifeline subscribers at a single street address.<sup>35</sup> Although well intentioned, a broad rule of this kind would exclude many eligible households. Many Americans share a residential address while maintaining separate economic lives. Multigenerational households are a common example. Pew Research data shows that roughly 25% of Asian, Black, and Hispanic Americans live in such arrangements.<sup>36</sup> These households often include distinct family units that would otherwise qualify for Lifeline support.

---

<sup>33</sup> Reducing Barriers to Network Improvements and Service Changes; Accelerating Network Modernization, WC Docket Nos. 25-209 & 25-208, Report and Order, FCC 26-19 (rel. Mar. 27, 2026), <https://docs.fcc.gov/public/attachments/FCC-26-19A1.pdf>; Advancing IP Interconnection; Accelerating Network Modernization; Call Authentication Trust Anchor, Notice of Proposed Rulemaking, FCC 25-73 (rel. Oct. 29, 2025), <https://docs.fcc.gov/public/attachments/FCC-25-73A1.pdf>.

<sup>34</sup> Comments of ICLE, Reducing Barriers to Network Improvements and Service Changes, WC Docket Nos. 25-209 & 25-208 (Aug. 22, 2025), <https://www.fcc.gov/ecfs/document/10822002748400/1>; Comments of ICLE, Advancing IP Interconnection; Accelerating Network Modernization; Call Authentication Trust Anchor, WC Docket Nos. 25-304, 25-208, 17-97 (Jan. 20, 2026), <https://laweconcenter.org/wp-content/uploads/2026/01/ICLE-Comments-on-Advancing-IP-Interconnection.pdf>.

<sup>35</sup> NPRM, *supra* note 1, ¶ 63.

<sup>36</sup> D'Vera Cohn *et al.*, *Financial Issues Top the List of Reasons U.S. Adults Live in Multigenerational Homes*, PEW RSCH. CTR. (Mar. 24, 2022), <https://www.pewresearch.org/social-trends/2022/03/24/the-demographics-of-multigenerational-households> (reporting that 24% of Asian, 26% of Black, and 26% of Hispanic Americans lived in multigenerational households in 2021, compared with 13% of White Americans).

Rising housing costs have also increased shared living arrangements. Many young adults now live with parents while remaining financially independent.<sup>37</sup> Other households share a single address while renting individual rooms. Transitional housing presents similar challenges. Families recovering from homelessness, domestic violence, substance abuse, or incarceration often share addresses while maintaining separate eligibility for benefits. A bright-line, one-per-residence rule would deny support to many households that need it most.

The Commission should still address potential abuse. Requiring NLAD to display the number of Lifeline discounts claimed at a given address across all ETCs is a more targeted solution. Greater visibility would allow ETCs to identify potential duplicate claims while preserving access for legitimately independent households.

### **VIII. The Commission Should Consolidate Lifeline Reporting**

The NPRM seeks ways to improve program efficiency while reducing reporting burdens on ETCs.<sup>38</sup> The Commission should consolidate FCC Form 481 and FCC Form 555 into a single annual filing with one deadline, one submission portal, and one distribution to all relevant regulators.<sup>39</sup>

The two forms cover overlapping aspects of the same program. They apply to largely the same ETCs, require similar officer certifications, and duplicate administrative work. ETCs must track separate deadlines, maintain parallel workflows, and submit overlapping organizational and identifying information multiple times. A unified filing would eliminate this redundancy.

A consolidated form could combine Form 481's financial and operational data with Form 555's recertification metrics into a single annual snapshot of each ETC's Lifeline participation. ETCs would submit this filing once per year through a centralized portal accessible to the Commission, the Universal Service Administrative Company (USAC), state commissions, and relevant Tribal and territorial governments. The Commission should set a deadline that aligns with the most practical point in the program's annual cycle.

Dual filings impose the greatest burden on small- and mid-sized, non-facilities-based ETCs, which serve most Lifeline subscribers. Maintaining separate compliance processes, preparing multiple officer certifications, and submitting duplicative filings diverts resources from serving customers. These costs are not trivial.

Reporting burdens can also affect market participation. Providers considering entry must weigh compliance costs against expected Lifeline revenues. In low-density markets with thin margins, duplicative reporting can deter participation. Reducing unnecessary compliance costs would

---

<sup>37</sup> *Id.*

<sup>38</sup> NPRM, *supra* note 1, ¶ 71.

<sup>39</sup> Comments of USTelecom, in re Delete, Delete, Delete, GN Docket No. 25-133 (Apr. 11, 2025), <https://www.fcc.gov/ecfs/document/104110786700283/1>; Comments of WTA—Advocates for Rural Broadband, in re Delete, Delete, Delete, GN Docket No. 25-133 (Apr. 14, 2025), <https://www.fcc.gov/ecfs/document/10411148117639/1>.

improve efficiency and strengthen the competitive provider ecosystem that supports universal Lifeline access.

## **IX. Balance Integrity and Access for Non-Facilities-Based ETCs**

The NPRM raises concerns about non-facilities-based ETCs and their association with higher rates of fraud. Enforcement actions show that these providers have been disproportionately linked to serious program-integrity failures. The current compliance-plan framework has not reliably detected or deterred systemic fraud. Greater scrutiny is warranted, and the Commission is right to revisit the conditions attached to its forbearance grant in light of a decade of experience.

At the same time, the Commission must account for the role these providers play in ensuring universal access. Non-facilities-based ETCs are not just a regulatory artifact. They are often essential to serving low-income consumers, particularly in markets where facilities-based providers do not participate in Lifeline.

Any redesign of the forbearance framework should reflect these market realities. Proposed measures—such as enhanced compliance plans, letters of credit, expanded financial disclosures, mandatory annual audits, and more frequent resubmission requirements—impose real costs. The Commission should weigh those costs against expected fraud-reduction benefits using the same cost-benefit framework applied elsewhere in this NPRM.

## **X. Conclusion**

The NPRM presents several proposals to reduce waste, fraud, and abuse in the Lifeline program. Many of these reforms move in the right direction. The Commission should evaluate each proposal through a rigorous cost-benefit framework that accounts not only for program-integrity gains, but also for effects on participation, provider incentives, and consumer access.

Effective reform requires targeting fraud at its source while preserving access for eligible households. Measures such as eliminating the opt-out framework, requiring secondary consent verification, and improving data visibility within NLAD offer high-impact, low-burden ways to strengthen program integrity. At the same time, overly rigid rules—such as a one-per-residence limit or excessive compliance burdens on providers—risk excluding eligible households and reducing provider participation.

The Commission should also align Lifeline with modern network and consumer realities. Minimum service standards should reflect the level of connectivity needed for meaningful participation, not parity with average usage. Prioritizing data-enabled service over legacy voice-only offerings would better serve recipients and reflect the all-IP networks that now deliver communications services. Streamlining reporting requirements and reducing duplicative compliance obligations would further support a competitive provider ecosystem.

Lifeline succeeds when it connects eligible households to essential services at a reasonable cost to consumers who fund the program. Reforms should focus on that objective: target support to those who need it most, deliver services that meet real-world needs, and ensure that program rules strengthen—rather than undermine—access, participation, and efficiency.