

BROADBAND & LIFELINE MODERNIZATION

Common Sense Kids Action has made Lifeline modernization and the inclusion of broadband a top policy priority. On Thursday, March 31, 2016, the FCC voted to modernize Lifeline and include a subsidy for broadband services.

Broadband is a Necessity, Not a Luxury

Broadband is now a necessity for our communities and our children. Kids need Internet access to get a good education, do their homework, and have a chance to succeed. And families need Internet access to apply for jobs, access health care, and participate fully in economic, social, and political life.

Modernizing the Lifeline program—which currently aids low-income consumers in obtaining necessary phone services—provides an opportunity to increase broadband access and adoption across the country.

What is Lifeline?

- Lifeline was established by the FCC under President Reagan in 1985. President George W. Bush expanded the program to include support for wireless service in 2005.
- Lifeline is part of the FCC's Universal Service Fund.
- Lifeline supports more than 12 million American households today by providing discounted voice service—landline or wireless—to qualified low-income consumers. Subsidies are \$9.25 per month (one per household).
- Many Lifeline-eligible households do not subscribe.

What is the Federal Communications Commission doing to modernize Lifeline?

- The FCC began Lifeline modernization and reform in 2012, seeking to curb abuses (by consumers and providers), cut red tape for subscribers, reduce burdens on providers, and otherwise modernize the program.
- In June 2015, the FCC announced new proposed changes to Lifeline, **including allowing consumers to use Lifeline subsidies for broadband.**
- The FCC considered a number of additional changes and modernizations as well, such as removing Lifeline providers of the burden of determining customer eligibility, making it easier to become a Lifeline provider, streamlining sign-ups for eligible customers, and establishing a budget mechanism for the program.

What are some benefits of Lifeline modernization and allowing the subsidy to be used to purchase broadband Internet?

- Studies show that cost is a primary obstacle to higher broadband adoption rates.
- Including subsidies for broadband will make it more affordable and thereby increase adoption of broadband.
- Modernizing Lifeline will provide access to critical communications tools for individuals who truly need them. It will help children do their homework and parents look for jobs and access health care and government services.
- Modernizing Lifeline can also help our economy grow. Numerous studies suggest that broadband penetration is correlated with Gross Domestic Product (GDP), and that increasing broadband penetration can stimulate an increase in GDP. In addition, E-Commerce, a growing part of our nation's economy, depends on broadband penetration.