

**Before the
Federal Communications Commission
Washington, D.C. 20554**

**Comments of
The Small Company Coalition**

IN RE: Lifeline and Link Up Reform and Modernization

WC Docket No. 11-42 et al.

**Secretary, Federal
Communications Commission**

The Small Company Coalition (“SCC” or “Coalition”) appreciates the opportunity to advocate for enhanced accountability from the Lifeline program and its recipients, particularly in light of the findings published in the Office of Inspector General’s (“OIG”) January 2026 report.¹

The Coalition is comprised of small rural and Tribal incumbent local exchange carriers (“ILECs”) from across the country, and since its inception, has called for increased oversight of federally-managed funds, particularly those with proven patterns of abuse. Broadly speaking, the SCC commends the Commission’s initiative to address instances of abuse within the Lifeline program, while also encouraging the Commission to consider the impact any additional oversight measures may have on small companies in administering them.

The SCC will comment on the following proposals listed in the NPRM published on January 28, 2026², as well as the discussion that ensued during the open meeting held on February 18, 2026:

1) Propose and seek comment on requiring usage tracking and non-usage de-enrollment for all Lifeline service plans regardless of whether a monthly fee is assessed and collected.

Both items—usage tracking and non-usage de-enrollment—should reduce instances of abuse within the Lifeline program, and thus have the SCC’s support. With this being said, the particulars of how usage will be tracked, as well as any potential increase in accompanying reporting requirements on the part of small telcos must be monitored closely.

The SCC hopes that a victory in enhancing the integrity of the Lifeline program will not be offset by losing ground on the regulatory burden front, where the Commission has made significant progress under Chairman Carr’s leadership. To this point, the SCC urges the Commission to bear in mind any administrative costs (both financial and labor hours), particularly on small companies, in the implementation of any usage tracking. This consideration should be made for the subsequent proposals as well.

2) Propose and seek comment on streamlining the Lifeline rules, including deleting Emergency Broadband Benefit Program and Affordable Connectivity Program rules, and minimizing stakeholder confusion.

¹ [FCC OIG Advisory Regarding Deceased and Duplicate Lifeline Subscribers](#)

² [Notice of Proposed Rulemaking, January 28th 2026](#)

Consistent with the SCC’s long history of advocating for the reduction of unnecessary and burdensome regulations, the Coalition is always supportive of streamlining rules whenever practical. With that said, a balance must be struck between implementing rules that are specifically designed to ensure that the Lifeline funding is utilized by those who truly qualify for the program and commonsense safeguards to keep bad actors from abusing the program.

With respect to the Emergency Broadband Benefit program, which was a temporary initiative implemented in response to the hardships caused by the COVID-19 pandemic, and then converted to the Affordable Connectivity (ACP) program, the SCC supports the deletion of the related rules since these programs ended several years ago. On a related note, in the event the ACP is ever reinstated, care must be taken to ensure that only those that are truly in need of such funding are eligible to participate in the program. For example, as the Coalition pointed out in its comments filed with the FCC in July of 2022, for some unknown reason, an individual was eligible to participate in the ACP program simply because he or she lived in a school district that qualified for the National School Lunch Program, regardless of their level of income.³

3) Propose that Lifeline is a federal public benefit restricted to U.S. citizens and qualified aliens under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

The SCC supports the restriction of Lifeline benefits to U.S. citizens and qualified aliens, as well as reasonable identity verification measures to establish eligibility. Those in charge of administering the Lifeline program have a fiduciary responsibility to ensure that only eligible participants are the ones to benefit from the program. With this in mind, it only seems right that the program should be restricted to U.S. citizens and those who are in this country legally. Former FCC Commissioner Michael O’Rielly wisely stated that, “Why is it so easy for some people in Washington, DC, to spend other people’s money? It is one thing to be careless with your own finances, but it is another for stewards of Americans’ tax dollars or other monies to seem oblivious to the impact of their actions on hard working consumers. The desire to spend seems to exceed any interest in doing so in a rational and responsible way. This is exactly the situation facing the Commission’s reform effort for the Universal Service Fund (USF) Lifeline Program.”⁴

4) Seek comment on rule changes to improve program integrity and efficiency, including whether to continue to permit “opt-out” states to use their own verification processes and whether the Commission should reduce annual reporting burdens for ETCs.

The SCC asserts that the OIG report serves as response enough to the question of whether “opt-out” states should be permitted to continue using their own verification processes. The five years from 2020 to 2025, discussed in the report, may be seen as a test of the opt-out states’ ability to conduct necessary eligibility checks. The result has been a resounding failure to the tune of \$5M in reimbursements to nearly 117,000 deceased subscribers.

It stands to reason that if a state cannot verify the most fundamental evidence of human life before disbursing millions of dollars in public funding on behalf of the dearly departed, then that state should forfeit its responsibilities to an entity better equipped to distinguish between eligible recipients and those who have shuffled off this mortal coil.

³ [SCC Comments Re: ACP \(2022\)](#)

⁴ [Former FCC Commissioner O’Rielly’s comments](#)

Additionally, the SCC supports the standardization of the verification process through the use of the National Lifeline Accountability Database (“NLAD”), which confirms that a consumer has qualified for the program through the National Verifier and helps to prevent subscribers from claiming more than one Lifeline program discount. With that said, not only is there nothing to gain by allowing states to use their own verification process, but as indicated previously, it makes it easier to game the system. Accordingly, requiring the use of NLAD’s National Verifier would reduce such opportunities to game the system.

Some discussion in the February 2026 open meeting held by the FCC centered on who the appropriate target of enhanced accountability measures should be; notably, Commissioner Gomez stated that providers have engaged in abusive conduct with respect to the Lifeline program, and as such, should be placed more directly under the oversight lens. The SCC concurs with this sentiment, although we disagree with the notion expressed by the Commissioner that equal measures needn’t be placed on individual recipients; the same ineffective oversight that allows a provider to act in bad faith also enables an individual to do the same.

To address the assertion made by Commissioner Gomez that enhanced identity verification measures create unnecessary burdens to applicants, it is our experience as telecommunications providers that legitimate Lifeline recipients are not so hapless nor so removed from society as to be unable to provide basic proof of identity. Indeed, nothing that is requested as a part of the current application process—nor anything discussed in the proposed measures—is in excess of necessary documentation that any American citizen or legal resident would possess and produce in the regular course of everyday life.

Furthermore, while it isn’t the direct purpose of these proceedings to examine the amount of support provided by the Lifeline program, we would like to address additional comments made by Commissioner Gomez during the open meeting, as they pertain to the spirit of the program and what it is designed to accomplish.

The Commissioner contends that \$9.25 per month is inadequate support for Lifeline recipients and that the program should not “nickel-and-dime” families who participate in the program. In response, we assert that 1) No meaningful conversation can be held regarding an increase to the amount of Lifeline support while significant waste, fraud, and abuse exist within the program, and 2) The characterization of “nickel-and-dime” families is fundamentally inaccurate, as the program doesn’t exact petty sums of money from those in need, but rather, provides them with financial support. We at the SCC are not aware of any constitutional right—or right of any variety—to receive financial assistance for paying one’s phone bill. The Lifeline program is a privilege afforded by paying telephone subscribers, and as such, recipients must meet basic eligibility requirements in order to enjoy Lifeline benefits. Furthermore, regardless of an individual’s financial means, we all must act with a sense of accountability and responsibility, especially with respect to the use of other people’s money.

We look forward to further discussion and participation on the record in this matter.

Respectfully submitted,

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Small Company Coalition