

Press Release



ACP versus Lifeline: A Comparative Analysis of Broadband Affordability Subsidies

PAULINA ENCK | APRIL 3, 2023

The Affordable Connectivity Program (ACP), which provides subsidies to low-income consumers for telecommunications equipment and service, is set to run out of money next year. In a new insight, Director of Technology and Innovation Policy Jeffrey Westling considers the benefits of keeping the program operational, even as alternative programs targeting affordability, including the Universal Service Fund Lifeline Program, already exist.

Westling concludes:

ACP has proved largely effective at connecting Americans to broadband. Its voucher-like nature and sustainable funding mechanism, combined with Congress' direct oversight of the program, ensure that it can assist low-income Americans in acquiring the broadband plan that best fits their needs without significant risk of waste, fraud and abuse. By allowing consumers to shop around, the program also incentivizes future deployment and competition among broadband providers.

If Congress wants to continue to subsidize broadband connectivity, ACP may be its best model for a single subsidy program in the future. To the extent that legislators have concerns with the size of the benefit, the eligibility criteria, fraud and waste, or some other aspect of the program, these issues can be reviewed and reformed. But by allowing the program to expire, regulators will likely be forced to rely on outdated programs such as Lifeline to fill affordability gaps, and the improvements of ACP over these outdated subsidy models will be lost.

[Read the analysis](#)