

Low-Cost Plan Model 2024

About NDIA's Low-Cost Plan Model

In the absence of ACP, NDIA encourages ISPs to offer a low-cost plan and/or a discount to qualifying households. NDIA is creating a good-better-best rating system to evaluate the affordability and quality of low-cost internet plans. The rating system will be featured on our [Free & Low-Cost Internet Plans](#) webpage to help consumers understand their low-cost options. The low-cost plan model outlined below includes criteria for a “better” rating on the webpage. **The models are not mutually exclusive - a provider could offer both a low-cost plan and a discount that would cover the cost of that plan for an eligible household.**



Why the model?

As the Affordable Connectivity Program (ACP) sunsets, NDIA's Affiliates want to provide ACP participants in their communities with a suitable alternative. Before the pandemic, some Internet Service Providers (ISPs) offered “low-cost plans” for eligible households. However, the plans varied widely in their offerings, administration, and eligibility requirements, and many smaller ISPs didn't offer one. The ACP has demonstrated the essential role of low-cost internet plans. According to the [Federal Communications Commission \(FCC\)](#), over three-quarters (77%) of the survey respondents say losing their ACP benefit would disrupt their service by making them change their plan or drop internet service entirely, and about half of the survey respondents (47%) reported having no internet service or relying solely on mobile internet service before receiving their ACP benefit. NDIA encourages ISPs to adopt the low-cost plan model and/or discount offer.

How did you create the model?

We spoke with the NDIA community to understand their requirements for a low-cost internet plan. In addition to a low-cost plan option, they strongly support a low-cost model that offers customers the flexibility to choose an internet plan that best suits their needs without the limitations of a traditional low-cost plan. ISPs could achieve this through a fixed discount that qualifying households can apply to any plan offered by an ISP. NDIA outlines the criteria for a Low-Cost Plan Model and a Fixed Discount below.

Low-Cost Plan Model Criteria:

Cost

- Costs \$30 per month or less, inclusive of all taxes, fees, and charges if the subscriber does not reside on Tribal Lands, or
- \$75 per month or less, inclusive of all taxes, fees, and charges if the subscriber resides on Tribal Lands or designated high-cost areas,
- No additional non-recurring costs or fees to the consumer

Speed

- Minimum typical speed threshold of 100 Mbps/20 Mbps, or the fastest speeds the infrastructure is capable of if it is less than 100 Mbps/20 Mbps
- Provides typical latency measurements of no more than 100 milliseconds

Eligibility Requirements

Should be no more restrictive than the following

- Household Eligibility Criteria (aligns with ACP eligibility requirements)
 - Has an income that is at or below 200% of the Federal Poverty Guideline, or
 - Participates in any of these federal programs: SNAP, Medicaid, WIC, SSI, Federal Public Housing Assistance, Veterans Pension and Survivors Benefit, Free and reduced lunch program or school breakfast program, or
 - Have received a Federal Pell Grant in the current award year, or
 - Receiving a Lifeline Benefit
- Tribal Eligibility Criteria (aligns with ACP eligibility requirements)
 - Live on qualifying Tribal Lands,
 - Income at or Below 200% of the Federal Poverty Guideline, or
 - Participate in any of the above programs and Bureau of Indian Affairs General Assistance, Head Start, Tribal TANF, or Food Distribution Program on Indian Reservations

Eliminate barriers

Including (but not limited to) instituting practices such as

- No termination fees
- No data caps, surcharges, or usage-based throttling, and is subject only to the same acceptable use policies to which subscribers to all other broadband internet access service plans offered to home subscribers
- No introductory rates or bundling requirements
- Enrollees can upgrade to the new low-cost offerings with higher speeds at no additional cost when they become available
- Waiving unpaid bill/past due sign-up restrictions, allowing customers to go on a repayment plan
- Allow current customers to access low-cost plans without a waiting period

- Waive installation and hardware/equipment charges
- Eliminate credit checks

Fixed Discount Offer Criteria:

A \$30 benefit that can be applied to any plan the ISP offers

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 - Participates in any of these federal programs: SNAP, Medicaid, WIC, SSI, Federal Public Housing Assistance, Veterans Pension and Survivors Benefit, Free and reduced lunch program or school breakfast program, or
 - Have received a Federal Pell Grant in the current award year, or
 - Receiving a Lifeline Benefit
- Tribal Eligibility Criteria (aligns with ACP eligibility requirements)
 - Live on qualifying Tribal Lands,
 - Income at or Below 200% of the Federal Poverty Guideline, or
 - Participate in any of the above programs as well as Bureau of Indian Affairs General Assistance, Head Start, Tribal TANF, or Food Distribution Program on Indian Reservations

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