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April 23, 2013

Chairman Greg Walden
Subcommittee on Communications and Technology
Committee on Energy and Commerce

Ranking Member Anna Eshoo
Subcommittee on Communications and Technology
Committee on Energy and Commerce

RE: The Importance of Lifeline Phones to Consumers with Limited Means

Dear Chairman Walden, Ranking Member Eshoo, Members of the
Subcommittee on Communications and Technology:

The Lifeline program provides modest, affordable, essential phone service to low-income households and is literally a “lifeline” to jobs, emergency service, medical care, childcare, the school system, social services, family and community. The following organizations urge you to allow the recent round of reforms to take hold before precipitously altering this program:

The **National Consumer Law Center® (NCLC®)** is a nonprofit that works for economic justice for low-income and other disadvantaged people in the U.S. through policy analysis and advocacy, publications, litigation, and training. NCLC has long been involved in the policy issues around the design of the Lifeline program as part of its work to ensure affordable, reliable access to essential utility service for consumers with limited means.

Advocates for Basic Legal Equality, Inc. (ABLE) is a regional non-profit law firm in Ohio that provides a full range of free, high quality legal services to low-income individuals and groups to help them achieve self-reliance, economic opportunity, and equal justice. ABLE serves clients in thirty-two counties in Northwest and Western Ohio as well as migrant farmworkers and immigrant workers statewide. Established in 1969, ABLE has a long history of representing low-income clients in all types of administrative advocacy and complex civil litigation, including consumer protection and utilities matters. Since 1995, ABLE attorneys have actively worked on behalf of community organizations to expand access and ensure affordability of telecommunications services.

The **Benton Foundation**¹ works to ensure that media and telecommunications serve the public interest and enhance our democracy.

¹ The Benton Foundation is a nonprofit organization dedicated to promoting communication in the public interest. These comments reflect the institutional view of the

www.NCLC.org

Boston Headquarters:

7 Winthrop Square
Boston, MA 02110-1245
Phone: 617/542-8010
Fax: 617/542-8028

Washington Office:

1001 Connecticut Ave. NW
Ste. 510
Washington, DC 20036-5528
Phone: 202/452-6252
Fax: 202/463-9462

Benton pursues this mission by seeking policy solutions that support the values of access, diversity and equity, and by demonstrating the value of media and telecommunications for improving the quality of life for all. Benton has long advocated for the ubiquitous telecommunications access for all Americans.

The **Center of Media Justice** is a non-profit whose mission is to create media and cultural conditions that strengthen movements for racial justice, economic equity and human rights.

Connecticut Legal Services is a nonprofit law firm that provides advice and representation to low income households and pursues policies to protect and enforce their legal rights.

The **Greenlining Institute** is a research, advocacy, and leadership development organization working for racial and economic justice. We believe that everyone, regardless of race or income, should have a fair chance to achieve the American Dream.

The **Low Income Utility Advocacy Project (LIUAP)** engages in administrative and legislative advocacy in Illinois in the utility/energy area on behalf of low income households and not-for-profits. It is a project of the Shriver Poverty Law Center, Voices for Illinois Children and Heartland Alliance for Human Needs and Human Justice

The **Legal Services Advocacy Project**, is a division of Mid-Minnesota Legal Aid, providing legislative and administrative advocacy on behalf of the seven regional legal services programs and on behalf of low-income Minnesotans statewide.

New Jersey SHARES, Inc. is a statewide non-profit corporation primarily providing assistance to individuals and families in need of help meeting their energy and utility burden. Through assistance, advocacy, community outreach, education, information and referral, we connect low and moderate income households with available resources.

The **Ohio Poverty Law Center** is a nonprofit law office that pursues statewide policy and systemic advocacy to expand, protect, and enforce the legal rights of low-income Ohioans.

Open Access Connections facilitate communications services to encourage self-determination and stronger community connections for low-income and homeless people. We do this by advocating for and providing free communication tools for people in need.

Pro Seniors is a non-profit organization that provides free legal and long-term care help to older adults. Pro Seniors offers Ohio residents age 60 and older the advice and information they need to solve their legal and nursing home, adult care facility, and home health care problems.

Springwire (www.springwire.us) is a national non-profit organization that provides communication technologies and information services to more than 50,000 people living in poverty in the United States and Canada, through a network of more than 1,400 social service agencies in 320 communities. Using these tools and services, Springwire enables those facing poverty and homelessness to directly connect to critical resources to secure employment, housing, health care, social services and other forms of support.

Lifeline Provides Affordable No-Frills Voice Service: The Lifeline program has been in existence since 1985 and evolved to include wireless service in 2005. The current Lifeline

Foundation and, unless obvious from the text, are not intended to reflect the views of individual Foundation officers, directors, or advisors.

program provides a discount on voice service via traditional landline local service or wireless service. Carriers are approved by states or the FCC to participate in the Lifeline program. The wireline Lifeline phone service provides a discounted rate on traditional phone service to the home. Wireless Lifeline is an evolving product in terms of number of minutes covered by the \$9.25 per month covered by the Lifeline program. Typically it is a modest prepaid service requiring no deposit, often including a free handset and 250 minutes a month (a little over 4 hours of phone service a month for incoming and outgoing calls). Lifeline households can purchase additional minutes to add to their plan. The current Lifeline program does not cover data, but there is a small Lifeline broadband pilot that was part of the recent reform decision and is rolling out now.

Lifeline Enhances the Network Effect: The communications network has more value the more people are connected to it and access is increasingly important. Expectation of instantaneous connection has become the societal norm for those who can readily afford smart phones and broadband connectivity via multiple devices. It is increasingly an expectation of employers to readily reach employees or perspective employees. Yet, having reliable access to a wireline and wireless connection is not readily affordable for households of modest means and the Lifeline program only covers one phone service per household. Even with its limitations, Lifeline plays an important and unique role in the provision of basic essential voice connectivity for low-income households.

The Importance of the Lifeline Program: The Lifeline program provides no-frills basic phone service to households at or below 135% of poverty (around \$26,400 a year for a family of 3) and households participating in needs-based assistance programs such as Medicaid, SNAP SSI, Public Housing Assistance, LIHEAP, TANF or the National School Lunch Free Lunch Program. Recent surveys of wireless Lifeline customers show:

- Around half are over 45 to 50 years of age, with a substantial percent over sixty.²
- Veterans participate.³
- Consumers with disabilities participate.⁴
- A large percent are unemployed or underemployed and use their Lifeline service to find work.⁵
- Lifeline service provides access to healthcare.⁶

² See Sprint, Ex Parte Presentation, FCC WC Docket 11-42, April 10, 2013 (“Sprint April 10, 2013 ex parte”)(“60% of customers are over the age of 45, nearly a third of customers are over 55 years old.”); TracFone Ex Parte Presentation, FCC WC Docket 11-42, WC Docket 03-109, April 5, 2013 (“TracFone April 5, 2013 ex parte”)(“43% are older than age 56 (nearly 20% are older than 66”); TAG Mobile, Ex Parte Presentation, WC Docket 11-43, April 17, 2013 (“TAG ex parte April 17, 2013”)(“Over 47% of respondents are 50 or older and nearly 16% are 60 or older.”)

³ See TAG ex parte April 17, 2013 (nearly 13% of their customers are veterans); and TracFone April 5, 2013 ex parte (10% of their Lifeline customers are veterans).

⁴ See Sprint April 10, 2013 ex parte (36% have disabilities)

⁵ See Sprint April 10, 2013 ex parte (32% report they are temporarily unemployed and over half their customers use their Lifeline service to stay in touch with their current employer or to seek employment); TracFone April 5, 2013 ex parte (26% are employed, but only 13% of those are full-time; 70% use their Lifeline service to look for work or remain employed); TAG ex parte April 17, 2013 (less than 26% are employed and over half of those employed are only employed part-time; 86% use their Lifeline service to look for work or remain employed)

- Lifeline service provides an introduction to wireless service.⁷

Low-Income households move more often than non-low-income households: It is vital that Lifeline remain technology neutral and include wireless service, particularly because of the high levels of geographic mobility. Certain populations move more frequently than others. According to the US Census, over half of households below poverty moved and almost two-thirds of renters moved within a 5-year period. African-American, Asian and Hispanic or Latino households move more often than white households. The unemployed move more often than the employed. Over half of separated households and 40% of divorced households move within a 5-year period compared to 18% for married households.⁸

Low-income households resort to doubling-up and using shelters for housing: scenarios where more than one eligible household can live at the same postal address: A sad reality for households with limited means is an inability to afford housing. The bleak economic effects of the recession resulted in an 11.4% increase in the number of people doubling up between 2007 and 2010 (affecting 22 million households).⁹ There are also group housing situations, such as single-room occupancies (SROs), nursing homes, group homes for those with disabilities, domestic violence shelters, where the dwelling units may not have their own US Postal service address¹⁰ although the occupants are separate households. These are amongst the most fragile of low-income households and a group most in need of wireless Lifeline service to achieve self-sufficiency or independence.

Lifeline service is a lifeline for the working poor and the unemployed: A substantial number of Lifeline participants are unemployed or underemployed. A stable phone number is essential for a low-wage worker to pick up extra shifts or jobs. Phone service is also important to coordinate transportation to and from work and to notify an employer if work will be missed due to an emergency, thus helping to maintain employment. If the worker has young children, the phone is important for coordinating childcare logistics and to remain in contact in case the child is sick or in an emergency.¹¹

Lifeline enhances the efficient operation of other assistance programs: Increasingly social services supports are accessed electronically, through centralized call centers and internet sites. While Lifeline program is limited to voice service, this provides access to critical programs, allowing checking on the status of benefits, re-certification of program eligibility, obtaining notice of trainings, interviews, work assignments, etc. It is worthy of investigation to determine whether the currently offered 250 minutes (a little over 4 hours a month) is adequate, given this trend in program delivery, especially where wait times can be long and call backs are common.

⁶ Sprint April 10, 2013 ex parte (54% use their Lifeline service to stay in touch with doctors and for other health care-related purposes).

⁷ Sprint April 10, 2013 ex parte (nearly 50% are new to wireless service).

⁸ David K. Ihrke and Carol S. Faber, *Geographical Mobility: 2005 to 2010*, U.S. Census (Dec. 2012) at pp. 4-5.

⁹ Michael Fletcher, *Census Bureau: Millions more Americans shared households in face of recession*, Washington Post (June 20, 2012).

¹⁰ We note that in this time of extreme budget challenges, it is unlikely the US Postal service would be able to accommodate the creation of more mailing addresses to accommodate the Lifeline program.

¹¹ See David Super, Professor, Georgetown University, FCC Ex Parte in WC Docket No. 11-42; WC Docket No. 03-109; CC Docket No. 96-45 (Nov. 7, 2011).

Other agencies see the value of the Lifeline program in their administration of services. The Department of Veterans Affairs, Homeless Veterans Initiative Office asked the FCC to consider establishing automatic eligibility for Lifeline for veterans participating in the Department of Veterans Affairs Homeless Veterans Program. The arguments are applicable to a range of existing assistance programs:

Lifeline Telephone services will allow the Department of Veteran Affairs and its community partners to expand outreach access and coordinate essential services for Veterans and Veteran Families. It will assist in overcoming many of the Veteran unique barriers to preventing and eliminating Veteran homelessness such as receiving appropriate healthcare and surmounting the disproportionately high unemployment rate among Veterans in a very competitive, economy driven market. In addition, such services provide more ready access to other supportive services, as well as preventative and emergency services. In addition, it permits case workers to provide more frequent contact with this most vulnerable population and therefore, eliminate the isolation that places them at increased risk for homelessness.¹²

Lifeline also helps the medical community provide care: Health care providers treating low-income patients can find it difficult to follow-up with their patients without reliable phone service. A pediatrician who practices in the inner-city and whose patients are very young and fragile described why the Lifeline service is so important. When she treats a 2-year old with a congenital heart condition, developmental delay and a failure to thrive, she needs to be able to reach the parents to arrange for medical transport and delivery of special formula, and ensure that medications are taken as prescribed to avoid serious complications. The ability of parents of medically fragile young children to reach her immediately when there is a problem can mean the difference between treating a developing pneumonia with medication or treating the child in the pediatric intensive care unit with severe respiratory distress.¹³

Lifeline is essential in emergency situations: The no-frills Lifeline voice service is important for protecting public health and safety. This includes the ability to call 911 for help in an emergency as well as the ability to be contacted (e.g., the ability of the school to contact a parent or guardian when a child is sick or injured).¹⁴ Increasingly communities are relying on reverse 911 to warn residents in emergencies.

The Lifeline Program has Undergone Serious Reforms That Should be Allowed to Play Out: The recent Lifeline reform has put the program on more secure footing and made it more

¹² See Peter Dougherty, Assistant Executive Director, Homeless Veterans Initiative Office, Department of Veteran Affairs, FCC Notice of ex parte communication (Aug. 23, 2011).

¹³ See Health Perspective: Dr. Genevieve Preer, pediatric medical director for the Medical-Legal Partnership – Boston at Boston Medical Center, pp. 18-20 attached to the Reply Comments of Consumer Groups in Response to the Notice of Proposed Rulemaking on the Lifeline and Link-Up Reforms and Modernization, in the FCC WC Docket No. 11-42, CC Docket No. 96-45, and WC Docket No. 03-109 (May 25, 2011).

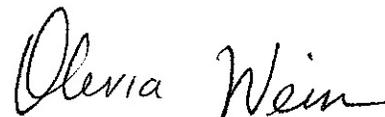
¹⁴ See Tiffany L. Craig, The Lifeline Phone Program: When answering a cry for help requires a phone call, Washington Post letter to the editor (April 15, 2013)(mental health therapist in Baltimore says that Lifeline would have helped secure timely care an reduced trauma when a 3rd grader tried to commit suicide and the mother did not have phone service).

uniform between states. The FCC eliminated the Link Up program and ramped down toll limitation service. The Link Up program was created to help cover the cost of establishing a wireline connection in a home and toll limitation was designed to avoid expensive long distance charges that could make the phone bill unaffordable. The FCC tightened enrollment procedures for consumers. Obtaining and retaining Lifeline service has become more burdensome for consumers which may well account for enrollment drop-off. Lifeline applicants must provide documentation of eligibility (e.g., proof of SNAP participation) before being approved for Lifeline service. Consumers must also re-certify eligibility annually or they will be de-enrolled from the program. Applicants must also provide their date of birth, partial social security number in addition to their address for a duplicates check. If the address has other Lifeline households, then the applicant must fill out a Household worksheet to determine eligibility. There are a number of certifications made under penalty of perjury under these new reforms.

Carriers also have new requirements to prevent waste, fraud and abuse. They must now clearly disclose if a particular service is a Lifeline service. It was not always clear in the past whether a particular product was part of the Lifeline program. Carriers must disclose that there is only one Lifeline phone per household permitted under the program rules. An officer of the company must certify under penalty of perjury that the company is in compliance with the Lifeline rules, has obtained valid certifications from the applicants, and that the information in the monthly reimbursement request from the universal services fund is true, accurate and complete. The carrier must also de-enroll a customer from Lifeline if a prepaid wireless phone is unused for 60 days, if the Lifeline customer fails to re-certify eligibility, and in the case of duplicate service. The reform also includes the creation of a national duplicates database that is expected to be constructed sometime this year.

These reforms are dramatic and drastic and targeted to address the pre-reform Lifeline program weaknesses. Lifeline is a vital program that protects health and safety and helps struggling households achieve independence. These reforms should be given a chance to operate before subjecting this vital program to disruption.

Sincerely,

A handwritten signature in cursive script that reads "Olivia Wein".

Olivia Wein,
Staff Attorney
National Consumer Law Center

On behalf of its low-income clients and the Joint Consumers listed above.