

RACIAL JUSTICE &  
EQUAL ECONOMIC  
OPPORTUNITY PROJECT  
NATIONAL CONSUMER LAW CENTER

# A Changing Lifeline: 21st Century Update for an Important Low-income Phone Assistance Program

August 8<sup>th</sup>, 2016

Cheryl A. Leanza  
A Learned Hand Consulting

Andy Lomeli  
National Hispanic Media Coalition

Olivia Wein  
National Consumer Law Center



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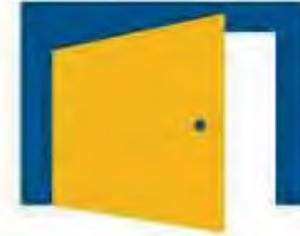
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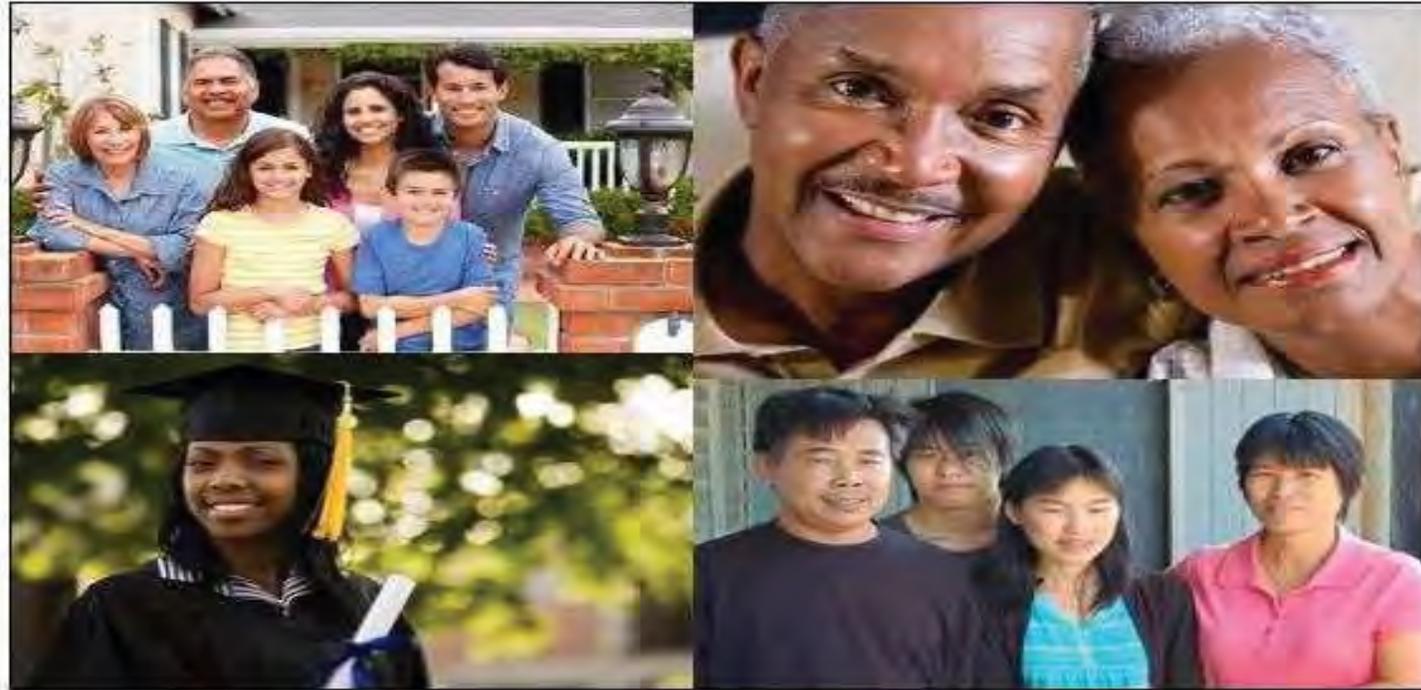


## Moderator – Odette Williamson

- Odette Williamson is a staff attorney at the National Consumer Law Center specializing in sustainable homeownership, consumer credit, elder justice and foreclosure prevention issues. Prior to joining NCLC, Ms. Williamson was an Assistant Attorney General in the Consumer Protection and Antitrust Division of the Massachusetts Office of the Attorney General.
- Ms. Williamson also leads the Racial Justice and Equal Economic Opportunity Project, focused on challenging the marketplace abuses aimed at individuals and communities of color.



# Racial Justice and Equal Economic Opportunity

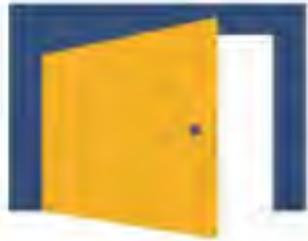


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The project on Racial Justice and Equal Economic Opportunity seeks to address the abusive and exploitative practices in the marketplace that have decimated the finances of communities of color.

<http://www.nclc.org/issues/racial-justice.html>

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NEWS  
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## **Investigative News Spotlights Discriminatory Lending Practices in the Manufactured Housing Industry**

***Free webinar on March 22 with U.S. Congressman Keith Ellison,  
BuzzFeed News and Seattle Times Reporters***

A recent [investigative](#) story by *Buzzfeed News* and the *Seattle Times* exposed potentially discriminatory lending and debt collection practices by the nation's largest manufactured housing company, Clayton Homes and its lending subsidiaries Vanderbilt Mortgage and 21st Mortgage.

The story detailed predatory practices that resulted in borrowers of color being charged substantially higher rates, on average, than white borrowers. Borrowers of color earning between \$75,000 and \$100,000, on average, paid interest rates higher than those paid by white borrowers making \$25,000 to \$50,000, according to *Buzzfeed News* and the *Seattle Times* analysis of Vanderbilt's loan data.

## Other Webinars in this Series

- Below is a partial list of past webinars sponsored by NCLC's Racial Justice & Equal Economic Opportunity Project.
- Find these and other webinars at: <https://www.nclc.org/racial-justice.html>
- The Color of Debt: Racial Disparity in Debt Collection Lawsuits
- Debt and Democracy: How the Collection of Civil Fees and Fines Contributed to the Unrest in Ferguson
- Weblining and Other Racial Justice Concerns in the Era of Big Data
- Holding Wall Street Accountable for the Subprime Mortgage Crisis in Urban America
- Minding the Gap: Using the New Racial Wealth Audit to Measure the Impact of State and National Policies on the Racial Wealth Gap



## Presenter – Andy Lomeli

Andy conducts policy analysis and outreach in the National Hispanic Media Coalition's Washington, DC, office. Andy has worked in telecommunications policy for several years at both the federal and state levels. Most recently, he helped manage the California LifeLine program at the California Public Utilities Commission in San Francisco. Andy also previously worked in both government affairs and public outreach at Public Knowledge in Washington, DC, and is a former NHMC Policy Fellow. Andy earned a Master's Degree in Public Policy from UC-Berkeley and a B.A. in History from Stanford University. A proud graduate of both the Congressional Hispanic Caucus Institute (CHCI) and the Public Policy and International Affairs Institute (PPIA) leadership programs, Andy is passionate about helping build the pipeline to policy careers for students from traditionally underserved backgrounds.





## Presenter – Cheryl A. Leanza

Cheryl A. Leanza serves as policy advisor to the United Church of Christ’s historic [media justice ministry](#) and as the Co-Chair of the Leadership Conference of Civil Rights Media & Telecommunications Task Force. Ms. Leanza plays a key role at the intersection of civil rights and media justice, with a focus on advocacy on behalf of those who are least served by the media and communications ecosystems. She played a lead role in modernizing the Lifeline program to include broadband. She is also an expert in prison phone rate reform, media diversity, low power radio, and local government and communications. She runs her own consulting firm, [A Learned Hand, LLC](#).

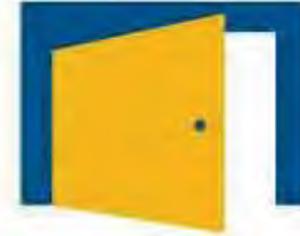




## Presenter – Olivia Wein

Olivia B. Wein has been a staff attorney in the Washington office of the National Consumer Law Center since December 1999. Olivia represents the interests of low-income clients at the federal and state level on energy and utility issues. She regularly submits testimony to Congress on the importance of the Low Income Home Energy Assistance Program (LIHEAP), as well as comments to various federal agencies and state public utility commissions on behalf of low-income consumers. Olivia is on the board of the National Low-Income Energy Consortium, and co-chairs the LIHEAP Coalition, which is comprised of a broad array of national, regional and local groups and organizations. She was a member of the National Drinking Water Advisory Council's Small Systems Affordability Work Group and serves on the steering committee for the Campaign for Safe and Affordable Drinking Water. Olivia co-edits NCLC's quarterly Energy & Utility Update newsletter as well as co-authors NCLC's [Access to Utility Service](#) and is a contributing author to several other NCLC publications including [Unfair and Deceptive Acts and Practices](#).





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# Broadband Adoption & The Homework Gap

Andy Lomeli, National Hispanic Media Coalition  
August 8, 2016

# Executive Summary

- Despite some gains in broadband adoption, certain groups continue to disproportionately lack internet access
- Cost remains a major barrier for low-income families in accessing the internet
- Most Americans agree broadband access is vital for accessing important services
- The Homework Gap: Students in particular stand to benefit from getting online

# Broadband Adoption

- According to the FCC, 11% of Americans lack access to both 25 Mbps/3 Mbps and an LTE mobile service
- Global perspective
  - Fixed broadband: the U.S. ranks 15<sup>th</sup> out of 34 countries
  - Mobile broadband: the U.S. ranks 7<sup>th</sup> out of 34 OCED countries in subscriptions per 100 inhabitants
- 51% of Americans have only one option for a high speed fixed broadband service provider



Change in Broadband Adoption from 2013-2015		
Ethnicity	2013	2015
White	74%	72%
African American	62%	54%
Hispanic	56%	50%

Source: Pew 2015 Broadband Report, available at  
 (<http://www.pewinternet.org/2015/12/21/home-broadband-2015/>)

Change in Broadband Adoption from 2013-2015		
Income	2013	2015
Under \$20K	46%	41%
\$20K-\$50K	67%	63%
\$50K-\$75K	85%	80%
\$75K-\$100K	88%	88%
Over \$100K	93%	90%

Source: Pew 2015 Broadband Report, available at  
 (<http://www.pewinternet.org/2015/12/21/home-broadband-2015/>)



# The Cost of Broadband

- Among non-broadband adopters, 33% cite the monthly cost of service as the main reason they lack broadband at home
- 66% of non-adopters cite either monthly service fee or the cost of a computer
- Low-income students are four times more likely than middle- and upper-class counterparts to lack connectivity at home



# The Value of Broadband

- Overall, 69% of Americans believe that lacking broadband access at home puts people at major disadvantages in getting news, health information, learning new things, accessing government services or looking for job opportunities
- 40% of non-adopters say they are impaired in learning about or accessing important government services
- 43% of non-adopters say they are at a major disadvantage in seeking career opportunities
- Over 80% of Fortune 500 companies accept only online job applications

# Homework Gap

- Among families who have home Internet access:
  - 52% say internet is too slow
  - 26% say too many people share the same computer
  - 20% say their Internet has been cut off in the last year from non-payment
- Today, roughly seven in ten teachers assign homework that requires access to broadband
- More than half of teachers in low-income communities said that their students' lack of access to online resources at home presented a major challenge to integrating technology into their teaching

# Homework Gap (continued)

- 90 percent of students say internet would help them complete homework either “somewhat” or “a lot”
- Nearly 700 colleges and universities accept the Common App, which is available only online



# Sources

- OECD Broadband Portal (last updated August 2016): <http://www.oecd.org/sti/broadband/oecdbroadbandportal.htm>
- Victoria Rideout and Vikki S. Katz, “Opportunity For All?: Technology and learning in lower-income families” Joan Ganz Cooney Center at Sesame Workshop (Winter 2016): [http://www.joanganzcooneycenter.org/wp-content/uploads/2016/01/jgcc\\_opportunityforall.pdf](http://www.joanganzcooneycenter.org/wp-content/uploads/2016/01/jgcc_opportunityforall.pdf)
- John B. Horrigan and Maeve Duggan, “Home Broadband 2015” Pew Research Center (December 2015): <http://www.pewinternet.org/2015/12/21/home-broadband-2015/>
- John Horrigan, “The Numbers Behind the Broadband ‘Homework Gap’” Pew Research Center (April 2015): <http://www.pewresearch.org/fact-tank/2015/04/20/the-numbers-behind-the-broadband-homework-gap/>
- 2016 FCC Broadband Progress Report (January 2016): <https://www.fcc.gov/reports-research/reports/broadband-progress-reports/2016-broadband-progress-report>
- Special thanks to NHMC Google Policy Fellow Cristina Contreras for contributing to this presentation

# Low Income phone and Broadband Discounts

Cheryl Leanza, United Church of Christ, OC Inc.

National Consumer Law Center Webinar

August 8, 2016



# Lifeline program - Background

- Run by the Federal Communications Commission.
- Founded in 1985, originally to subsidize plain-old telephone service, modernized in 2005 to include mobile phone.
- FCC adopted new rules in March 2016 to support broadband.

# Lifeline program – how does it work?

- Telecommunications companies must collect “universal service” contributions, which partially fund Lifeline as well as other programs.
- Telephone companies receive \$9.25 from the federal fund to subsidize services provided to low-income people.
- Some states also run programs with additional requirements and funding.

## two ways to get a discount:

1. federal lifeline subsidy
2. corporate discounted broadband programs

- These two routes are different, but potentially overlapping.
- Until now, Lifeline has been limited to phone service.
- At the end of this year, mobile providers are planning to offer discounted or no-cost broadband products.
- Hopefully in the future, wired discounted broadband products, such as cable programs, will accept Lifeline subsidies.

# Corporate low-income discount broadband products

- Eligibility criteria:
  - Participation in a particular low-income program, depending on program.
    - National School Lunch program, SNAP, seniors on SSI. New Comcast public housing program.
  - Must be in the company's existing service area.
  - Must not owe back debt to the company (at least in the last year).
  - Cannot have been a subscriber in the last 90 or 60 days.
- Typically fixed price, before taxes. Some have data caps, overage costs.

# Corporate Low-Income Broadband Products

Company	Product	Cost	Eligibility	More Info
AT&T's Access	Depends on availability: 3 Mbps, 5 Mbps or 10 Mbps; monthly data limit of 150GB, 300GB or 600GB.	\$5 per month for 3 Mbps, \$10/month for 5 or 10 Mbps Overage costs \$10 for each 50GB of data.	One person in household on SNAP (special rules for California residents on SSI)	1-855-220-5211 (English) 1-855-220-5225 (Spanish) <a href="https://att.com/shop/internet/access/">https://att.com/shop/internet/access/</a>
Comcast Internet Essentials	10 Mbps, low-cost computer, free classes	\$9.95/month plus tax Computer \$149.99	Nat'l School Lunch or Public Housing or Pilot programs for seniors and community college students	1-855-846-8376 (English) 1-855-765-6995 (Spanish) <a href="https://internetessentials.com/">https://internetessentials.com/</a> <a href="https://es.internetessentials.com/">https://es.internetessentials.com/</a>
Charter/Spectrum low-income program	30 Mbps	\$14.99/month	Nat'l School Lunch or Seniors on SSI	Coming later in 2016
Google Fiber	25 Mbps	\$15/month plus tax	Reside in a designated Google Fiber neighborhood with low adoption	1-866-777-7550 <a href="https://fiber.google.com/broadband/">https://fiber.google.com/broadband/</a>

Note: these are just examples, programs include other limitations. Also many other providers have programs, some as part of EveryoneOn's Connect2Compete project. Check with your local provider or on EveryoneOn's website: <http://everyoneon.org/>

# Lifeline Products

- Federal subsidy is \$9.25 per month per household.
- Any old-fashioned phone company should be offering at least a \$9.25 discount.
  - For example, see Verizon's page:  
<https://www.verizon.com/support/consumer/consumer-education/lifeline>
- State programs vary – some states offer a substantially larger discount.
- Full list of all providers are available on and interactive map on the USAC web site: <http://www.usac.org/lis/companies/companies.aspx>

# Mobile

- Mobile phone products:
  - Example of a current Safelink offer: Free Cell Phone, Unlimited Texts, 500 Free Minutes for the First 4 Months, 350 Minutes and Unlimited Texts thereafter.  
<https://www.safelinkwireless.com/>
- At the end of the year, we expect mobile broadband with tethering, wi-fi, possibly smartphones included.

# Minimum standards

## Fixed broadband (cable or DSL):

- 10 Mbps downstream/1 Mbps upstream and at least 150 GB per month.

## Mobile (from December 2016 until November 2017):

- No less than 3G
- 500 MB per month
- 500 minutes
- Device must be able to use Wi-Fi and companies must offer at least one device that can be used as a hot-spot.

Voice-only financial support is supposed to decrease after 2019.

# How to get these discounts

- For service providers, look into your local wired providers.
  - Learn their discounts, program rules, get to know them and their staff.
- Shop around!
- Each household gets only 1 Lifeline discount.

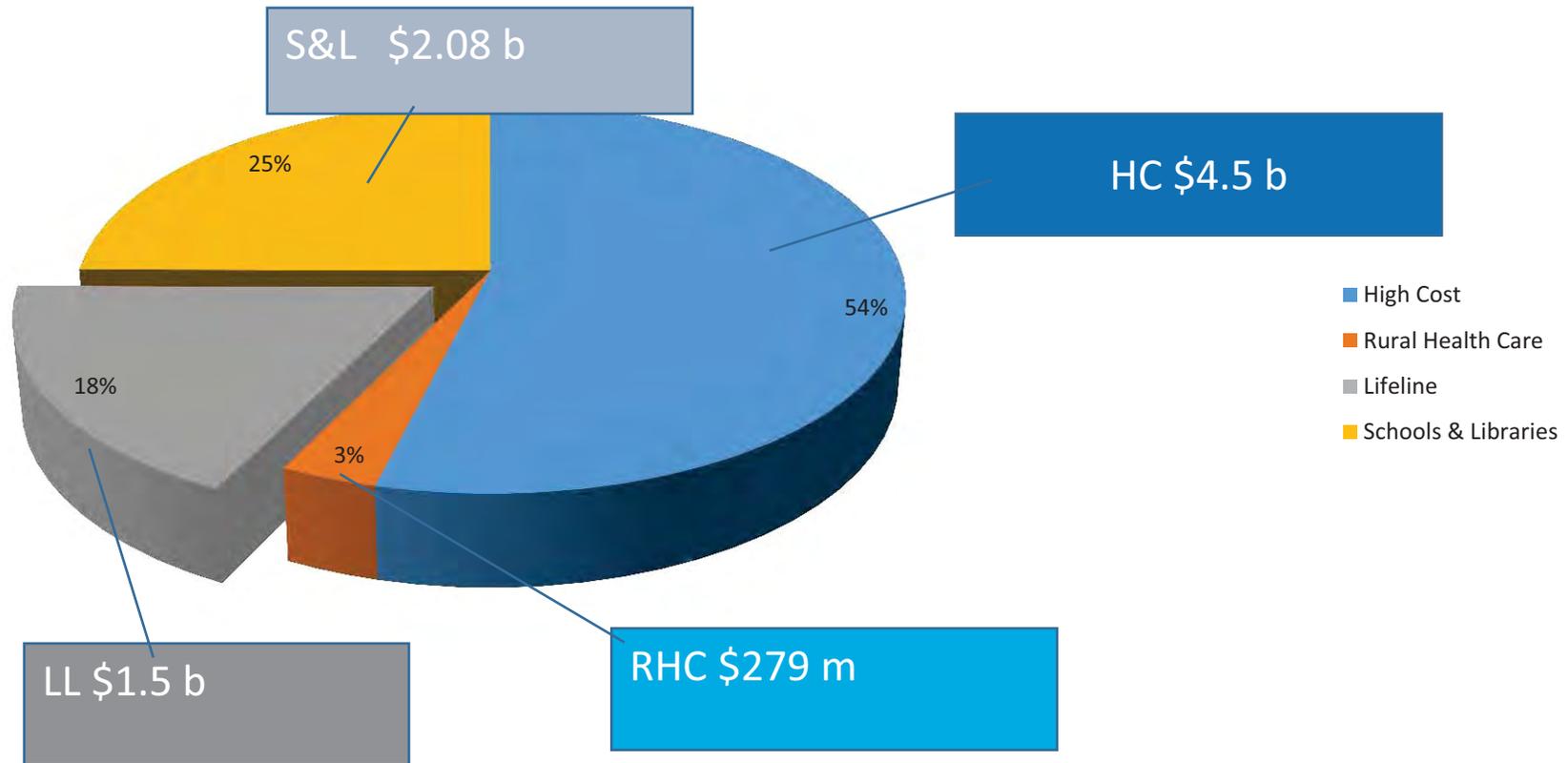
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Olivia Wein

Staff Attorney, National Consumer Law Center

# Lifeline is one of 4 Federal Universal Service Programs



Source: Data from USAC2015 Annual Report

# Who is eligible for Lifeline?

As of **December 1, 2016**, a household participating in either:

- SNAP
- Medicaid
- SSI
- Federal Public Housing Assistance
- Veterans Pension & Survivors Pension Benefit
- Certain Tribal programs (BIA general assistance, Tribally-Administered TANF, Head Start – income qualifying std, or the Food Distribution Program on Indian Reservations)

OR

- Households demonstrating income at or below 135% of the Federal Poverty Guidelines

# What happens at sign-up?

- Identity authentication check
- Duplicates check (National Lifeline Accountability Database (NLAD))
- Eligibility determination (check a qualifying program database (e.g., Y/N: SNAP enrollment) or review documentation)
- Currently handled by Lifeline service provider or state agency
- Phasing over to a national verification process

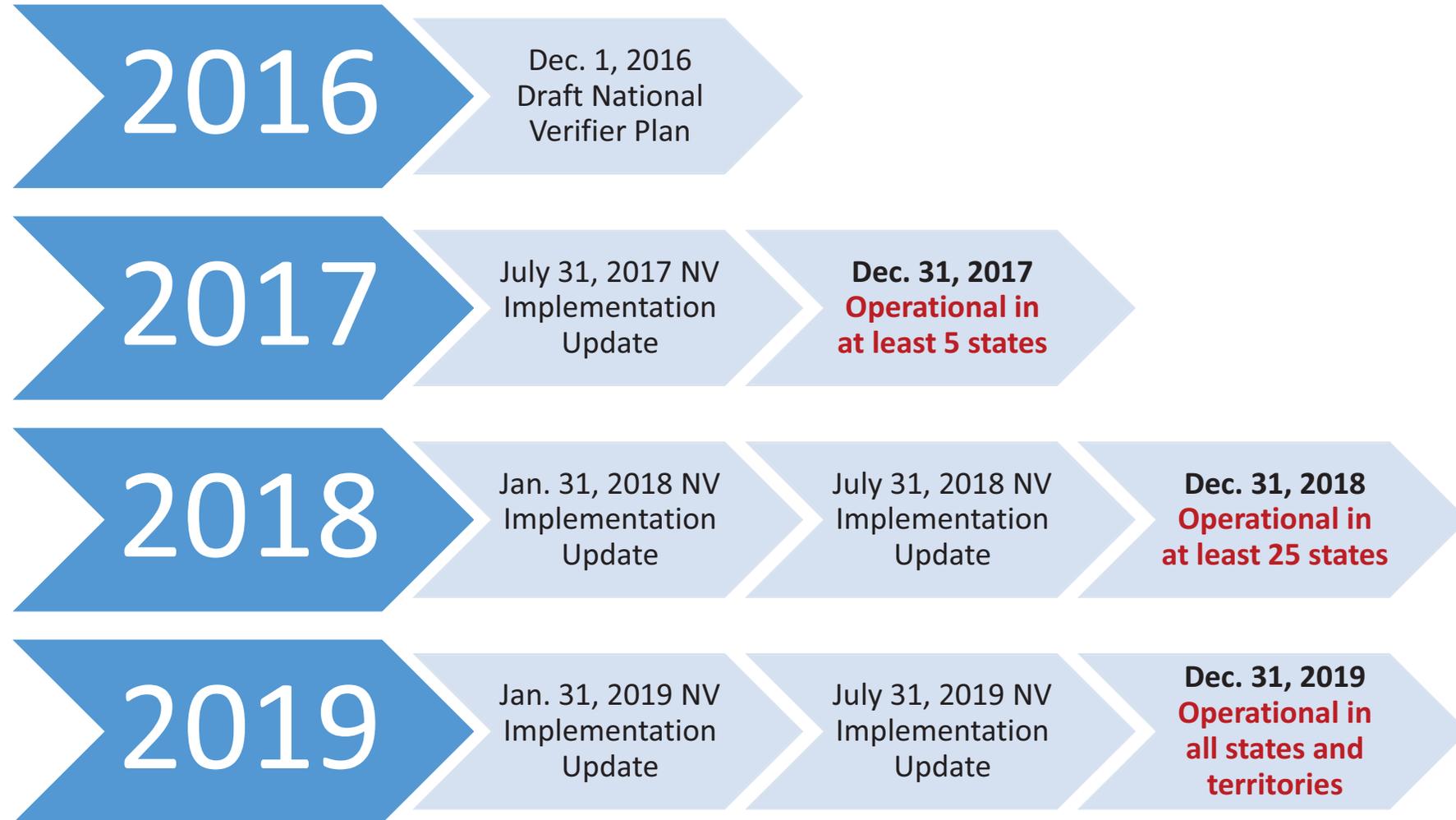
# What is changing re Lifeline eligibility?

- The 2016 Lifeline Modernization Order streamlines the Lifeline eligibility criteria (eliminates NSL, TANF, LIHEAP and state-created criteria; add Veterans Pensions & Survivor Benefit)
- Chose the programs most used by Lifeline participants to enroll in Lifeline
- Chose programs that had the potential for development of technological efficiencies for the shift to a national verifier ; databases and data sharing potential improve program integrity
- Annual recertification of eligibility will shift to the National Verifier (some providers have already shifted recertification to USAC) and deadlines for recertification will move to rolling recertification.

# National Lifeline Eligibility Verifier

- Currently, the Lifeline service provider or a State agency is responsible for determining a household's Lifeline eligibility
- The 2016 Lifeline Modernization Order shifts that function to a National Lifeline Eligibility Verifier
- The shift to a National Verifier will be phased-in over several years
- The National Verifier will use qualifying program databases and subscriber records to make eligibility determinations

# Timeline for National Verifier



# Additional Lifeline Program Features

- Wi-Fi and Tethering
- Port Freeze

# Wi-Fi and Tethering

- The Lifeline benefit does not cover cost of equipment.
- Lifeline subscribers can use their own devices.
- However, starting December 1, 2016, if the Lifeline provider provides a device (e.g., handset ) those devices must be Wi-Fi enabled.
- Starting December 1, 2016, at least 1 of the Lifeline provider's devices must have hotspot functionality. This allows households with a Lifeline smartphone with Wi-Fi to tether another device to the internet.
- The percentage of devices with hotspot functionality gradually ramps up to 75% by December 1, 2024.

# Port Freeze

- For Lifeline customers who chose a Lifeline voice product, they cannot switch Lifeline providers for 60 days.
- For Lifeline customers who chose a Lifeline broadband product, they cannot switch Lifeline providers for 12 months.
- For Lifeline customers who chose a bundled (voice and broadband) service, the port freeze is based on the service meeting minimum standards (voice = 60 days or broadband = 12 months).
- Customers can move the Lifeline benefit to another Lifeline product offered by the same provider within the port freeze period.

# Port Freeze Exceptions

- Lifeline subscriber moves.
- The Lifeline provider fails to provide service or goes out of business.
- The Lifeline provider has imposed late fees that are greater than or equal to the monthly charge for the supported service.
- The Lifeline provider is in violation of Lifeline rules and the subscriber is affected by the violation.

# Stay Tuned: Lifeline Webinar 2.0 in the winter of 2016

We will cover updates on which states will be transitioning to the National Lifeline Eligibility Verifier.

We will cover what we know about providers and Lifeline eligible products.

Please fill out the survey at the end of this webinar or contact one of us to let us know what topics you'd like us to discuss in more detail.

THANKS FOR TAKING  
TIME TO TALK ABOUT  
LIFELINE!!!

Olivia Wein, [owein@nclc.org](mailto:owein@nclc.org)

202-452-6252, x 103



# Q&A

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# Q&A

Further questions? Please feel free to reach out to our speakers if your question is not answered:

Cheryl Leanza → [cleanza@alhmail.com](mailto:cleanza@alhmail.com)

Andy Lomeli → [alomeli@nhmc.org](mailto:alomeli@nhmc.org)

Olivia Wein → [owein@nclc.org](mailto:owein@nclc.org)

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