

The Benefits of the Lifeline Low-Income Phone Service

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Lifeline is a federal program that provides modest and affordable essential phone service to low-income households. It is literally a lifeline for eligible veterans, unemployed workers, the homeless and the disabled, domestic violence survivors living in shelters, older adults, and other low-income people. The program allows poor households to connect with employers, emergency service, medical care, childcare, schools, social service agencies, family, and community.

Overview

Lifeline provides no-frills affordable basic phone service. The Lifeline program has been in existence since 1985 and evolved to include wireless service in 2005. The current Lifeline 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. Typically, Wireless Lifeline 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 program.

Lifeline enhances the network. 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 these limitations, Lifeline plays an important and unique role in the provision of a basic essential service for low-income households.

Who are Lifeline customers? 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, Supplemental Security Income (SSI), or the National School Lunch Free Lunch Program. Recent surveys of wireless Lifeline customers show:

- About half are over 45 to 50 years of age, with a substantial percent over 60 years old.¹
- Veterans participate.²
- Consumers with disabilities participate.³
- A large percent of customers are unemployed or underemployed and use their Lifeline service to find work.⁴

¹ 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.”)

² 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).

³ See Sprint April 10, 2013 ex parte (36% have disabilities)

The Need for Lifeline

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.⁵

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).⁶ 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 address⁷ 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.⁸

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.

Other federal 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

⁴ 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)

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

⁶ Michael Fletcher, "Census Bureau: Millions More Americans Shared Households in Face of Recession," *Washington Post* (June 20, 2012).

⁷ 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.

⁸ 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).

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.⁹

Lifeline provides important access to health care and also helps the medical community to provide care. One survey found that 54% of Lifeline subscribers used the service to connect with doctors and for other health-related issues.¹⁰ Additionally, health care providers treating low-income patients can find it difficult to follow-up with their patients without reliable phone service. Dr. Genevieve Preer, a pediatrician who practices at a hospital in Boston, Massachusetts, that primarily serves the urban poor, describes why the Lifeline service is so important:

For example, a medically complex two year old with congenital heart disease, developmental delay and failure to thrive needs phone service to enable her parents to arrange for medical transport, delivery of special formula, and communicate with the pharmacy about medications. Futhermore, I need to be able to contact her family to be able to monitor her symptoms and to ensure medications are being taken as prescribed. When I cannot reliably contact vulnerable fragile patients like this one, medications are administered incorrectly, significant symptoms are missed, and serious, avoidable complications arise.¹¹

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).¹² Increasingly communities are relying on reverse 911 to warn residents in emergencies.

Recent Lifeline Reforms Should Be Evaluated for Effectiveness

Lifeline has undergone reforms to address program weaknesses. Last year's Lifeline reform has put the program on more secure footing and made it more uniform between states. The FCC eliminated the Link Up portion of the Lifeline 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 also 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, and their address for a duplicates check. If

⁹ See Peter Dougherty, Assistant Executive Director, Homeless Veterans Initiative Office, Department of Veteran Affairs, FCC Notice of ex parte communication (Aug. 23, 2011).

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

¹¹ See letter to Chairman Greg Walden and Ranking Member Anna Eshoo, Subcommittee on Communications and Technology Committee on Energy and Commerce re: Lifeline Phones are Essential for the Delivery of Health Care, Dr. Genevieve Preer, pediatric medical director for the Medical-Legal Partnership – Boston at Boston Medical Center, (April 24, 2013).

¹² 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).

the address has other Lifeline households, then the applicant must fill out a Household worksheet to determine eligibility. There are several certifications made under penalty of perjury under the 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. Companies 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 targeted to address the pre-reform Lifeline program weaknesses. The Lifeline reforms should be given a reasonable chance to operate before considering dismantling such a vital program that protects health and safety while helping struggling households achieve independence.

For more information, contact National Consumer Law Center Attorney Olivia Wein at owein@nclc.org.

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