



CONSUMER CONCERNS

Information for Advocates
Representing Older Adults

National Consumer Law Center®

Lifeline: Discount Telephone Service for Low-Income Consumers

This issue of Consumer Concerns for Older Americans offers practical advice to advocates for assisting their elderly clients with enrolling in and receiving Lifeline benefits. Lifeline can help make essential phone service more affordable for your clients and help them avoid a loss of service due to nonpayment. Phone service is particularly important for the elderly to access 911 and emergency services, doctors and health care practitioners, social services programs, in addition to maintaining connections with family, friends and a larger social network.

The federal Lifeline program provides a \$9.25 monthly discount to a low-income household's landline telephone or wireless telephone bill. The Lifeline discount will appear on the consumer's phone bill and the phone company receives a reimbursement for the discount from the Lifeline fund. There is another Lifeline product based on a different business model. The pre-paid wireless Lifeline service uses the Lifeline subsidy amount to provide a monthly bucket of minutes (250 minutes is common). This type of Lifeline product does not require a deposit and usually provides a free or substantially reduced handset. There is no monthly phone bill and consumers can purchase additional minutes through traditional commercial venues for prepaid phone minutes. The Lifeline program provides a larger discount for low-income consumers living on Tribal lands. In addition, some states have complementary low-income phone subsidy programs that increase the size of the voice service discount.

The federal Lifeline program is one of four Universal Service Fund programs designed to make telecommunications services more affordable and accessible to all Americans and is the only one that directly subsidizes low-income households. This program has helped significantly increase the number of households with phone service. Recent changes by the Federal Communications Commission ("FCC") to the Lifeline program are preparing to transition the program from providing support for plain old telephone service to providing support for broadband service. For the time being, though, the Lifeline benefit remains a telephone or wireless subsidy for voice service.

Opportunities for Advocacy

Consumers interested in enrolling in the program should contact the particular phone company that they would like to provide the Lifeline service. In most states, the carrier will be the entry point for the Lifeline program, but a few states have centralized enrollment through a third-party administrator that is an agent of the state. The Universal Service Administrative Company (USAC) administers the federal Universal Service Fund in accord-

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ance with FCC regulations. USAC collects funds from and disburses payments to telecommunications and service providers.

Eligibility for Lifeline

Until recently, states could set their own eligibility criteria for Lifeline, resulting in some variations from state to state. Under the FCC's new Lifeline reforms, the FCC has established a uniform floor for Lifeline eligibility for consumers in every state and territory. States can add additional program or income criteria, but they must use, at a minimum, the federal eligibility criteria. Eligibility for Lifeline can be based on participation of the consumer, or the consumer's household, in certain low-income programs: Medicaid, food stamps ("SNAP"), Supplemental Security Income ("SSI"), Federal Public Housing Assistance ("Section 8"), Low Income Home Energy Assistance Program ("LIHEAP"), National School Lunch Program's free lunch, or Temporary Assistance for Needy Families. Eligibility can also be income-based. Households demonstrating that their income does not exceed 135 percent of the federal poverty level are eligible for Lifeline. In addition to the eligibility criteria for the regular Lifeline program, consumers living on Tribal lands may qualify for Lifeline by participation in Tribal-specific programs: Bureau of Indian Affairs general assistance, Tribally administered TANF, income-qualifying Head Start, or the Food Distribution Program on Indian Reservations.

The FCC's new Lifeline reforms include mechanisms to guard against fraud, waste and abuse, and advocates can help seniors navigate these changes.

- The FCC has clarified its "one-per-household" policy, meaning that only one Lifeline benefit is allowed per household. The definition of "household" has been clarified to be consistent with "household" as defined by LIHEAP, which is "any individual or group of individuals who are living together at the same address as one economic unit." This new definition of "household" addresses the problem of otherwise-eligible consumers in group or congregate housing being denied the Lifeline benefit, simply because they shared the same address as a current or previous Lifeline participant. Residents in group housing, shelters, nursing homes, and apartment buildings who were blocked from enrolling in Lifeline in the past now have an opportunity to demonstrate that other Lifeline recipients at their same address are part of a separate household. USAC has developed materials to help educate consumers about the one-per-household rule and to demonstrate whether their shared living environment is one which would allow them to obtain a separate Lifeline benefit. Carriers must educate Lifeline applicants about this rule and consumers must certify on their application that their household does not currently receive Lifeline.
- The FCC requires companies participating in Lifeline ("eligible telecommunications carriers" or "ETCs") or states to access state and federal databases, if available, to check the eligibility of new subscribers. If access to relevant databases is unavailable, consumers must present documentation demonstrating income-based eligibility or program-based eligibility.
- A National Lifeline Accountability Database ("NLAD") is being built to reduce the potential of duplicate Lifeline benefits to a household. Lifeline subscriber data will be entered into the NLAD starting in December 2013 to automatically check for duplicate benefits. Consumers applying for Lifeline must now provide information for this duplicates check such as full name, full address, date of birth and last four digits of their Social Security number or Tribal Identification number. The automated duplicates check will also include an identity authentication process.

- Lifeline subscribers must annually re-certify their eligibility for Lifeline. This can be done through a check of electronic databases, instead of requiring subscriber action. Where such databases are not available, subscribers will be asked to re-certify their continued eligibility in person, by phone, text message, email, or using the Internet. Carriers can delegate the re-certification process to USAC, so consumers could be contacted by their carrier, USAC or a state entity to annually re-certify Lifeline eligibility. Failure to re-certify in a timely manner will lead to loss of the Lifeline service.
- Wireless Lifeline subscribers must activate their service to start the Lifeline support (for example, by making an outbound call). In addition, failure to use the Lifeline wireless service for a 60-day period will trigger a notice from the carrier that Lifeline service will be lost unless the phone is used. A continued failure to use the phone (for example, by making a call) after such notice is given will lead to loss of Lifeline service.

Opportunities for Advocacy

There are numerous Lifeline providers in every state, and advocates can play a key role in outreach and education. Participating carriers are required to advertise Lifeline service, but there is a difference between company advertising and unbiased consumer education. Advocates also have an important role in ensuring that the Lifeline reforms are implemented in consumer-friendly manner. The recent Lifeline reforms have dramatically reshaped how the program works and advocates are uniquely situated to identify problems early on and propose changes that improve the administration of the program. For example, identifying barriers to consumers attempting to switch Lifeline providers. Advocates are also ideally situated to identify problems with particular carriers. For example, a particular company could be making it hard for nursing home residents to enroll in Lifeline because their system is failing to identify residents as separate households. Advocates should provide feedback to the FCC on the effectiveness of outreach and affordability of the program and whether there are preferable and more effective methods of ensuring that eligible seniors will benefit from Lifeline service. Additionally, advocates can supply personal stories from clients, and on the particular needs of elderly consumers rely on the Lifeline program.

Other Financial Considerations for Lifeline Recipients

Enrollment in Lifeline may indicate income-eligibility for other federal and state assistance programs. If an elderly client is eligible for Lifeline, an advocate should be sure to investigate what other forms of utility assistance programs or government assistance programs may also be available to the client, such as Low Income Home Energy Assistance (LIHEAP), electric or natural gas discount rates or low-income efficiency programs.

Role of Community Action Agency, Social Service Agency, Public Utility Commission

To learn more about the Lifeline benefit, the individual or household can contact their state public utility commission, state consumer or ratepayer advocate, phone company, or local community assistance agency. The Public Utility Commission (PUC) in the state in which the consumer lives can be a resource for what types of additional forms of utility assistance may be available. There may be special PUC rules for senior households. For example, in Massachusetts, there are general termination protections for households where only the elderly reside – termination of service can only occur with the permission of the State’s Department of Telecommunications and Cable.

Additional NCLC Resources

- *Access to Utility Service* (5th ed. 2011) is a legal manual that provides detailed discussions of customers service and utility termination issues, special utility payments plans and rates for low-income consumers, and Lifeline developments.
<http://shop.consumerlaw.org/accesstoutilityservice.aspx>
- “Consumer Concerns for Older Americans: How to Help Older Americans Avoid Loss of Utility Services” is a free short publication for advocates. http://www.nclc.org/images/pdf/older_consumers/consumer_concerns/cc_help_older_americans_avoid_loss_utility.pdf
- *Guide to the Rights of Utility Consumers* is an easy-to-read book that helps consumers understand their rights as utility consumers, including discussions of deposits, payment plans, discount rates, and protections against being terminated.
<http://shop.consumerlaw.org/guidetotherightsofutilityconsumers.aspx>

The National Consumer Law Center regularly prepares comments to the FCC on behalf of low-income and consumer advocacy groups. Advocates and their organizations that are interested in being included in such efforts should contact Olivia Wein in NCLC’s Washington, D.C., office (202-452-6252). Advocates needing additional information on where to turn for questions on utility problems may contact Charlie Harak or John Howat in NCLC’s Boston office (617-542-8010) or Olivia Wein.



Endnotes

¹States have the option of opting out of the NLAD if they can demonstrate a process to check for duplicates.

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