



Helping Elders and Communities of Color to Pay for Voice and Internet Service: An Overview of the Federal Lifeline Program

August 31, 2015



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Racial Justice and Equal Economic Opportunity



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>



Providing Legal Support to the
Aging Advocacy Network

- Sponsorship for this Webinar is provided by a grant from the Administration for Community Living.
- <http://nlrc.acl.gov/index.aspx>
- Collaboration developed by the Administration for Community Living/Administration on Aging between the National Consumer Law Center, Justice in Aging, American Bar Association Commission on Law and Aging, Center for Elder Rights Advocacy, and the Center for Social Gerontology
- See upcoming trainings, conferences, and webinars
- Request a training
- Request consulting
- Request technical assistance
- Access articles and resources





Presenter – Olivia Wein

- Olivia is NCLC's Telecom Project Lead Attorney. Over the years, Olivia has been involved in state and federal Lifeline proceedings, particularly the Lifeline reforms leading to the FCC's 2012 Order and the current FCC proceeding to modernize the program.
- Olivia serves on the Federal Communications Commission's Consumer Advisory Committee and co-chairs the Universal Services Working Group.
- Olivia also serves on the Universal Service Administrative Company's (USAC) Board of Directors. USAC is an independent, not-for-profit corporation designated by the Federal Communications Commission (FCC) as the administrator of universal service.





Presenter – Julie Nepveu

- Julie is a Senior Attorney at AARP Foundation Litigation. She works on a wide range of consumer protection matters, affordable utilities, fair housing, and disability rights. Julie litigates impact cases and files amicus briefs on issues affecting older persons in courts across the country.
- Previously, Julie worked as a Staff Attorney in the Housing and Community Development Project of the Lawyers' Committee for Civil Rights Under Law and served as the Legal Director for the National Coalition for Disability Rights.
- She also represented tenants in landlord tenant and subsidized housing matters at Legal Services of Northern Virginia. Julie received her JD from the University of Maine School of Law.





Presenter – Michael Scurato

- Michael is the Vice President of Policy for the National Hispanic Media Coalition. He joined NHMC's Washington, D.C. policy team in 2010 when he was hired as a Law Fellow after earning acceptance to Georgetown Law's Post-JD Public Service Fellowship Program.
- While in law school, Michael represented the public interest in media and telecommunications law issues at the Institute for Public Representation.
- Michael earned his J.D. from Georgetown University Law Center and his B.A. in political science from New York University. He is currently admitted to the District of Columbia, New Jersey and New York bars.





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Necessity of Landline Phone Services

- Telephone service is a basic necessity (particularly for older people and individuals with disabilities)
 - maintain social contact, preserve health and safety, and call for assistance in an emergency.
- Landline service necessary for:
 - medical monitoring of pacemakers,
 - implantable cardiac defibrillators,
 - home security systems
 - more reliable than wireless during extreme weather or other emergencies; available even when the power goes out.
- People age 65+ more likely to rely on landline than wireless service.



Quick Facts About Lifeline

- Required by the Universal Service Fund Act (1984). 47 U.S.C. § 254, 47 C.F.R. § 69.117.
- Provides about \$1.6 billion in support and helped around **13 million households** in 2014 through Universal Service Fees.
- Only one benefit per household/economic unit (worksheet available for multiple economic units at one address).
- Consumers can choose between Landline or wireless service and select provider.
- Lifeline benefit (\$9.25/month) can supplement all residential service packages (not equipment) that include voice, including bundles and family shared calling plans.



How to Apply for Lifeline

- In most states, consumers will apply for Lifeline through the carrier.
- There are numerous Lifeline carriers in all the states, so consumers can shop around for the best Lifeline product that meets the household's needs.
- Participants can change Lifeline providers if not happy with service.



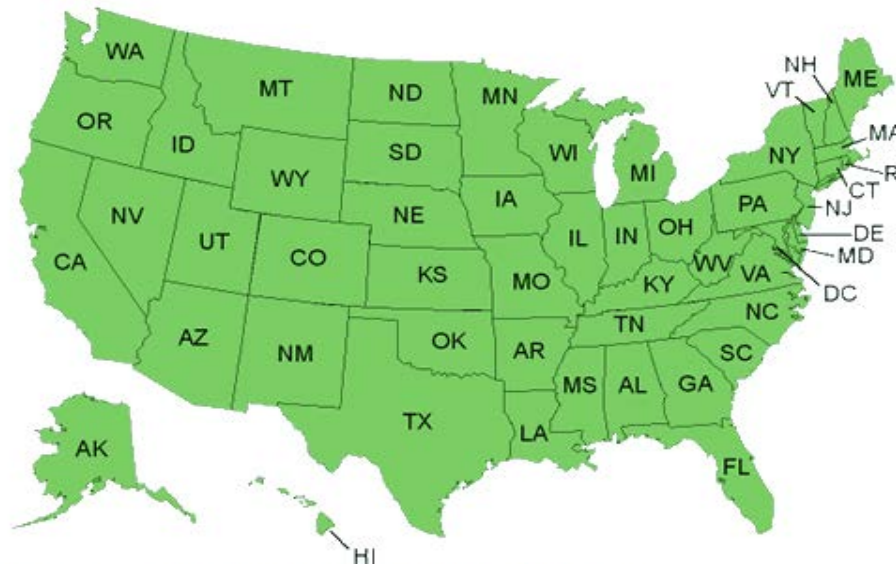
Finding Lifeline Providers

Map of Lifeline providers and info available from the Universal Service Administrative Company at: <http://www.lifelinesupport.org/lis/companies/companies.aspx>

COMPANIES IN MY STATE

Use the [Lifeline Program Pre-Screening tool](#) or read the [eligibility requirements](#) to learn whether you qualify for discounted service.

If you have already determined that you are eligible, use the map below to locate a Lifeline Program provider in your state.



Or select a state or territory from the list:

Common Eligibility Criteria

- Available to eligible low-income consumers in every state and territory. Enhanced Lifeline for those living on tribal lands.
- **Proof of Income** – Household income below 135% of poverty.
- **Participation** in the following programs:
 - Supplemental Nutrition Assistance Program (SNAP)
 - Medicaid
 - Supplemental Security Income (SSI)
 - Low Income Home Energy Assistance Program (LIHEAP or HEAP)
 - Federal Public Housing Assistance (FPHA) or Section 8
 - Temporary Assistance for Needy Families (TANF)
 - National School Lunch Program
- States may also adopt additional qualifying programs.



2015 Federal Poverty Guidelines – 135%

Household Size	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$15,890	\$19,872	\$18,293
2	\$21,506	\$26,892	\$24,746
3	\$27,122	\$33,912	\$31,199
4	\$32,738	\$40,932	\$37,652
5	\$38,354	\$47,952	\$44,105
6	\$43,970	\$54,972	\$50,558
7	\$49,586	\$61,992	\$57,011
8	\$55,202	\$69,012	\$63,464
For each additional person, add	\$5,616	\$7,020	\$6,453



Perspectives on 135% of poverty

- \$1324/month income limit for single person;
- \$1792/month for 2 person household;
- In 2013 the average monthly Social Security benefit for a retired worker was \$1,294;
- 45% of adults 65+ have incomes below 200 percent of the federal poverty guideline;
- Approximately 9 M older individuals are food insecure, and nearly 10 M have such severe housing cost burdens that they restrict critical food and health care expenditures.



Cost of Service v. \$9.25 Benefit

- 1984: basic phone expense: \$36/month (25%).
- 2013: landline + mobile service: \$108/month (8.5%).
- Average Phone + low cost broadband plan costs about \$150 per month (6.1%).
- Lifeline benefit does not cover equipment costs; Many people do not own a computer:
 - 48% income < \$25,000
 - 47% with disability
 - 44% age 65+
 - 37% African American
 - 38% Hispanic



Lifeline Benefits for Broadband?

- 2/3 of people who use broadband get a bundled service
- Essential to protect the availability of basic, unbundled, low cost landline service
- Must adopt strong consumer protections, especially for people who have never had broadband at home, vulnerable older people.
- Consider raising revenue through Universal Service Fee on Broadband.



Setting the Stage: The Digital Divide



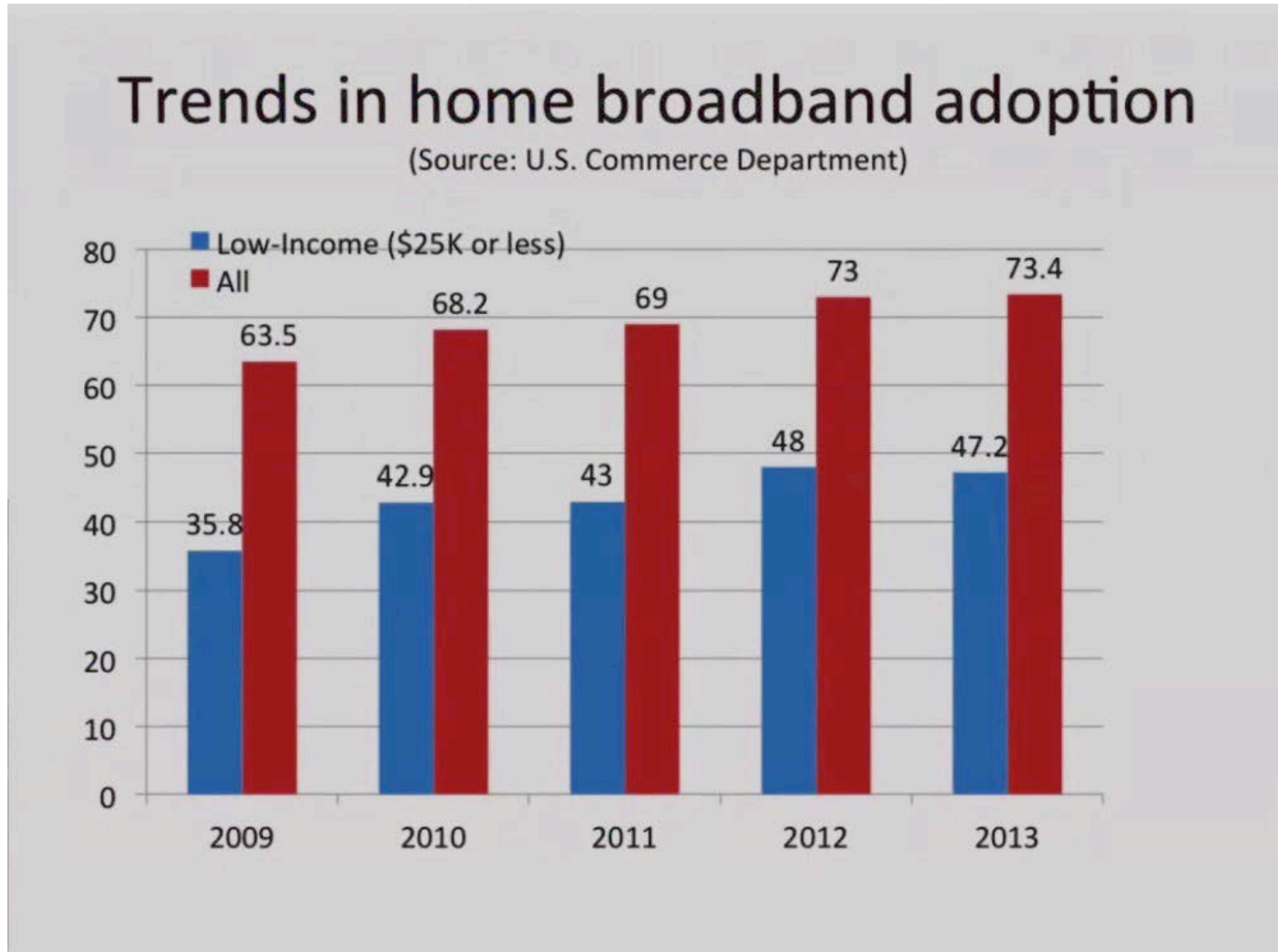
Broadband Adoption Divides

Home broadband adoption rates:

- 47 percent for households with income below \$25,000;
- 64 percent for African Americans;
- 53 percent for Latinos;
- 63 percent for people with disabilities;
- 51 percent for people with limited English proficiency;
- 43 percent for people over 65; and
- 38 percent for households that prefer Spanish.



Are we headed in the right direction?

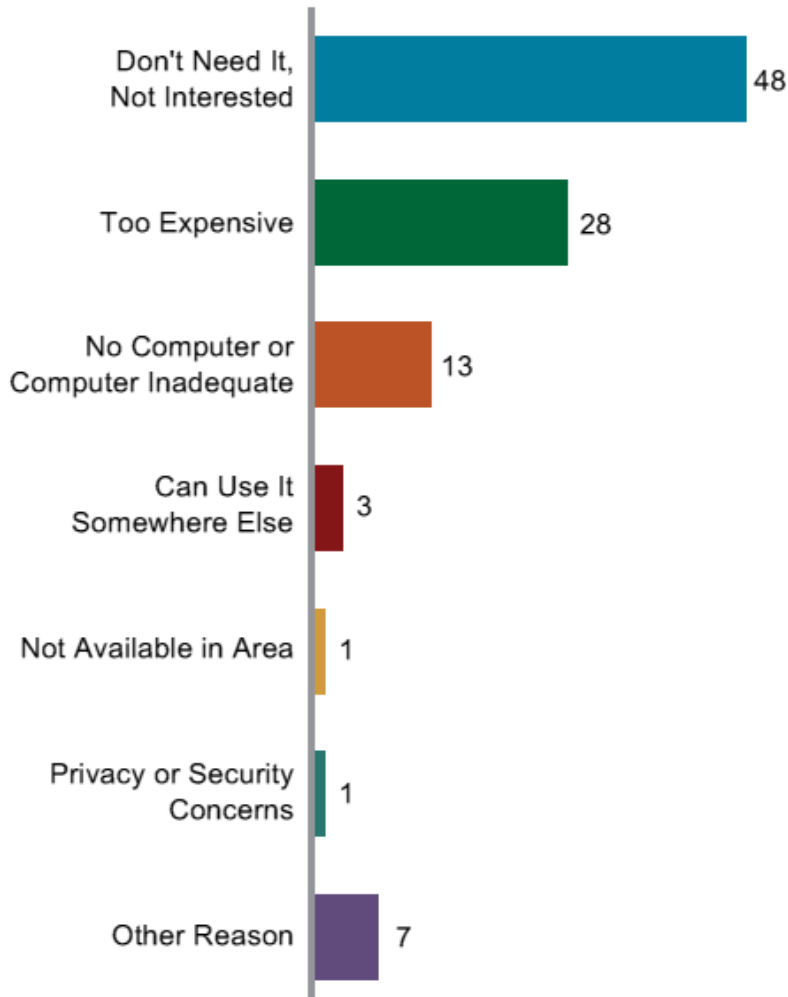


Why are people offline?

- Affordability is often the main barrier preventing people from getting online. (NTIA Digital Nation report).
 - High cost is the number one reason that Latinos, people under 65 fail to adopt broadband at home.
- Affordability is the top reason that people fall offline. (NTIA Digital Nation report; Pew Smartphone Report).
 - High cost is the number one reason that people cancel their service.



Figure 26: Main Reason for Non-Use of the Internet at Home, Percent of Households Not Online at Home, 2011

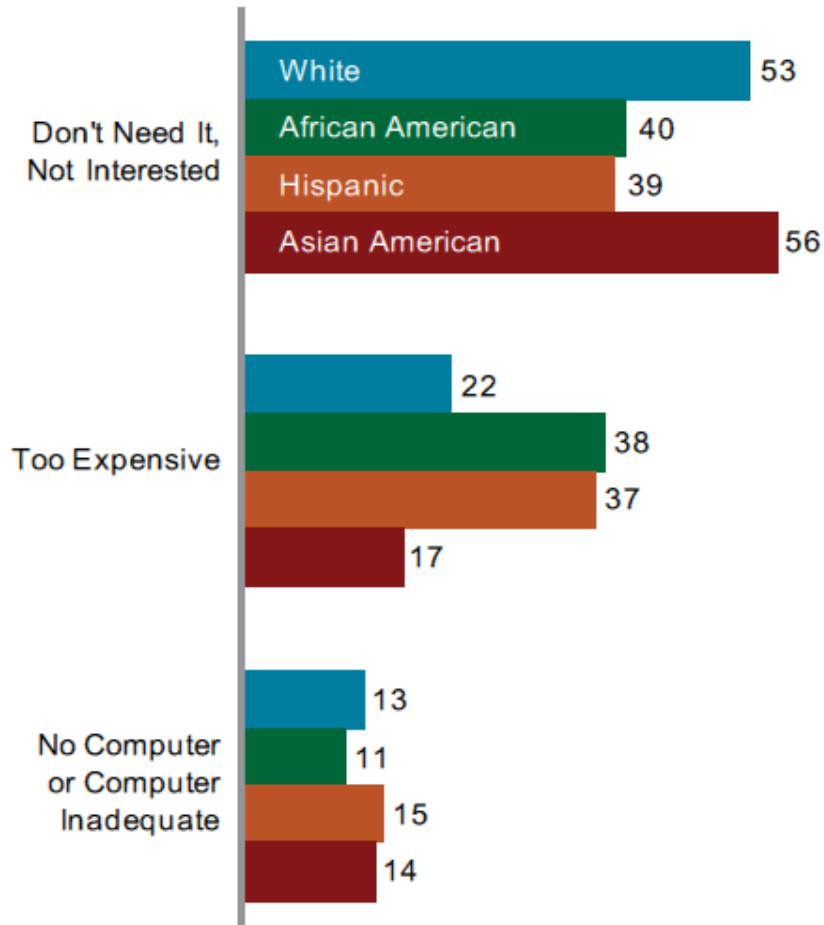


- Affordability is a significant reason for not having home internet, especially for lower income households (cited by 32% under \$25,000 but only 18% over \$50,000).
- 51% of households with incomes less than \$25,000 that once, but no longer, used Internet at home cited the expense.
- Significant % do not have computers.

Source: Exploring the Digital Nation: America's Emerging Online Experience



Figure 27: Main Reason for Non-Use of the Internet at Home by Race, Percent of Households Not Online at Home, 2011

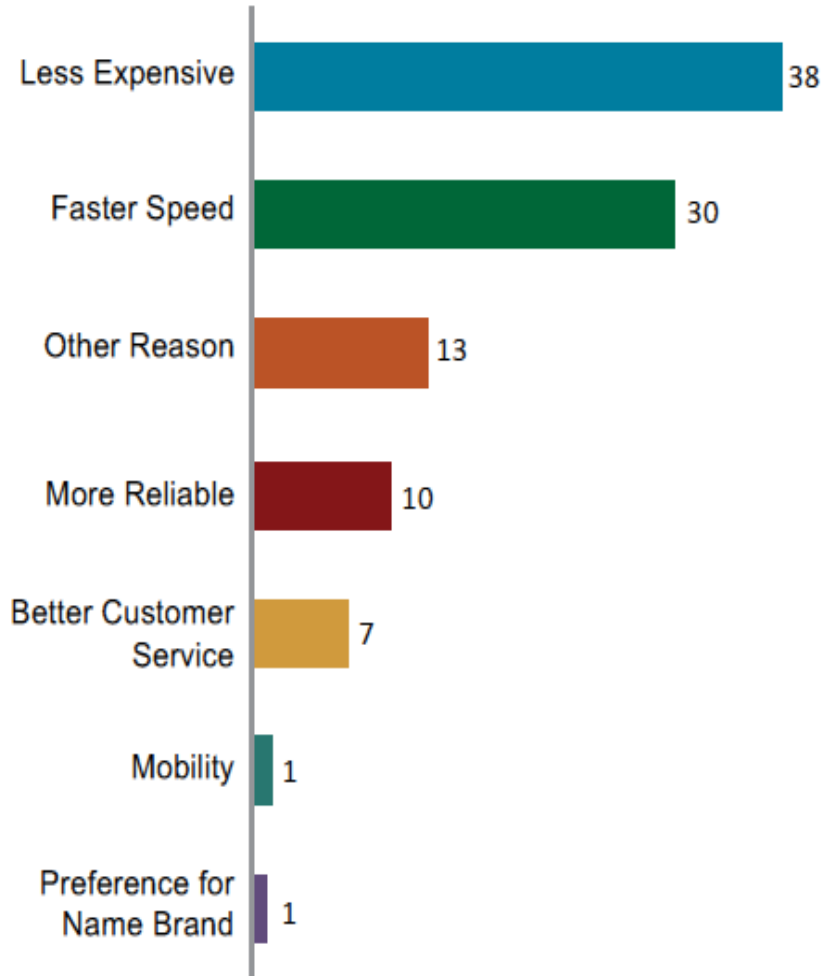


Affordability cited as reason for not having internet at home by greater percentage of African American and Hispanic households.

Source: Exploring the Digital Nation: America's Emerging Online Experience



Figure 19: Main Reason for Switching Internet Service Providers, Percent of Switching Households, 2011



Affordability was the most-cited factor for households switching providers.

Source: Exploring the Digital Nation: America's Emerging Online Experience



Unique Challenge: Education

- Testing, homework, tutoring, distance learning opportunities are all moving online.
- Nearly 100% of high school students required to access the Internet to complete homework outside of school. (Hispanic Heritage Foundation/Family Online Safety Institute survey).
 - 50% unable to complete an assignment due to lack of access to Internet or computer.
 - 42% received a lower grade due to lack of access.
- 5 million households with school-aged children do not have high-speed Internet access at home. (Pew Homework Gap research).



Lifeline Modernization



FCC Federal Lifeline Modernization Proceeding

- June 22, 2015, the FCC released a Notice of Proposed Rulemaking to Modernize Lifeline
- Key Dates
 - August 31, 2015 Opening Comments Due
 - September 30, 2015 Reply Comments Due
 - The hope is that an Order will be voted out of the FCC near the turn of the new year.



What will the FCC explore?

This Lifeline NPRM is looking at substantial changes to the Lifeline program, including:

- Including broadband service in addition to voice options
- Moving from carriers handling Lifeline enrollment to a national Lifeline eligibility verifier



Lifeline Modernization Issues

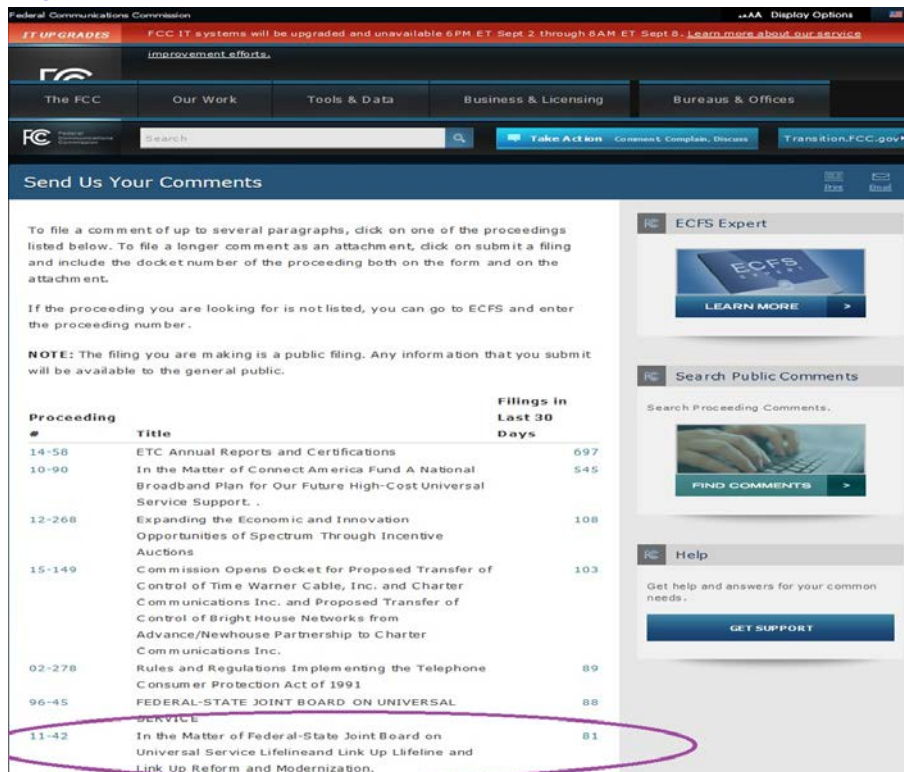
- Explores Minimum Service Standards for Voice and Broadband
- Asks about putting Lifeline on a budget.
- Asks for comment on the program administration design, e.g., Who should perform the eligibility determinations? Should there be coordination with other federal programs?
- How to increase competition for Lifeline Consumers
- Seeks feedback on specific proposals re Lifeline program administration



Opportunities for Input

There is an FCC Express comments site for brief comments:

<http://apps.fcc.gov/ecfs/hotdocket/list;NEWECFSSSESSION=RTn7VjyBgPCvLrp12Fhz2GmpvX9Qv1gyJhpTL5hv1Sg3Xc7tj3gw!457782500!1767259825>



The screenshot shows the FCC Express comments site. The page has a dark blue header with the FCC logo and navigation tabs: "The FCC", "Our Work", "Tools & Data", "Business & Licensing", and "Bureaus & Offices". Below the header is a search bar and a "Take Action" button. The main content area is titled "Send Us Your Comments" and contains instructions on how to file a comment. A table lists various proceedings with their titles and the number of filings in the last 30 days. The row for "In the Matter of Federal-State Joint Board on Universal Service Lifeline and Link Up Lifeline and Link Up Reform and Modernization" is circled in purple. To the right of the table are three sidebar widgets: "ECFS Expert", "Search Public Comments", and "Help".

Proceeding #	Title	Fillings in Last 30 Days
14-58	ETC Annual Reports and Certifications	697
10-90	In the Matter of Connect America Fund A National Broadband Plan for Our Future High-Cost Universal Service Support. .	545
12-268	Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions	108
15-149	Commission Opens Docket for Proposed Transfer of Control of Time Warner Cable, Inc. and Charter Communications Inc. and Proposed Transfer of Control of Bright House Networks from Advance/Newhouse Partnership to Charter Communications Inc.	103
02-278	Rules and Regulations Implementing the Telephone Consumer Protection Act of 1991	89
96-45	FEDERAL-STATE JOINT BOARD ON UNIVERSAL SERVICE	88
11-42	In the Matter of Federal-State Joint Board on Universal Service Lifeline and Link Up Lifeline and Link Up Reform and Modernization.	81

Lifeline on the Hill



Lifeline Threats and Opportunities

- Opportunity
 - Congresswoman Matsui, along with Senator Murphy and Senator Booker, introduced the Broadband Adoption Act of 2015 in June. (H.R. 2638; S. 1472).
 - Directs FCC to move Lifeline to broadband.
 - Recognizes FCC's existing authority to do so.
- Threat
 - Possible amendment to Financial Services and General Government Appropriations Bill.
 - Preventing Lifeline funds from supporting wireless Internet access.
 - Rep. Tom Graves (R-GA) or another Member.
 - Could be considered on the floor during the week of July 13th.



Summary + Questions?



Thank you!

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