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The Lifeline Program Should Protect Basic Voice Service as it Expands to Include Broadband

Introduction

The Commission has taken an important step on the path to ensuring the affordability of next generation networks with its Lifeline Reform NPRM.¹ AARP believes that it is reasonable at this time for the Commission to begin the process of expanding the Lifeline program to address broadband services, however, AARP urges the Commission to proceed with caution. With regard to the affordability of telecommunications services, the broadband element of Lifeline Reform is only one piece of the puzzle. Consumers continue to need voice services, and continuing support for Lifeline voice services is essential. The Commission should not undermine the success of the Lifeline program in providing voice services by attempting to include both voice and broadband with only the existing level of support.

Voice Services Must Be Protected

Voice services continue to play a vital role in consumers' telecommunications usage, and for older Americans, basic voice services provide a vital link to healthcare providers, families, and first responders. The availability of stand-alone voice services is a key ingredient in keeping voice services affordable. Service providers participating in the Lifeline program should be required to make a stand-alone voice service offering available to Lifeline customers at a reasonable rate. For wireline voice services, the basic service offering should include unlimited flat-rate local calling. While AARP believes that consumers should be able to choose a high-quality wireless Lifeline alternative, AARP is opposed to a mandatory migration to wireless Lifeline.

¹ *In the Matter of Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support, Connect America Fund.* WC Docket Nos. 11-42, 09-197, and 10-90. Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order. June 22, 2015. (Hereinafter, *Lifeline Reform NPRM*.)

A Single National Verifier, with Appropriate Consumer Protections, is Appropriate

AARP believes that standardizing the verification process on a nationwide basis is appropriate. A single nationwide administrator would have advantages associated with the protection of consumer data.

As noted in the NPRM, consumer privacy is of the utmost concern, and AARP believes that the “firewalls and boundary protections; protective naming conventions; user authentication requirements; and usage restrictions, to protect the confidentiality of consumers’ proprietary personal information retained for this or other allowable purposes”² identified in the NPRM are appropriate measures that must be taken by any national verifier.

The Commission should adopt measures that encourage access to written statements of terms and conditions, and which fully disclose terms of service for all Lifeline customers, regardless of the supported service they utilize.

The Commission should also require that the security measures and privacy protections utilized by a national administrator be independently reviewed on an annual basis to ensure that the national verifier maintains state-of-the-art practices associated with the protection of consumer data.

AARP believes that given the Commission’s new vision for the Lifeline program, it makes the most sense for consumers to deal directly with the national verifier. If consumers have the ability to purchase more than one supported service, the consumer’s ability to select services from alternate vendors will be encouraged if a single, independent verifier establishes eligibility.

A single national verifier could also play an important role in customer education. The changes proposed in the NPRM are substantial, and consumers will need to be educated as to what the new Lifeline benefits mean for them. A single national verifier, working under the supervision of the Commission, could be an integral component of a consumer education program.

The Commission Should Establish a Glide Path to Broadband Lifeline

Many older Americans are Lifeline recipients. Indeed, a large number of older adults are poor. Recent data from the Kaiser Family Foundation indicates that 45 percent of older adults have incomes below 200 percent of the federal poverty guideline.³ There is

² NPRM, ¶235.

³ Juliette Cubanski, Giselle Casillas, and Anthony Damico, "Poverty Among Seniors: An Updated Analysis of National and State Level Poverty Rates Under the Official and Supplemental Poverty Measures." The Henry J. Kaiser Family

no question that for older Americans, like the general population, technology adoption declines with income. Table 1 summarizes data from the Pew Research Center on income and technology usage.⁴

Table 1: 65+ households and technology usage.		
Percent 65+ households going online; with broadband at home		
Income Group	Percent Online	Percent with Broadband at Home
\$75,000 and above	90	82
Less than \$30,000	39	25
Percent 65+ households using mobility services; smartphones		
Income Group	Mobility Services	Smartphone
\$75,000 and above	92	42
Less than \$30,000	62	8

With regard to support for Lifeline broadband services, AARP believes that the Commission must recognize the complex undertaking that supporting broadband presents. Rather than launching a full-blown Lifeline broadband program, the Commission should conduct trials to develop a set of best practices that can then be applied broadly.

- To ensure that the benefits of broadband reach a broad segment of the low-income population, AARP believes that the Commission should first focus its efforts on the adoption of fixed broadband services. Fixed broadband is adopted at the household level, thus enabling broadband benefits for all household members, and reducing the potential for duplicative support.
- AARP believes that a multi-dimensional approach to Lifeline broadband is essential. Internet access without the necessary equipment is all but useless, and even with the needed equipment, absent proper education and training, the full benefits of broadband will not be recognized, and willingness to pay will remain low. In a report supporting the recent ConnectHome program, the

Foundation, Jun 10, 2015. <http://kff.org/medicare/issue-brief/poverty-among-seniors-an-updated-analysis-of-national-and-state-level-poverty-rates-under-the-official-and-supplemental-poverty-measures/>

⁴ Pew Research Center, "Usage and Adoption: Older Adults and Technology Use" Aaron Smith, April 3, 2014. <http://www.pewinternet.org/2014/04/03/usage-and-adoption/>

President's Council of Economic Advisers notes that "closing the gap—between those who experience these social and economic benefits from Internet use, and those who do not—will require further efforts to reduce barriers in affordability, relevance, and computer literacy."⁵ The Commission should take note of this message.

- While AARP appreciates the potential for political controversy associated with assessing broadband services for Universal Service support, AARP believes that the Commission must now address the assessment of broadband revenues to support Universal Service objectives. Broadband is no longer an infant industry, and in the not too distant future it is likely that all telecommunications services will ride over-the-top of broadband connections. In such a setting, relying on voice services alone to generate funding will not be feasible.

Conclusion

AARP applauds the Commission for embracing the extension of Lifeline benefits to essential new technologies. AARP urges the Commission to recognize that the expansion of supported services will require additional funding, and failure to appropriately raise those funds will potentially threaten the existing Lifeline support for voice services. AARP encourages the Commission to take measured steps to reforming the Lifeline program at this time, and to seek further input from interested parties as it establishes the foundations for a reinvented Lifeline program.

⁵ "Mapping the Digital Divide," Council of Economic Advisers Issue Brief, July 2015. https://www.whitehouse.gov/sites/default/files/wh_digital_divide_issue_brief.pdf