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on
communications
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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

December 21, 2001

Magalie Roman Salas
Office of the Secretary
445 12th Street, S.W.
Washington, D.C. 20554

Dear Madame Secretary:

Enclosed please find an original and four copies of the Civil Rights Forum on Communications Policy's comments in CC Docket No. 96-45, FCC 01J-2, "Federal-State Joint Board on Universal Service Seeks Comment on Review of Lifeline and Link-Up Service for All Low-Income Consumers."

Sincerely,

Lynne Montgomery
Associate Director/Community Programs

No. of Copies rec'd 014
List ABOVE

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Before the
Federal Communications Commission
Washington, D.C. 20554

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DEC 21 2001

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Federal-State Joint Board on Universal Service) CC Docket No. 96-45
Seeks Comment on Review of Lifeline and Link-Up)
Service for All Low-Income Customers)

**COMMENTS OF THE CIVIL RIGHTS FORUM
ON COMMUNICATIONS POLICY**

The Civil Rights Forum on Communications Policy (Civil Rights Forum) works in eight states¹ to promote the Lifeline and Link-Up assistance programs. This response to CC Docket 96-45: Federal-State Joint Board on Universal Service seeks comment on review of Lifeline and Link-Up Service for all low-income customers, is based on what we have learned in the course of that work.

Lifeline and Link-Up programs work effectively to enable the poor to have much needed telephone service. This service is essential to health care, educational and economic needs. However, for the program to truly serve its intended purpose several initiatives need to be undertaken at once: 1) the program needs to be vigorously promoted to both potential recipients and to those who provide direct service to the poor; 2) federal eligibility standards should be expanded to meet the needs of the working poor; and 3) more choice regarding telephone services should be provided to eligible recipients.

We thank the Federal Communications Commission and the Federal-State Joint Board on Universal Service for engaging in this review.

I. Lifeline and Link-Up Are Necessary And Can Be Effective

Since 1984, the Commission, in conjunction with the states and local telephone companies, has administered low-income assistance plans to increase the number of consumers with access to basic telephone service.² In 1996, the Federal-State Joint Board, in keeping with Congress' intent, determined that all low-income consumers would be well served if they had access to Lifeline/Link-Up assistance and accordingly provided matching support and, for those states choosing not to provide assistance, sole support with "default means-tested eligibility standards."³ These programs are extraordinarily important in the lives of poor people who have been able to take advantage of them. They are aptly considered lifelines. The Civil Rights Forum and others have documented how basic telephone service can save lives, and increase both economic⁴ and educational opportunities for the poor.⁵ We draw your attention to two types

¹ The eight states are: Florida, Georgia, Maryland, North Carolina, South Carolina, Tennessee, Virginia and West Virginia.

² See *MTS and WATS Market Structure, and Amendment of Part 67 of the Commission's Rules and Establishment of a Joint Board*, Recommended Decision, CC Docket Nos. 78-72 and 80-286, 49 Fed. Reg. 48325 (rel. Nov. 23, 1984)(recommending the adoption of federal lifeline assistance measures); *MTS and WATS Market Structure, and Amendment of Part 67 of the Commission's Rules and Establishment of a Joint Board*, Decision and Order, CC Docket Nos. 78-72 and 80-286, FC 84-637, 50 Fed. Reg. 939 (rel. Dec. 28, 1984) (adopting the Joint Board's recommendation).

³ Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Recommended Decision, 12 FCC Rcd 87, 303 (1996).

⁴ Federal-State Joint Board on Universal Service; Promoting Deployment and Subscribership in Unserved and Underserved Areas, Including Tribal and Insular Areas, CC Docket No. 96-45, Twelfth Report and Order, Memorandum Opinion and Order, and Further Notice of Proposed Rulemaking, FCC 00-208, para. 3, rel. June 30, 2000; see also, Montgomery, Lynne, Getting Telephone Service to the Poor: What Works?, Forum Connection, Civil Rights Forum on Communications Policy, Sept. 2001, <http://www.civilrightsforum.org/connectsept2001.htm#update>. Both of these documents contain references to telephone service helping to save lives and providing economic opportunities.

⁵ Civil Rights Forum on Communications Policy, *The Importance and Impact of the Federal Universal Service Lifeline and Link-Up Programs*, <http://www.civilrightsforum.org/lifeline.htm>, Date Unavailable.

of state programs which are particularly effective in Lifeline/Link-Up enrollment: automatic enrollment and aggressive promotion.⁶

A. Automatic Enrollment Programs Work

In New York State, the Public Utility Law Project (PULP)⁷ has spent several years working to increase participation rates in the Lifeline and Link-Up programs. PULP represents low-income and rural consumers in utility, telephone and energy related matters. PULP worked with the New York Public Service Commission (NYPSC), the New York Department of Family Assistance (NYDFA), and NYNEX (now Verizon, the telephone company that provides local telephone service to most of New York's residents) to create an automatic enrollment database. Importantly, the data transferred between the NYDFA and Verizon is confidential and cannot be used by Verizon or the state for any reason other than Lifeline assistance. Anytime a person enrolls for a program administered by NYDFA they are automatically enrolled in Lifeline and Link-Up. This system increased the number of people participating in Lifeline in 1987 from 197,339 to 703,001 in 1998.⁸

Note that there has been a decrease in the number of Lifeline participants in New York, since that state began aggressive efforts to reduce the number of people eligible for public

⁶ The Telecommunications Industry Analysis Project released a report in August 2000 that studied all 50 state's Lifeline and Link-Up programs. The study found that Lifeline and Link Up participation rates were higher in states where an effort was made to actively promote the programs than in states where little or no effort was made. Telecommunications Industries Analysis Project, *Closing the Gap: Universal Service for Low-Income Households*, Aug. 1, 2000, <http://www.tiap.org/publications.htm> ("TIAP Report").

⁷ More information on the Public Utility Law Project can be found at <http://www.pulp.tc>.

⁸ *Trends in Telephone Service ("2001 Trends Report")*, Table 7.2, Industry Analysis Division, Common Carrier Bureau, FCC, (rel. Aug. 2001).

assistance.⁹ However, there can be little doubt that the efforts of PULP in coordination with private industry and the government have been successful. Automatic enrollment clearly works.

B. Promotional Efforts Also Demonstrate Signs of Success

California is another state that has done significant work in getting Lifeline participation rates up. California has five programs intended to increase telephone penetration, one specifically targets support to low-income households. When signing up, customers are allowed to self-verify that they are eligible to the program. California also created a Lifeline Marketing Board which promotes the Lifeline program beyond the typical telephone company policy of including information in their telephone bills. In order to accommodate their diverse populations, California has made available a toll-free call center which will answer questions about Lifeline in Spanish, Korean, Laotian, Cambodian, Vietnamese, Tagalog and Hmong, as well as English. As a result of the California program, Lifeline participation rates increased from 1,467,859 in 1989 to 3,196,661 in 2000.¹⁰

Two other states that have recently decided to promote Lifeline and Link-Up are North Carolina and Tennessee. According to Jo Anne Sanford, Chair of the State of North Carolina Utilities Commission, the “ad hoc committee comprised of members of the Public Staff (of the North Carolina Utilities Commission), the Attorney General’s Office, members of major telecommunications industries, and social services organizations made major strides [beginning] in 1998 through efforts involving, among other things, direct mailings.”¹¹ Since the initial

⁹ According to Gerald Norlander, Executive Director of PULP, “The Lifeline enrollment in NY is around 500,000. last I knew, down from a peak of 700,000 a few years ago. The decline would be worse but for our automatic enrollment process.” According to the *2001 Trends Report*, the number of people participating in Lifeline was 586,742 in 2000. *Id.*

¹⁰ *Id.*

¹¹ Letter from Jo Anne Sanford, Chair, State of North Carolina Utilities Commission to Mark Lloyd, Exec. Dir., Civil Rights Forum on Communications Policy, Apr. 14, 1999. (Appendix A)

meeting, 200,000 brochures have been printed and distributed to various organizations across the state that work with low-income families. The North Carolina Public Service Commission sent notices to everyone in North Carolina who was eligible for the programs. Local telephone companies include a bill message about Lifeline and Link-Up a couple of times a year. To encourage the local phone companies' to promote the programs, North Carolina allows a tax break equal to the amount of money the telephone companies are required to kick in for Lifeline and Link-Up. According to FCC data, Lifeline enrollment in North Carolina increased from 29,640 in 1998 to 62,475 in 2000.¹²

In Tennessee, the Tennessee Regulatory Authority (“TRA”) created a Manager of Consumer Outreach position that concentrates on providing consumer information. This Manager conducts three or four seminars at nursing homes across Tennessee on Lifeline and Link-Up per month. Brochures and applications are distributed to the residents at these seminars and often many people apply for the programs. The brochures are also passed out at public affairs events.

In addition to the brochures, the TRA implemented several additional methods to promote Lifeline and Link-Up. They produced four-color posters in English and Spanish and posted them in areas where potential recipients would go, such as health care facilities, legal offices, churches, charitable organizations, and Human Services offices. To answer questions that people who receive brochures or see a poster may have, a toll free hotline was created to support the campaign. The TRA also produced Public Service Announcements for radio and television. In addition, TRA works with the Tennessee Department of Human Services Database to determine who is eligible, and mails information on Lifeline and Link-Up to those individuals.

¹² *2001 Trends Report, Table 7.2*

Since these promotional efforts have been implemented only recently, it is too early to ascertain what kind of impact they have had on Lifeline participation rates.

II. Lifeline and Link-Up Need Federal Promotion and Incentives or Mandates to Promote

A. Too Few Know About Lifeline and Link-Up

As the Public Notice suggests, some low-income individuals are not receiving Lifeline/Link-Up assistance because they are not receiving adequate information about the programs. The Civil Rights Forum has consistently found, in each of the states we work in, groups who provide health care, economic, and educational assistance to the poor who are unaware of this program which would get their clients basic telephone service. Susan May, Executive Director of the Virginia Citizens Consumer Council, writes:

Of the organizations that I called, only one person could tell me that they had heard of these programs. I spoke with executive directors and their assistants from Community Action Programs, Area Agencies on Aging, Legal Aid agencies, Social Services, religious organizations, housing coalitions and Cooperative Extension agencies. All of these organizations focus on low-income consumers, and look for ways to help these individuals with the daily costs of living independently. They were all extremely interested in the Lifeline and Link-Up programs, and were surprised that they didn't know about these programs. . . . A government program is only effective if those who are eligible know it exists.¹³

Lifeline/Link-Up information on websites, or in the telephone books, or in the mail sent by telephone companies to current customers, is clearly an insufficient outreach effort. And while the Civil Rights Forum and others are engaged in outreach efforts, it is not clear yet that outreach is sufficient. It is clear that automatic enrollment efforts as documented above are

¹³ Letter from Susan May, Executive Director, Virginia Citizens Consumer Council to Lynne Montgomery, Associate Director/Community Programs, Civil Rights Forum on Communications Policy, Nov. 19, 2001. (Appendix B) *See also* the comments of Cheryl Hystad, Executive Director of the Maryland Consumer Rights Coalition: "Most of the people we spoke with were not aware of the programs." Letter from Cheryl Hystad, Executive Director, Maryland Consumer Rights Coalition to Lynne Montgomery, Associate Director/Community Programs, Civil Rights Forum on Communications Policy, Dec. 3, 2001 ("*Hystad Letter*"). (Appendix C)

successful in getting low-income individuals basic telephone service. This is the goal Congress intended. Given the fact that there are models of how this automatic enrollment can work, we strongly recommend the adoption of this model at the federal level, with, perhaps, a waiver, if states propose a reasonable plan to meet the goals of universal service.

B. There is No Incentive for Telecommunications Companies to Promote the Programs

At this time, telephone companies have little incentive to promote the Lifeline and Link-Up programs to those who may be eligible. According to the Code of Federal Regulations, telephone carriers must “publicize the availability of Lifeline service in a manner reasonably designed to reach those likely to qualify for the service.”¹⁴ In many states, telephone companies only advertise the programs in telephone bill inserts and telephone books. While this may let a couple of people know about the programs, this information will not reach the majority of people who are eligible.

As is evidenced by the poor participation in Lifeline and Link-Up in most states, the current promotional activities are inadequate. Lifeline penetration rates are high in states that have additional programs or projects designed to get eligible individuals signed up. Clearly, in order for penetration rates to increase in more states, telephone companies must either be given greater incentives or required to promote Lifeline and Link-Up to a greater extent. Another option would be for the state or federal government to take charge of the promotional activities.

¹⁴ 47 C.F.R. §54.405(b).

III. Lifeline and Link-Up Eligibility Need to Adapt to a New Welfare Environment

A. The Working Poor May not be Eligible Under Existing Eligibility Rules

The Forum is concerned that with recent welfare reform efforts, the number of people who qualify for Lifeline and Link-Up has decreased and will continue to decrease. As people have been taken off the welfare rolls and begun to work, many with incomes at or just above the poverty line still remain too poor to afford basic telephone service. Some states such as Tennessee have anticipated this and expanded their eligibility criteria for Lifeline and Link-Up to include individuals with an income at 125% of the federal poverty guidelines or below.

Another problem is that the Temporary Assistance for Needy Families (TANF) program has an assistance limit of 60 months for its recipients. This program was implemented in 1996 and the time period is up for a lot of people across the country. Since participation in TANF is one of the eligibility requirements for Lifeline and Link-Up in most states, the numbers of eligible individuals stand to drop further while the number of people who could benefit from the programs remains the same or nearly the same.

As stated earlier, Lifeline and Link-Up are vital resources for a person or a family without a telephone. Telephone service provides its user with a connection to employment, emergency services and educational services, all of which are vital in helping a person help themselves out of poverty. The Forum recommends that the FCC expand its eligibility standards and include an income based provision qualifying individuals who make 150% of the federal poverty guidelines or less so that Lifeline and Link-Up can help as many people as possible.

The Forum also recommends the FCC encourage states to increase the range of public assistance programs in the state tied to eligibility for Lifeline and Link-Up. In an August 2000

report by the Telecommunications Industries Analysis Project¹⁵ studying Lifeline promotion state-by-state, a wide range of public assistance programs were found to be a good predictor of economic need and thus suggests a sensible standard for eligibility. Cheryl Hystad agrees: "It seems likely that more people would participate in Lifeline/Link-Up if eligibility requirements were expanded."¹⁶

B. The Importance of Choice in Local Telephone Service

Customers who enroll in Lifeline typically would like some choice in their local telephone service. States which do not give Lifeline customers a choice and require them to have the lowest level of local telephone service possible and do not permit customers to select any auxiliary services are essentially decreasing the number of people who will be willing to participate in the program. In Maryland, customers who receive Lifeline benefits are not allowed to purchase an additional phone line nor are they allowed any optional services such as Caller ID which may be particularly helpful for people seeking to avoid or report on harassing callers. According to Cheryl Hystad, "if people were given some choice about the type of service they can obtain with Lifeline/Link-up, I think the participation would increase. From anecdotal evidence, it appears that some people are reluctant to join the program because of the limits placed on service."¹⁷

California, which has been very successful in getting people signed up for Lifeline allows its customers the same choices for telephone plans and optional services a non-Lifeline customer

¹⁵ *TIAP Report*. The Forum expanded upon that report with its own research that illustrates the number of efforts going on in each state compared with a ratio of people participating in Lifeline to the number living in poverty. Civil Rights Forum on Communications Policy, *State-by-State Lifeline and Link-Up Initiatives*, June 2001, <http://www.civilrightsforum.org/cra/lilandlusbys.html>.

¹⁶ *See Hystad Letter*.

¹⁷ *Id.*

receives. The Forum recommends that Lifeline customers be allowed to choose any local telephone service plan and optional services that are available to non-Lifeline customers.

IV. Conclusion

Lifeline and Link-Up are vital programs for low-income individuals in the United States. A telephone provides a person with the ability to place and receive phone calls about employment, to call for emergency assistance and a link to educational resources. There are currently programs in states around the country that have succeeded in getting large numbers of low-income people signed on to these programs. Every state needs such initiatives. Automatic enrollment clearly is a very successful program and the Forum would like to see it adopted by every state.

Education is a critical component in Lifeline and Link-Up promotion. Promotion needs to reach as many people who could qualify through the programs as possible. People who work in social services and work directly with low-income individuals need to be aware of the programs as well. Only with a well-informed populace will we be able to ensure that eligible customers do not fall through the cracks.

APPENDIX

- Appendix A Letter from Jo Anne Sanford, Chair, State of North Carolina Utilities Commission to Mark Lloyd, Exec. Dir., Civil Rights Forum on Communications Policy, Apr. 14, 1999
- Appendix B Letter from Susan May, Executive Director, Virginia Citizens Consumer Council to Lynne Montgomery, Associate Director/Community Programs, Civil Rights Forum on Communications Policy, Nov. 19, 2001
- Appendix C Letter from Cheryl Hystad, Executive Director, Maryland Consumer Rights Coalition to Lynne Montgomery, Associate Director/Community Programs, Civil Rights Forum on Communications Policy, Dec. 3, 2001



State of North Carolina
Utilities Commission

Post Office Box 29510
Raleigh, NC 27626-0510

COMMISSIONERS
JO ANNE SANFORD, Chair
RALPH A. HUNT
JUDY HUNT

April 14, 1999

COMMISSIONERS
WILLIAM R. PITTMAN
J. RICHARD CONDER
ROBERT V. OWENS, JR.
DR. ROBERT K. KOGER

Mr. Mark Lloyd
Executive Director
Civil Rights Forum on Communications Policy
818 18th Street, NW, Suite 505
Washington, DC 20006

Dear Mr. Lloyd:

On behalf of the North Carolina Utilities Commission, I would like to offer our endorsement and support for the Civil Rights Forum's proposed project to increase participation in the Lifeline telephone subsidy program through education and outreach.

It would appear that your proposal to work with community-based organizations, state agencies, and telephone companies in several states, including North Carolina, is a unique and effective way to provide a critical link for basic economic, educational, and health benefits to thousands of American residents.

For your information, we believe that North Carolina is unique among the BellSouth states in that the state matches in part the \$7.00 federal amount with a \$3.50 state credit (total of \$10.50). In an effort to increase participation in Lifeline/Linkup programs, an ad hoc committee comprised of members of the Public Staff (of the North Carolina Utilities Commission), the Attorney General's Office, members of major telecommunications industries, and social services organizations made major strides in 1998 through efforts involving, among other things, direct mailings. In addition, this Commission currently has a docket pending involving expanding the eligibility criteria to include recipients of Medicaid, federal public housing assistance, and Low Income Home Energy Assistance.

Again, I support this project and I am willing to provide the Forum with information, outreach, and whatever other assistance we can reasonably offer to ensure the success of this project.

Very truly yours,

A handwritten signature in cursive script that reads "Jo Anne Sanford".

Jo Anne Sanford
Chair

JAS:MJS:jme

November 19, 2001

Lynne Montgomery
Associate Director, Community Programs
Civil Rights Forum on Communications Policy
818 18th St. NW
Washington, DC 20006

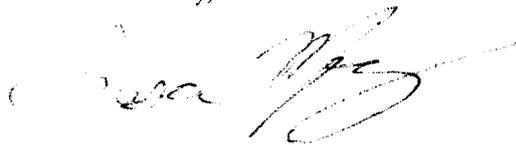
Dear Lynne ,

Thank you for asking me to share my experience in helping spread the word about the Lifeline and LinkUp programs. VCCC does not deal with welfare issues as a rule, so I cannot speak to the issues of eligibility. However, I can tell you about the response I received from the 96 organizations that I called to tell them about the brochures that the Civil Rights Forum is developing.

Of the organizations that I called, only one person could tell me that they had heard of these programs. I spoke with executive directors and their assistants from Community Action Programs, Area Agencies on Aging, Legal Aid agencies, Social Services, religious organizations, housing coalitions and Cooperative Extension agencies. All of these organizations focus on low-income consumers, and look for ways to help these individuals with the daily costs of living independently. They were all extremely interested in the Lifeline and LinkUp programs, and were surprised that they didn't know about these programs.

A government program is only effective if those who are eligible know it exists. The organizations I contacted requested anywhere from 100 brochures to 10,000 brochures, just to reach the individuals they currently serve. All were assuming that they would be able to order more in the future. I sincerely hope that you will be able to continue receiving funding, either from the Kellogg Foundation, or from the government, to continue your work. I can only assume that if Virginia was unaware of these worthwhile programs, that other states are also.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan May", written over a faint circular stamp or watermark.

Susan May
Executive Director
Virginia Citizens Consumer Council

December 3, 2001

Lynne Montgomery
Associate Director, Community Programs
Civil Rights Forum on Communications Policy
818 18th Street, NW
Suite 505
Washington, D.C. 20006

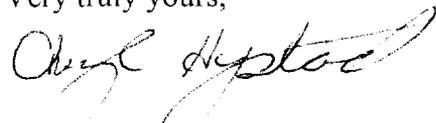
RE: Lifeline/Link-Up

Dear Ms. Montgomery:

The Maryland Consumer Rights Coalition contacted over 70 organizations that deal directly with low-income individuals around the state of Maryland to find out if they were interested in receiving brochures about the Lifeline/Link Up programs. The vast majority of the programs were interested in receiving the brochures. Most of the people we spoke with were not aware of the programs. I think that the outreach effort was successful because we were able to inform numerous organizations about programs that they were unaware of and that will benefit their clients. Hopefully, this will result in more individuals enrolling in the program.

It seems likely that more people would participate in Lifeline/Link-Up if eligibility requirements were expanded. In addition, if people were given some choice about the type of service they can obtain with Lifeline/Link-up, I think the participation would increase. From anecdotal evidence, it appears that some people are reluctant to join the program because of the limits placed on service.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Cheryl Hystad".

Cheryl Hystad