

Background

On April 2, 2003, the Federal-State Joint Board on Universal Service ("Joint Board") released its Recommended Decision before the Federal Communications Commission (FCC). This decision included amendments to the program to foster the goals of expanding eligibility criteria, implementing verification procedures, encouraging outreach efforts, and adopting other measures aimed at "affordability and increased subscribership." The Joint Board did not suggest any binding actions, but has drafted an influential document about what it sees fit for Lifeline/Link-up programs across the nations.

The Empowerment Center of Greater Cleveland and the Consumers for Fair Utility Rates, collectively referred to as the Consumer's Coalition, seek to file public comments in this review of the Lifeline Program. Both of these organizations have extensive experience with the SBC Lifeline Program, which has been in operation since around 1990. The Lifeline Program enrolls approximately 150,000 customers of the eligible 400,000 people in the area. The SBC Lifeline Program works with community organizations to bridge the gap between the company and consumers.

Summary

The decision of the Joint Board is not meant to facilitate a massive overall of the Lifeline Program. A review of this scope occurred in October 2001, yielding a positive assessment of the program. Despite its limited purview, the proposed changes can cause dramatic changes to the operation of Lifeline. In fact, the Joint Board has chosen to revisit the same issues it looked at in its 2001 overview: eligibility qualifications, verification procedures, and outreach. The Commission must recognize that the adoption of these proposals, though accompanied by a ringing endorsement of the Lifeline program, can affect its status.

In seeking to expand eligibility criteria to include two additional federal programs (Temporary Assistance to Need Families, or TANF, and National School free lunch program) and income eligibility, the Joint Board signals favorable developments in expanding access to telephone assistance. However, the Joint Board also places obstacles in the way of this assistance by requiring an onerous verification process. Although the adoption of an income criterion for eligibility is helpful in increasing the number of participants, the selection of 135% Federal Poverty Guideline (FPG) should be brought in line with many other assistance programs which set 150% FPG as the uniform standard.

In the area of outreach, efforts to attract low-income people to the Lifeline program should substantially involved community organizations with ties to client populations who are eligible for Lifeline. Many organizations have used Lifeline as an entrée into other services or vice versa. Presenting information about Lifeline at senior centers, day cares, or supermarkets has proven successful for community groups. By ensuring that vertical services such as call waiting and caller ID remain available to Lifeline customers,

the program assures that it does not discourage potential applicants who have health and safety needs which make these services necessary.

Comments

- 1) *Income eligibility should be set at 150% FPG.*

Since Lifeline uses Food Stamps and LIHEAP as qualifying programs, both of which set 150% FPG as their eligibility marker, using this number as a marker would ensure that a maximum number of qualified recipients get benefits. 150% FPG is the most clear and consistent standard. The Joint Board has already deemed people whose incomes are at or below the 150% FPG level as eligible for Lifeline benefits. However, due to complications in filing for public benefits—including lack of knowledge, cultural barriers, literacy problems—this eligible customer base is missing out on benefits. If 150% FPG is set as the criterion for income qualification, individuals who are eligible for other assistance programs but not enrolled will be allowed to participate in Lifeline. While the step to add an income criterion is laudable, the level should be set at 150%, on par with other programs which qualify people for benefits.

- 2) *Adding TANF and National School free lunch program assists low-income consumers in qualifying.*

While it is not possible to determine how many unique Lifeline participants this measure would add, expanding the ways people can qualify for Lifeline benefits participants. For whatever reason, people who are not involved in other qualifying programs may fall under these categories. Even if the reason is as simple as recognizing these programs among a list of qualifiers, this move will help increase subscribership.

Including TANF and free lunch programs as qualifiers creates two potential outreach sources: health and human service departments and schools. If programs that these organizations offer can qualify recipients for Lifeline, why not include them in outreach efforts? Both organizations have significant presences in communities and among target populations. This model of tying outreach efforts to programs which serve as qualifiers--such as offering Lifeline to income-qualifying seniors on a prescription drug assistance plan--is a successful practice of community groups that should be adopted whenever possible.

- 3) *If self-certification isn't broke, don't fix it. Changes to verification procedures can hurt enrollment.*

The Joint Board acknowledges that its has received no complaints about the process of self-certification and has no plans to change it. However, their

suggestion of “random beneficiary audits, periodic submission of documents, or annual self-certification” contradict this statement. Furthermore, they would adopt verification procedures beyond self-certification under penalty of perjury for those using income to qualify.

Federal and state qualifying programs are self-certifying for the Lifeline program. There is no need to delve further into these programs when other agencies are dedicated to this purpose. Certification for programs such as Food Stamps and LIHEAP is properly handled by agencies administering those programs.

As for qualifying by income, the Joint Board has recommended this measure as a way to get new low-income consumers to sign up. These efforts will be hurt if the strings-attached include a barrage of qualification procedures. Self-certification has not proven inaccurate. There is no reason to believe that a campaign to defraud the program for its \$12.39 monthly benefit is taking place. If the goal of these proposed measures is to attract new participants, then Lifeline should retain its self-certification process. Lifeline aims to simplify its benefits with a credit on the phone bill and should not burden customers with these unnecessary measures.

4) *Outreach efforts should incorporate community groups.*

SBC has partnered with community organizations in order to make its Lifeline program work. Their dialogue includes monthly meetings, a Lifeline training session, and a system of collecting and receiving applications. Community groups are awarded grants to cover some of their expenses in securing applications. Organizations are encouraged to reach out to clients who would not otherwise receive assistance. Some client groups, such as senior citizens, may require more time and attention in order to enroll them in the Lifeline program. SBC greatly appreciates the work community groups do to help these customers.

One successful strategy for community organizations is to tie Lifeline to other programs the group offers, such as prescription assistance or daycare assistance. Lifeline can be marketed as a stand-alone benefit with a clear message—Save money on your phone bill—or tied into other programs which address a broad range of low-income families' needs, including utility, healthcare, and housing assistance.

Regardless of the particular strategy of these groups, coupling Lifeline with other established programs is a proven example of how to increase outreach efforts. Neighborhood organizations are crucial to this process.

5) *Helping customers arrange manageable payment options is critical to obtaining service.*

Either due to past debt or reconnection fees, many low-income people have difficulty when they seek to regain telephone service. In order to allow low-income customers to receive service, telephone companies must arrange reasonable payment plans. Also, by spreading reconnection fees over multiple bills and waiving the fee altogether if Lifeline customers make timely payments, SBC has demonstrated steps to make telephone service affordable to low-income customers.

6) *Blocking vertical services ignores health and safety concerns and discourages Lifeline applicants.*

While telephone companies should not excessively market additional services to Lifeline customers, they should not restrict which services are made available to them. Services like call waiting and caller ID can be valid and necessary for low-income people who are taking care of the elderly or infirm or have privacy concerns. Call waiting, for example, may be necessary if there are multiple users of a single telephone line. If a person is being harassed, knowing who is calling is as important as knowing who is knocking on the door; caller ID is a matter a health and safety in such situations.

If potential Lifeline participants see that these services are restricted (or made burdensome by paperwork to prove an exception to this policy), they may likely choose to forgo the Lifeline program, despite their eligibility and legitimate needs.

Conclusion

The Joint Board is correct to look at universal telephone service as the goal. A telephone is not a luxury but a necessity. It is required in the modern world for its uses regarding health, safety, and privacy. Low-income customers should not be viewed differently in their communications needs, and the Lifeline program is an important recognition of that fact.

The Joint Board's categorical endorsement of the Lifeline Program should underlie any discussions about proposed changes. While efforts to expand qualifying options are positive, verifications which could restrict the program are not. Outreach efforts should seek to involved community groups to help enroll consumers. As always, measures should be adopted with the goal of expanding the number of Lifeline participants.