

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of)	
)	
Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Lifeline and Link Up)	WC Docket No. 03-109

COMMENTS OF

AARP

**IN RESPONSE TO THE NOTICE OF PROPOSED RULEMAKING ON THE LIFELINE
AND LINK UP REFORM AND MODERNIZATION**

January 24, 2012

Submitted by

**David Certner
Legislative Counsel and
Legislative Policy Director**

AARP would like to thank you for the opportunity to submit these comments on reform of the Lifeline and LinkUp programs in anticipation of the upcoming Federal Communications Commission hearing and vote on January 31, 2012.

Founded in 1958, AARP is a nonprofit, nonpartisan social welfare organization that helps people age 50 and over improve the quality of their lives. AARP has offices in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. For more than 50 years, AARP has been serving its members and creating positive social change through information, advocacy and service. AARP's interest in affordable telecommunications derives from our research and advocacy for more than twenty five years on behalf of consumers at the state and federal levels.

The Lifeline and Link Up programs are key components of the Nation's universal service policy, which has made acquiring and paying for monthly service more affordable for millions of low-income people throughout the U.S. The program has had a huge impact on the lives of many low-income households, enabling them to access healthcare providers, employment, and friends and family. Many of these recipients have been older Americans. Indeed, a large number of older adults are poor. According to a 2010 AARP Public Policy Institute report, 22.8 percent of older adults, or 8.6 million adults age 65 and older, have family income below 150 percent of the federal poverty level.¹ An analysis of these numbers shows that:

“Nearly 3.7 million older adults (9.7 percent of adults age 65 and older) live in poverty. Another 2.4 million older adults live in families with incomes marginally above the poverty threshold (between 100 percent and 125 percent of the federal poverty line), and 2.6 million have incomes between 125 percent and 150 percent of the federal poverty line.”²

Barriers to Participation in the Lifeline Program Should be Removed

¹ See O'Brien, Ellen, Ke Bin Wu, and David Baer. *Older Americans in Poverty: A Snapshot*. Washington, DC: AARP Public Policy Institute (April 2010).

² *Id.*, at pp.9-10.

Lifeline and Link Up programs provide clear benefits to its recipients and increase the value of the entire communications network for all users. Regrettably, the rate of participation in the program nationwide is exceedingly low. Indeed, the Universal Service Administrative Company (USAC) estimates that 29.3 million low-income households qualified for Lifeline assistance in 2010, and yet, only 10.2 million households (less than 35 percent) enrolled in the program. Given these woeful subscription rates, the Commission should refrain from any effort at this time to cap the size of the Lifeline and Link Up programs. Rather, the Commission should move to strengthen and improve the federal Lifeline and Link Up Program and do everything within its power to increase enrollment. It is our view that efforts to reduce spending on safety-net programs are often shortsighted. They worsen the difficulties low-income people have in acquiring food, health care, shelter and education, thereby increasing long-term societal costs such as emergency room visits by the uninsured and a less-educated and productive workforce. Likewise, we ask the Commission to refrain from imposing a minimum customer charge or monthly fee on Lifeline users which we believe would only discourage enrollment by creating an unreasonable and unfair barrier to participation. There is no indication that such a fee would prevent waste and fraud in the fund.

Efforts to Reform and Modernize Lifeline and Link Up Should Focus on Changes to Eligibility and Verification Requirements and Improved Outreach

As part of its effort to reform and modernize the Lifeline and Link Up programs, the Commission should encourage efforts to facilitate the application and recertification process, reduce unnecessary administrative complexity, and improve awareness of and access to the programs. In particular, AARP supports the Commission's effort to require all states to use the federal default eligibility criteria for Lifeline and Link Up to establish a common core set of eligibility criteria.

AARP also supports both categorical eligibility and automatic program enrollment. Categorical eligibility would make those low-income households who already participate in a means-tested financial assistance program eligible for Lifeline and Link Up. These households have already been determined to be low-income after a review of household income and program rules. There is no benefit and a substantial cost to asking these same households to submit another application or go through another application method to separately determine eligibility for Lifeline and Link Up.

Finally, AARP commends the Commission's effort to allow for subsidies to support broadband service to eligible households. As technology advances, the commitment to universal service becomes more important than ever. However, the Commission should also consider various protections to ensure that the integration of broadband into the Lifeline program occurs in a way that does not denigrate or lessen the support for existing, basic telecommunication services or landline phone service. Even with these protections, however, AARP recognizes that adding a broadband component to the Lifeline and Link Up programs constitutes a complex and uncertain endeavor. As such, AARP supports the recommendation included in the National Broadband Plan to have the Commission facilitate broadband pilot programs. The call to have the Commission employ pilot projects will help to identify the best policy decisions for broader application to the national program. Moreover, given that the broadband adoption rate for Americans over the age of 65 is well below the national average, AARP encourages the Commission to ensure that a meaningful number of pilot programs focus on the affordability and accessibility of broadband adoption by older adults. This same senior population constitutes 25% of households without access to broadband. It is critical that pilots be very deliberate in the targeting of the 50+ population.

AARP appreciates the opportunity to provide these comments. Please direct any questions or requests to Marti Doneghy with AARP's Government Affairs staff at mdoneghy@arp.org or (202) 434-3804.