

Discounted Telephone Service for Low Income Consumers

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The Low Income Program – which includes **Lifeline**, **Link Up** and **Toll Limitation Service** – provides discounts that make basic, local telephone service affordable to help almost 9 million low-income consumers stay connected.



Low Income support reimburses eligible telecommunications carriers (ETCs) for providing eligible low income customers with discounts.

Low Income support consists of three sub-components:

- **Lifeline** reimburses ETCs for discounting eligible customers' monthly bill for basic, local telephone service
- **Link Up** reimburses ETCs for discounting connection charges incurred when an eligible customer commences service for the first time or at a new address.
- **Toll Limitation Service** (TLS) reimburses ETCs for providing toll blocking and toll control to eligible customers at no cost to the customer.

Low Income Program – 2009 Support by Component (in millions)

Lifeline
\$961.3

**Toll
Limitation
Service**
\$11.2

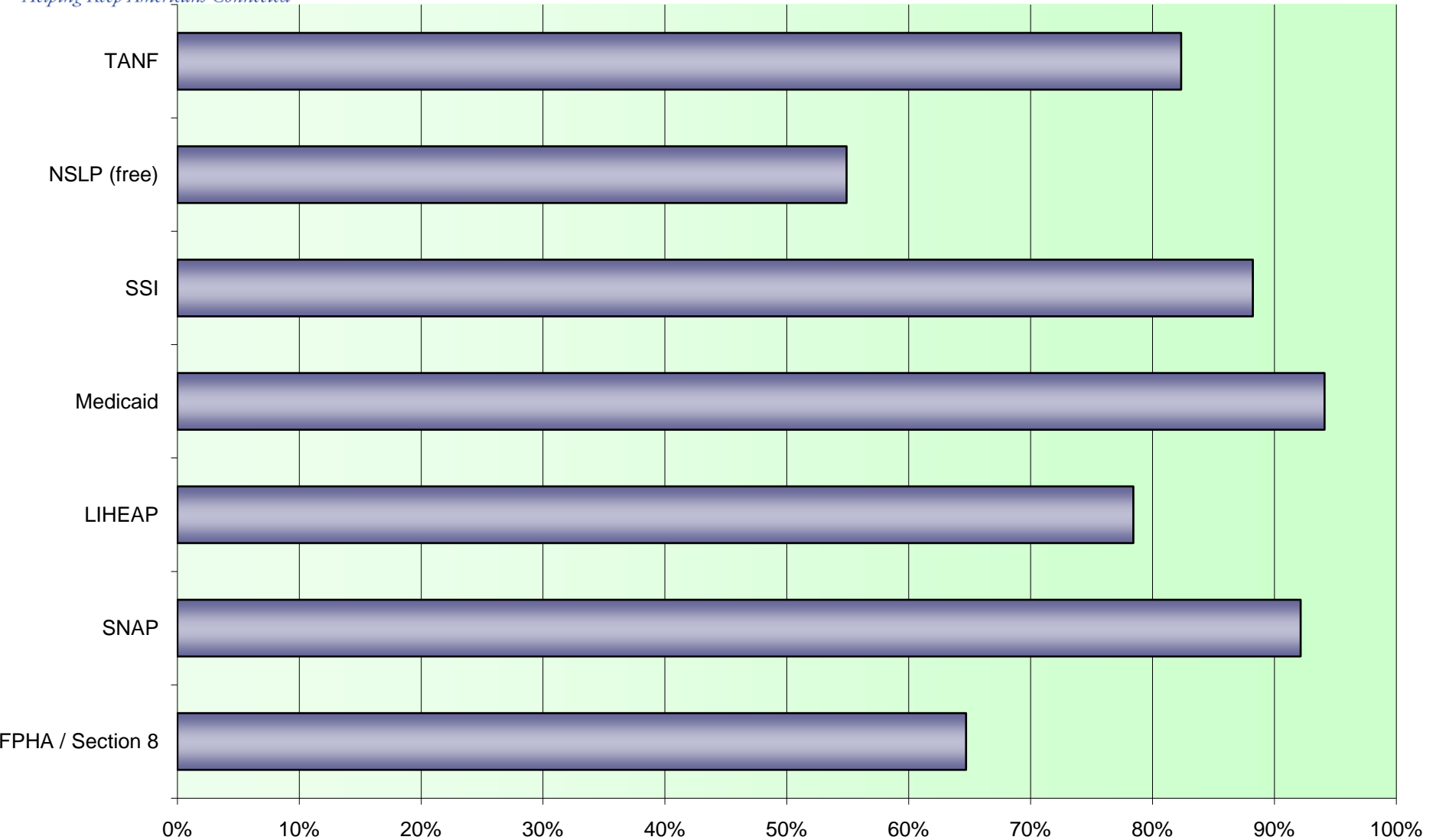
Link Up
\$51.9

Total for 2009: \$1.02 billion

- Eligibility varies by state, but must be based on income, or factors related to income.
- Many states use a combination of the federal eligibility criteria:
 - Program-based federal eligibility criteria:
 - Medicaid
 - Food Stamps
 - Supplemental Security Income (SSI)
 - Federal Public Housing Assistance (Section 8)
 - Low Income Home Energy Assistance Program (LIHEAP)
 - Temporary Assistance to Needy Families (TANF)
 - National School Lunch Free Lunch Program
 - Income-based federal eligibility criteria:
 - A household income at or below 135% of the Federal Poverty Guidelines

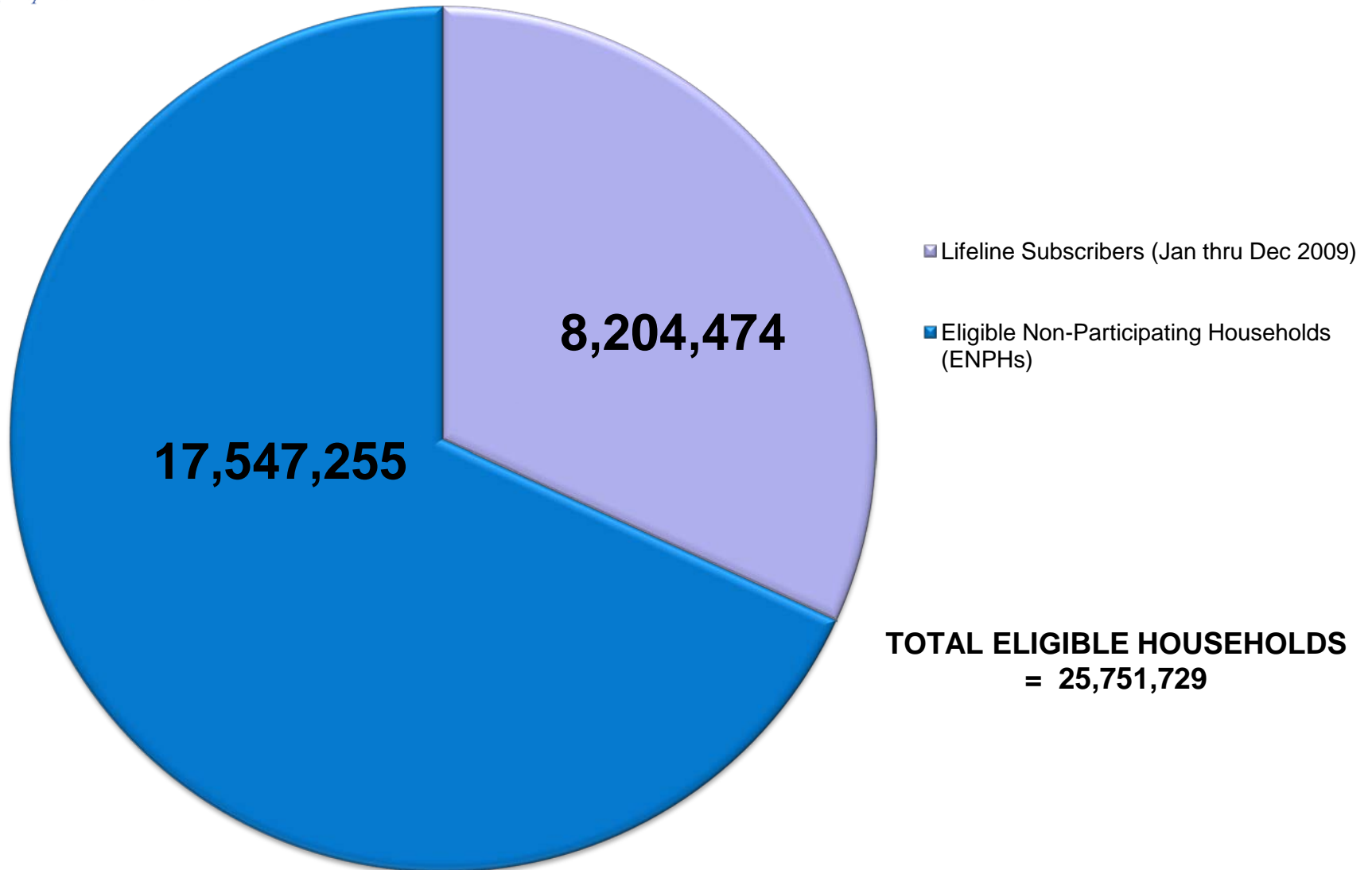
- Additional federal support is available to eligible consumers who reside on federally recognized tribal lands or reservations
- Eligibility for Lifeline on tribal lands includes all the criteria for non-tribal, plus:
 - Tribally administered TANF
 - Bureau of Indian Affairs (BIA) General Assistance
 - Head Start Program (income-eligible only)

Percentage of States Using Federal Programs as Eligibility Criteria



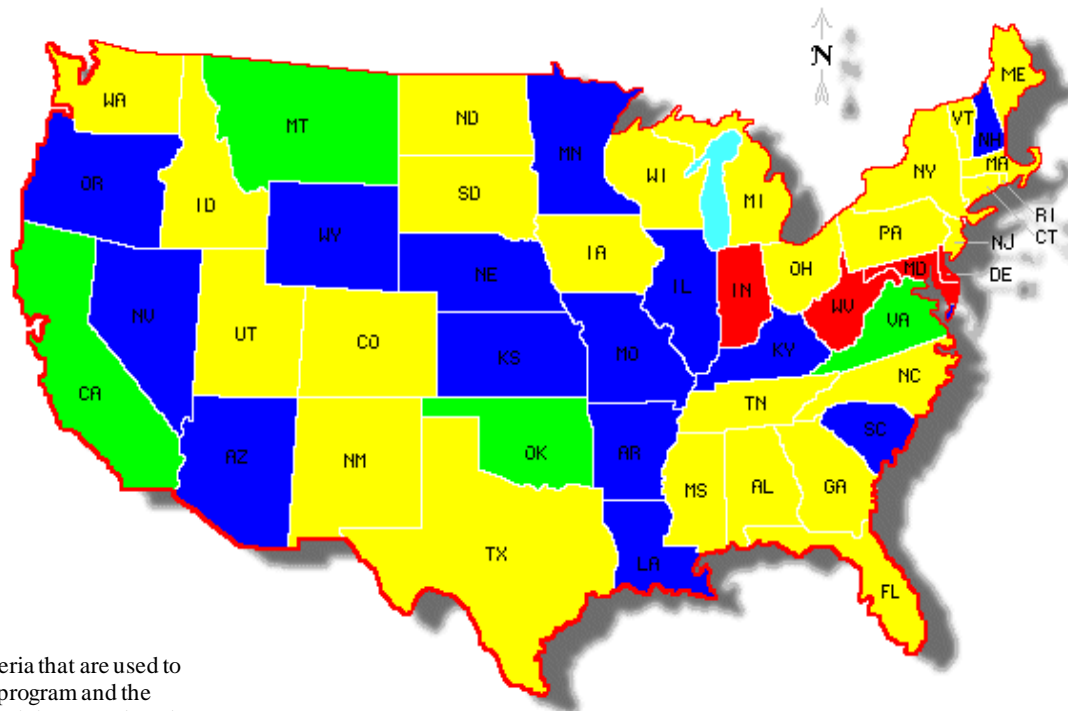
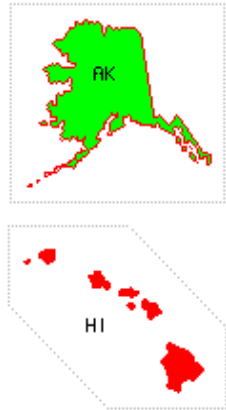
- Consumers enroll through their local telephone company, state agency or Lifeline enrollment administrator.
 - USAC maintains telephone company contact information and Lifeline applications on its consumer-oriented web site, www.lifelinesupport.org.
 - Some states have encouraged automated enrollment at the time a consumer enrolls in a Lifeline-qualifying program.
 - Some states and companies have hired a third-party to handle Lifeline enrollment (e.g., Texas has contracted with Solix, Inc. to administer the LIDA Texas program).

Lifeline Program 2009



2009 Low Income Participation Rates

- - Below 10%
- - 10% - 20%
- - 20% - 50%
- - Above 50%



Notes:

Due to the intricacy and range of criteria that are used to determine eligibility for the Lifeline program and the limitations of the data used, the methodology employed to create this map involves several estimates, assumptions, simplifications, and omissions. Therefore, the rates generated on this map should be treated as estimates only.

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District of Columbia = 10% - 20%

2009 Lifeline Participation Rate Study

- 34 states had increases in subscribership; in 16 of these, the increase exceeded 50%
- number of participating households increased from 7 million in January 2009 to 9.2 million by December 2009
- participation of “pre-paid” wireless companies biggest reason for increases
 - TracFone Wireless (“Safelink”) currently in 27 states
 - Virgin Mobile Wireless (“Assurance”) currently in 5 states

Why do Lifeline participation rates vary widely?

1. Not all states have a pre-paid wireless option yet
2. Ease of enrollment process varies by state and by company
3. Outreach efforts by states and telephone companies vary
4. Annual verification process results in decreases
5. Some states have recently expanded their eligibility criteria

Advertising Lifeline and Link Up

- The Federal Communications Commission has several guidelines for advertising Lifeline
 - Develop outreach materials for households without telephone service
 - Develop outreach materials that will reach sizeable non-English speaking populations
 - Coordinate with state agencies that administer government assistance programs
 - Use USAC as a resource, for example www.lifelinesupport.org

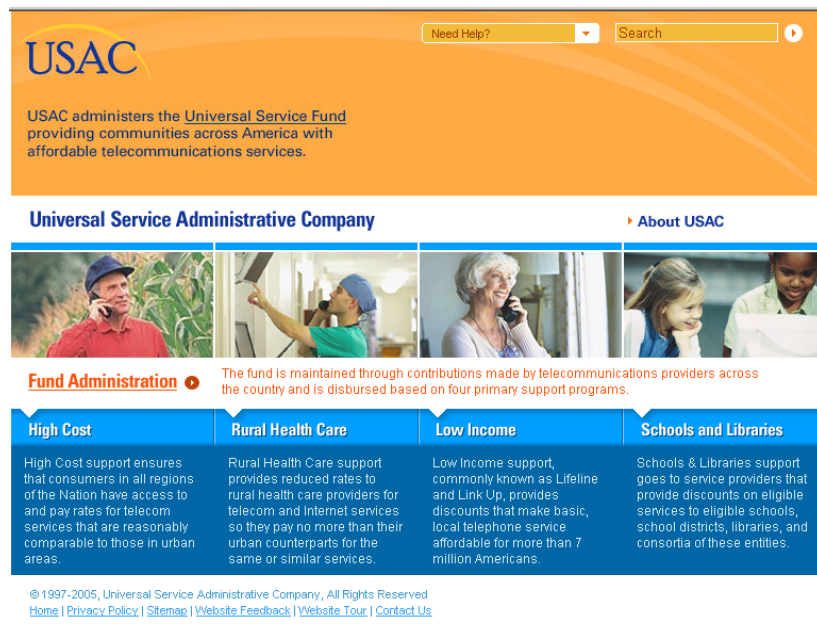
Thank You

Visit us on the web at www.usac.org

Or call us at 202-776-0200

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The screenshot shows the USAC website homepage. At the top, there is a navigation bar with the USAC logo, a "Need Help?" dropdown menu, and a search bar. Below the navigation bar, a main banner area contains the text: "USAC administers the Universal Service Fund providing communities across America with affordable telecommunications services." Underneath the banner, there is a section titled "Universal Service Administrative Company" with a link to "About USAC". Below this, there are four small images showing people using telecommunications services. A "Fund Administration" section follows, explaining that the fund is maintained through contributions from telecommunications providers. At the bottom, there is a grid of four program categories: High Cost, Rural Health Care, Low Income, and Schools and Libraries, each with a brief description of the support provided.

USAC

Need Help? Search

USAC administers the **Universal Service Fund** providing communities across America with affordable telecommunications services.

Universal Service Administrative Company [About USAC](#)

Fund Administration • The fund is maintained through contributions made by telecommunications providers across the country and is disbursed based on four primary support programs.

High Cost	Rural Health Care	Low Income	Schools and Libraries
High Cost support ensures that consumers in all regions of the Nation have access to and pay rates for telecom services that are reasonably comparable to those in urban areas.	Rural Health Care support provides reduced rates to rural health care providers for telecom and Internet services so they pay no more than their urban counterparts for the same or similar services.	Low Income support, commonly known as Lifeline and Link Up, provides discounts that make basic, local telephone service affordable for more than 7 million Americans.	Schools & Libraries support goes to service providers that provide discounts on eligible services to eligible schools, school districts, libraries, and consortia of these entities.

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