

The FCC's Universal Service Program For Low-Income Consumers

Background

The Low-Income program provides discounts on telephone installation and monthly telephone service to qualifying consumers. Telephone service is considered a necessity for daily modern life, yet the cost of activating and maintaining such service may be prohibitively expensive for low-income consumers. Under Congressional mandate, the Federal Communication Commission's (FCC) Federal Universal Service Fund includes the Low-Income program. Below are frequently asked questions about this Low-Income program.

What Benefits Are Available Under the Low-Income Program?

- **LinkUp America** helps qualified low-income consumers to connect, or hook up, to the telephone network. This federal program offsets one-half of the initial hook-up fee, up to \$30.00, for qualified households. The program also includes a plan to encourage local telephone companies to offer low-income telephone subscribers a deferred payment schedule for these charges.
- **The Lifeline Assistance Program** provides certain discounts on monthly service for qualified telephone subscribers. The federal discount is up to \$9.50 per month, depending on the actions of authorities in your state and is in addition to whatever discount your state might provide.

Residents of American Indian and Alaska Native tribal communities may qualify for enhanced Lifeline support (up to an additional \$25.00 in support beyond current levels) and expanded LinkUp support (up to \$70.00 in additional support beyond current levels).

How Do You Qualify for Lifeline and LinkUp Discounts?

The Lifeline and LinkUp programs are available to qualifying consumers in every state, territory, and commonwealth. Qualifications for participating in the Low-Income program vary by state. States that have their own State Lifeline program have their own criteria. In states that rely solely on the Federal Low-Income program, the named subscriber must participate in one of the following programs: Medicaid, food stamps, Supplemental Security Income (SSI), federal public housing assistance (Section 8), or Low-Income Home Energy Assistance Program (LIHEAP).

There are additional programs in which low-income consumers living on tribal lands may participate in order to be eligible for Lifeline and LinkUp. They are: Bureau of Indian Affairs general assistance, Tribally-Administered Temporary Assistance for Needy Families, Head Start (income-qualifying standard), or the National School Lunch Program (free lunch program).



You should contact your local telephone company or your state regulatory agency for information about these programs and to determine whether or not you qualify for discounts under the Low-Income program.

The telephone number for your state regulatory agency can be found on the Web site of the National Association of Regulatory Utility Commissioners:

www.naruc.org/resources/state.shtml

How Does the Low-Income Program Work?

The carrier must receive certification from the consumer that he or she qualifies for the Lifeline or Link-Up program.

Using federal Universal Service funds, the telephone company provides discounts on the consumer's telephone bill.

Who Pays for the Low-Income Program?

The Low-Income program is part of the FCC's Federal Universal Service Fund. All telecommunications carriers that provide service between states and internationally pay contributions into the Fund. The FCC makes payments from this central fund to support the Low-Income program, as well as three other Universal Service programs (High-Cost, Schools and Libraries, and Rural Health Care).

Some consumers may notice a "Universal Service" line item on their telephone bills. This occurs when a telephone company chooses to recover its contributions to the Fund directly from its customers through a line-item charge on telephone bills. The FCC does not require this. Each company makes a business decision about whether and how to assess customers to recover its Universal Service costs.

Can I Find Out How Low-Income Consumers in My Area Are Benefiting from the Low-Income Program?

You can visit the Web site of the Universal Service Administrative Company, www.lifelinesupport.org, to learn more about Low-Income programs specific to your state.

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