



**Public Service Commission  
Briefing  
February 10, 2010**

# How is Lifeline Funded?

Federal Universal  
Service Fund

SC Universal  
Service Fund



# Consumer Eligibility

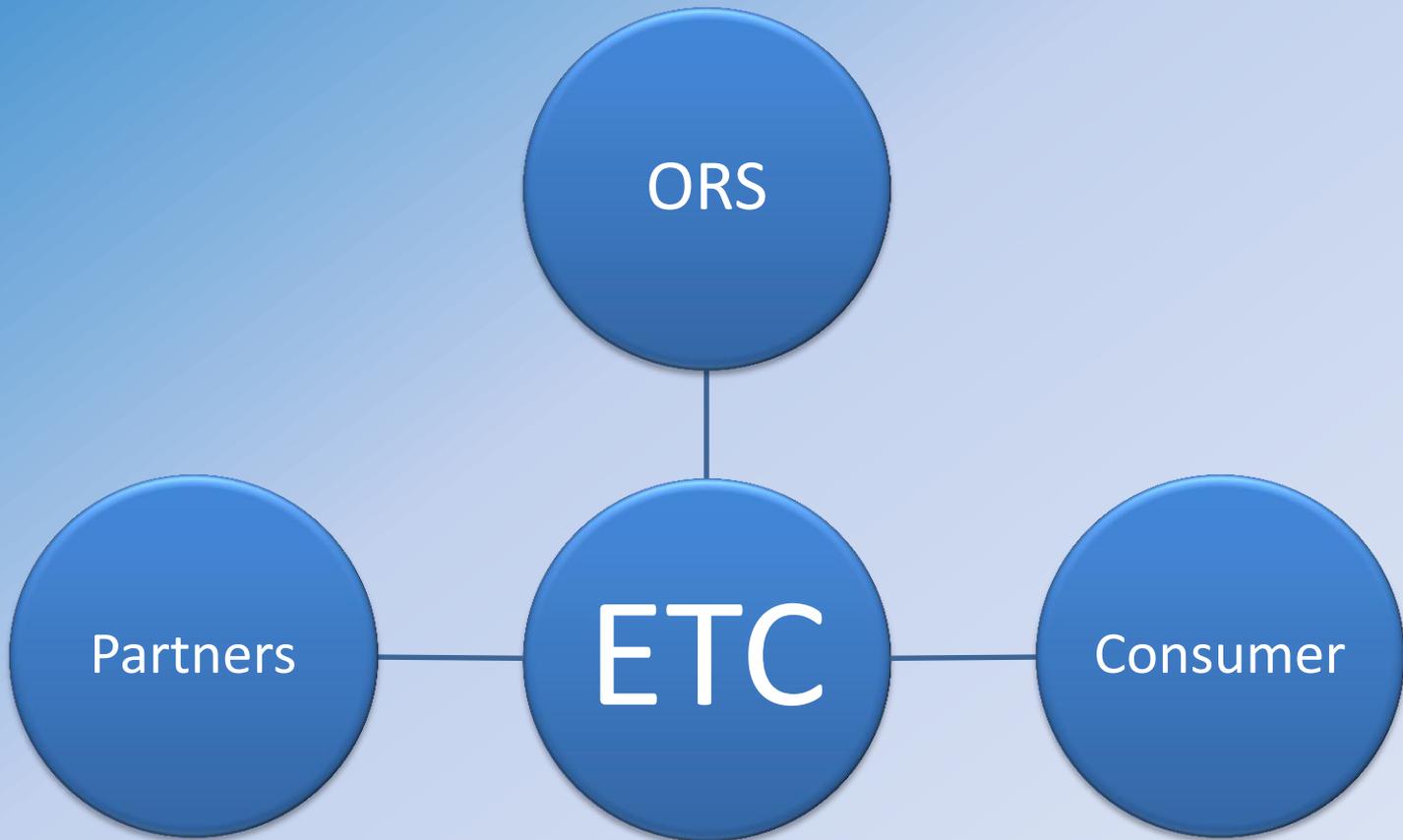
## Federal Default States

- Medicaid
- Food Stamps
- Temporary Assistance to Needy Families (TANF)
- Section 8 Housing
- Free School Lunch
- Low Income Home Energy Assistance Program (LIHEAP)
- Supplemental Security Income (SSI)
- Income at or below 135% of Federal Poverty Guidelines

## South Carolina

- Medicaid
- Food Stamps
- Temporary Assistance to Needy Families (TANF)
- Income at or below 125% of Federal Poverty Guidelines (available to AT&T customers only)

# Lifeline Roles





## **Daniel & Stella, Sumter SC**

Married 14 years

Daniel previously served in the military and later worked for a moving company. Stella has been suffering from a terminal illness for the past 7 years. Daniel has had to quit work in order to stay home with wife to take care of her. Lifeline has enabled Daniel and Stella to keep in touch with family, friends and doctors during this difficult time.

## **Sarah, Cayce SC**

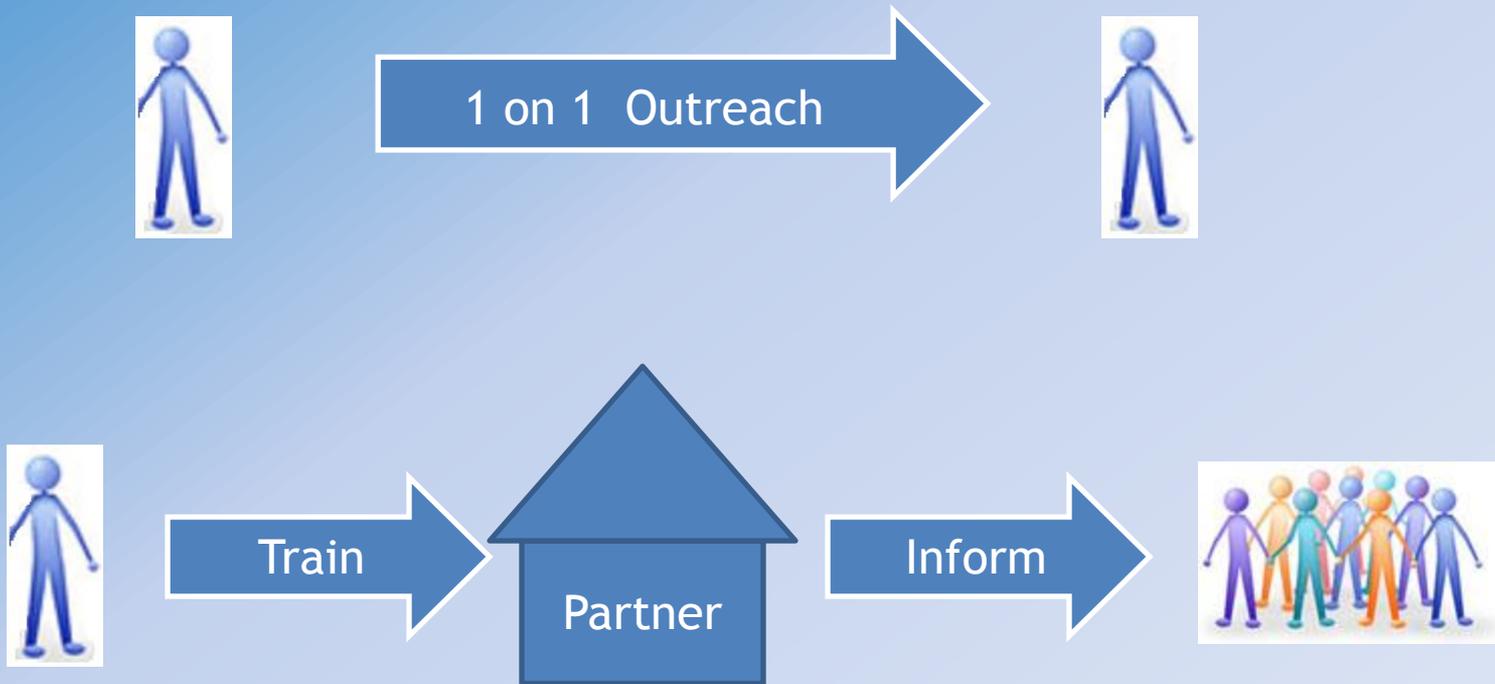
Ten years ago Sarah was celebrating her 30<sup>th</sup> wedding anniversary with her husband Ronnie. Ronnie struggled for years with heart problems including multiple pace makers. In 2006 Ronnie died. At that time Sarah was forced out of retired and began working to support herself. Sarah was told that she too was in need of heart surgery. Sarah was fired due to excessive absences. Lifeline has enabled Sarah to receive a call back about a new job opportunity.



# Lifeline Partners

- Food Banks
- Telephone Companies (ETCs)
- Department of Health and Human Services (DHHS)
  - United Way 211
  - Department of Social Services (DSS)
  - SC Department of Disabilities and Special Needs
  - U.S. Department of Housing and Urban Development (HUD)
  - Salvation Army
  - Community Action Agencies
  - Sister Care
  - Council on Aging
  - SC Legal Services
  - Crisis Pregnancy Centers
  - One Stop Career Centers
  - Family Health Centers

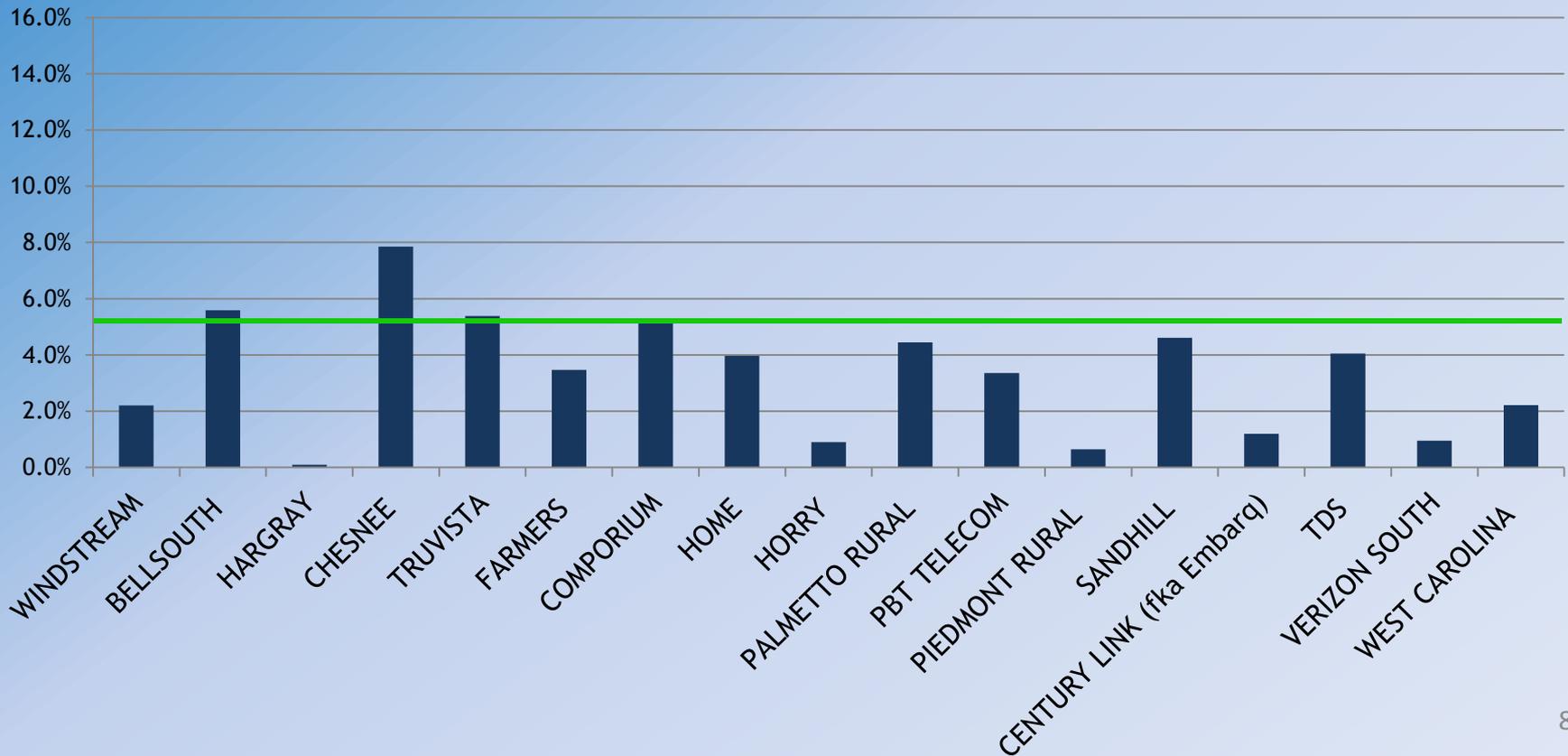
# Strategic Shift



# 2008 Participation Rates by ILEC

- Percentage of ILEC access lines that are Lifeline customers
- Average Target for ILEC Penetration

SC Poverty Level is 15%

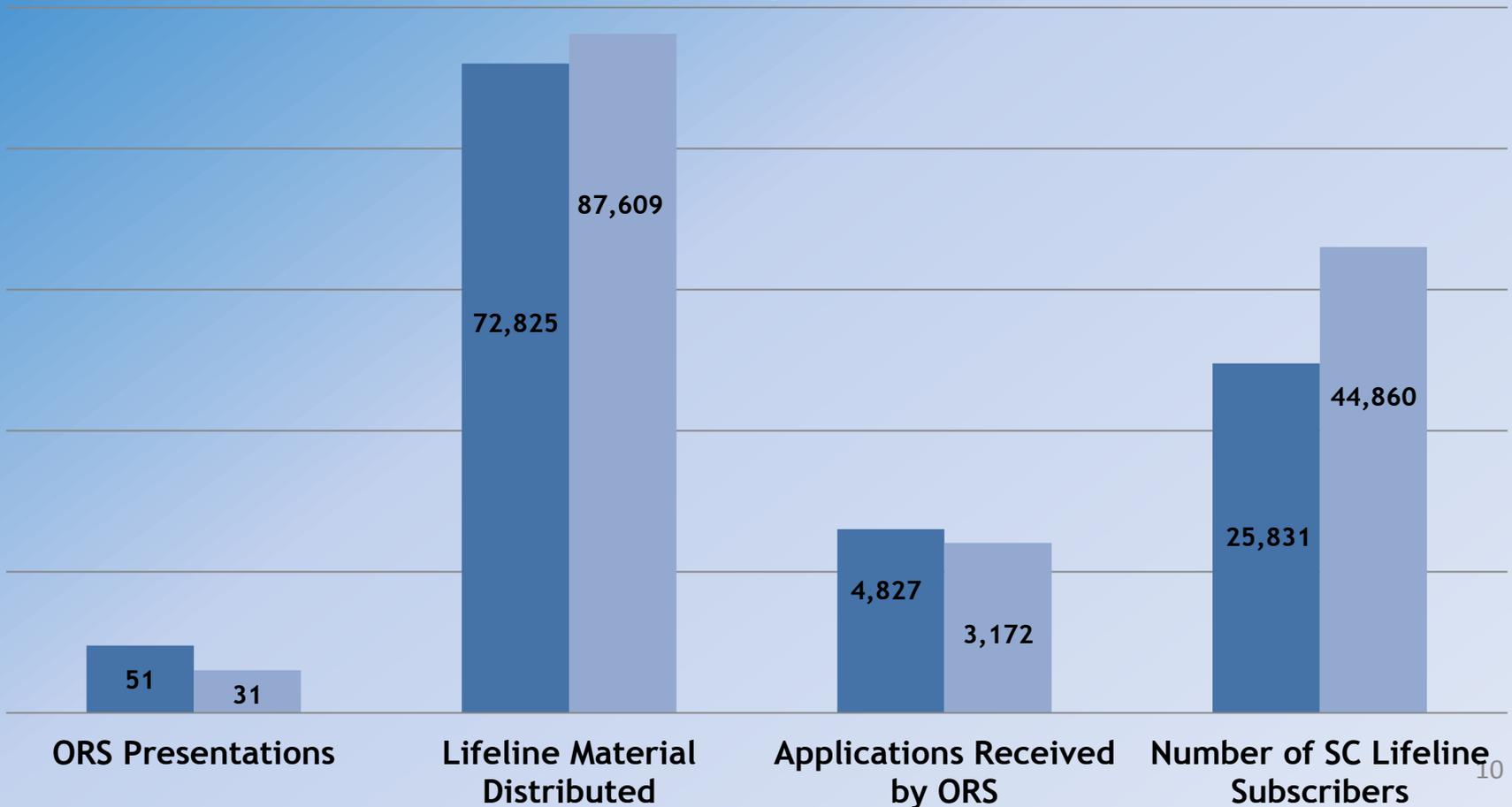


# Lifeline Challenges

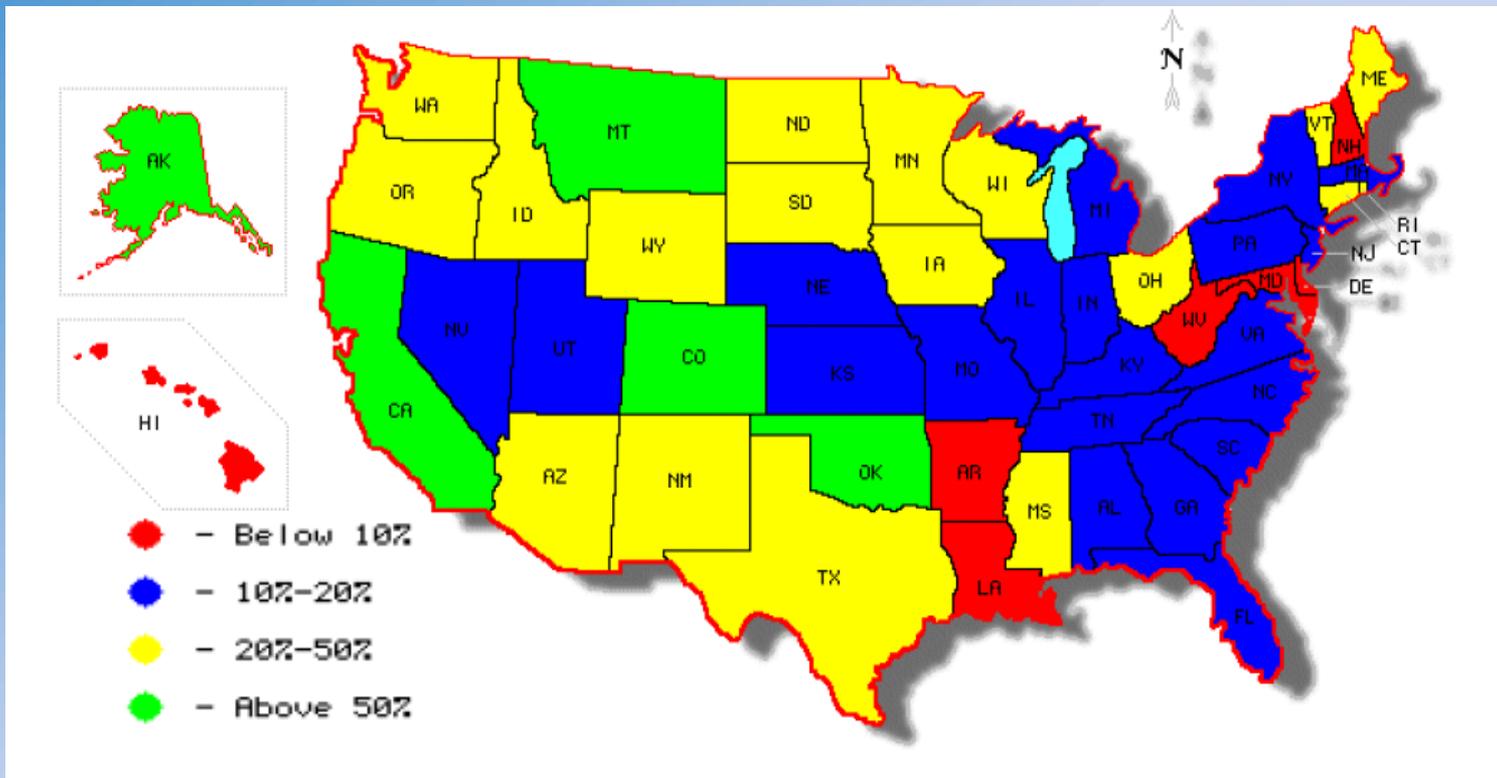
- Guidelines
- Competitive Choices
- Education
  - ETCs
  - Partners
  - Consumers
  - Media
- Consumer Credit
- Communication & Outreach
  - Affordable and Creative
  - Literacy
  - Trust

# ORS Outreach Results

■ 3-year average (FY2005 - FY2008)  
□ Lifeline Activity (FY2008 – FY2009)



# 2008 Participation Rates



# State by State Comparison

South Carolina	Mississippi	Maine	Virginia	California
Medicaid	Medicaid	Medicaid	Medicaid	Medicaid
Food Stamps	Food Stamps	Food Stamps	Food Stamps	Food Stamps
TANF	TANF	TANF	TANF	TANF
	Section 8	Section 8	Section 8	Section 8
	Free Lunch	Free Lunch	Free Lunch	Free Lunch
	LIHEAP	LIHEAP	LIHEAP	LIHEAP
	SSI	SSI	SSI	SSI
Income--125% (AT&T)	135%			Healthy Families 150%
<b>Responsible Agency:</b>				
PSC/ORS	PSC	ETC's	ETC's	Third parties
<b>Predominant Factor in Enrollment Success</b>				
Partnerships	Streamlined enrollment processes	Advertising	SafeLink	Statewide database

# California Comparison

	California		South Carolina	
Participation Rates	2007	102.9%	2007	12%
	2008	75%	2008	19%
Budget	\$39 million		\$213 K	
Marketing	\$11 million		\$20 K	
\$\$ spent per Eligible Consumer	\$11.46		\$0.74	

# Future of Lifeline

- Lifeline integrally linked to:
  1. Universal Service reform
  2. The “National Broadband Plan”

## How does this affect the SC Lifeline Program?

- USF Reform may lead to Lifeline program changes
- The National Broadband Plan may change/expand Lifeline
  1. One option proposed by AT&T includes:
    - \$10 subsidy for Telephone Lifeline or
    - \$20 for Broadband Lifeline
  2. Will SC respond with a Telephone/Broadband differentiation?

# Lifeline Leaders

## What other states are doing

- Provide Multiple Opportunities for Consumer Eligibility
  1. School Free Lunch program
  2. Section 8 Housing program
- ETC Requirements
  1. Advertising
  2. Streamline Link-up process
  3. Customer Service Representative Requirements
- Auto-enrollment
  1. Food Stamps
  2. Medicaid

# Summary

- ✓ Redirected strategy with great results
- ✓ Established new partnerships with more to come
- ✓ Redesigned program literature

## Lifeline Participation Is Up

# *“Affordable Communications for All”*

Lifeline South Carolina is administered by the Office of  
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