

# Lifeline & Link Up

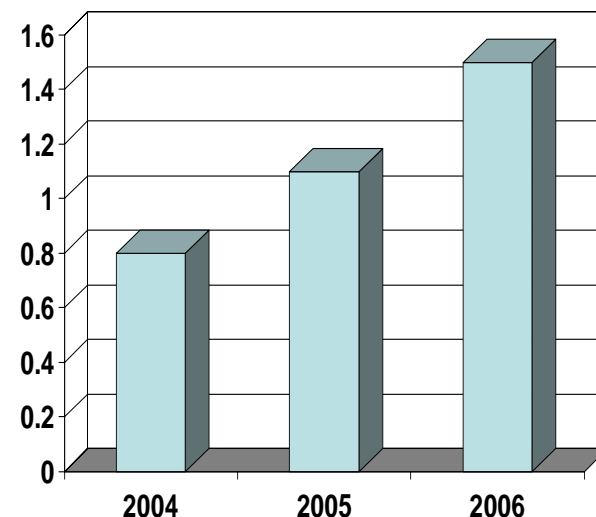
L.Kenyon 12/20/2006

# Nature of Lifeline & Link Up

- Created by the FCC
- Reduced local & wireless rates
- Local rates can be as low as \$1 per month
- Must be a qualifying low income customer to benefit

# Sources of Lifeline/ Link Up Funding:

- Funded by both State and FCC:
  - \$3.9 M in Federal support to Alaska in 2004
  - \$ .8 M in State support in 2004
- State Fund is growing:
  - \$ .8 M in State support in 2004
  - \$1.1 M in State support in 2005
  - \$1.5 M in State estimated for 2006



# Where's the Growth?

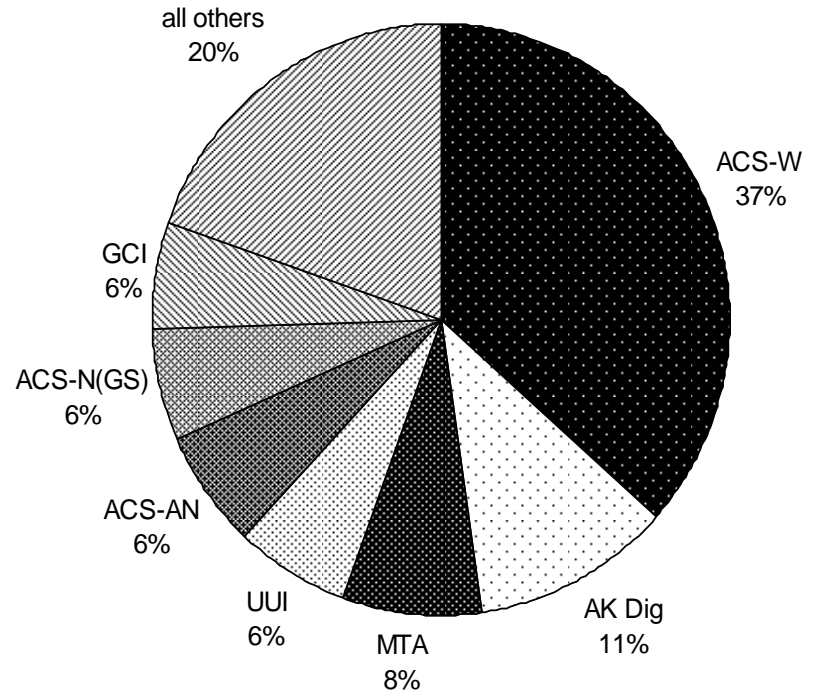
- ACS Wireless - \$544,000 increase
  - Alaska Digital - \$139,300 increase
  - MTA Wireless - \$ 16,500 increase
- Total: \$699,800

Represents 98% of all State Lifeline fund growth 2004 to 2006.

# Top Lifeline Receivers 2006 (State Fund \$ Estimate)

- \$544,000 – ACS Wireless
- \$139,300 – Alaska Digital
- \$116,625 – MTA
- \$ 95,800 – United Utilities
- \$ 93,000 – ACS of Anchorage
- \$ 91,900 – ACS-N (Glacier State)
- \$ 85,000 – GCI Local

Above represent 80% of State  
Lifeline fund



# Eligibility For Lifeline

- Policy determined by RCA,  
but subject to FCC regulations  
(means based eligibility)
- Applied by utilities
- Documented:
  - tariffs (regulated LEC ETCs)
  - ETC filings/dockets (wireless ETCs)

# Allowed Eligibility Criteria by Regulation:

- Households with Income at or below 135% poverty level
- Medicaid
- Food Stamp Program
- Supplemental Security Income Program
- Federal Public Housing Assist. Program
- Low-Income Home Energy Assist. Program (LIHEAP)
- Bureau of Indian Affairs General Assist. Program
- Temporary Assist. for Needy Families (TANF)
- Head Start Program
- National School Lunch Program
- “Receives benefit under another social services assistance program.”

3 AAC 53.390(b)

# Eligibility under “Another Social Services Assistance Program”

- Must use an income-based test
- Must be administered by state or federal government
- The ETC asks to use the program
- The Commission agrees the ETC can use the program



# Examples:

- Veterans Administration Disability Pension
- Child Care Assistance Program
- Women, Infants, and Children's Program
- Alaska State Housing Corp. Programs:
  - Public Housing, Interest Rate Reduction for Low Income Borrowers, Home Investment Partnership "HOME", Low Income Housing Tax Credit Program, Sr. Citizen Housing Devel Fund
- State of Alaska Heating Assistance Program
- Pioneer Home Payment Assist.
- Denali Kid Care
- Senior Care

# Verifying Eligibility

- **If customer qualifies based on income:**
  - Customer signs a document self certifying household income;
  - When initially signing up must provide documentation of income (e.g., tax return, paycheck stub, statement of benefits)
  - Agrees to notify ETC when income exceeds 135% threshold
- **If customer qualifies under a program:**
  - Customer signs a document self certifying program participation
  - Agrees to notify ETC if no longer in the program
- **ETC Conducts random audits**

# Audit Requirements

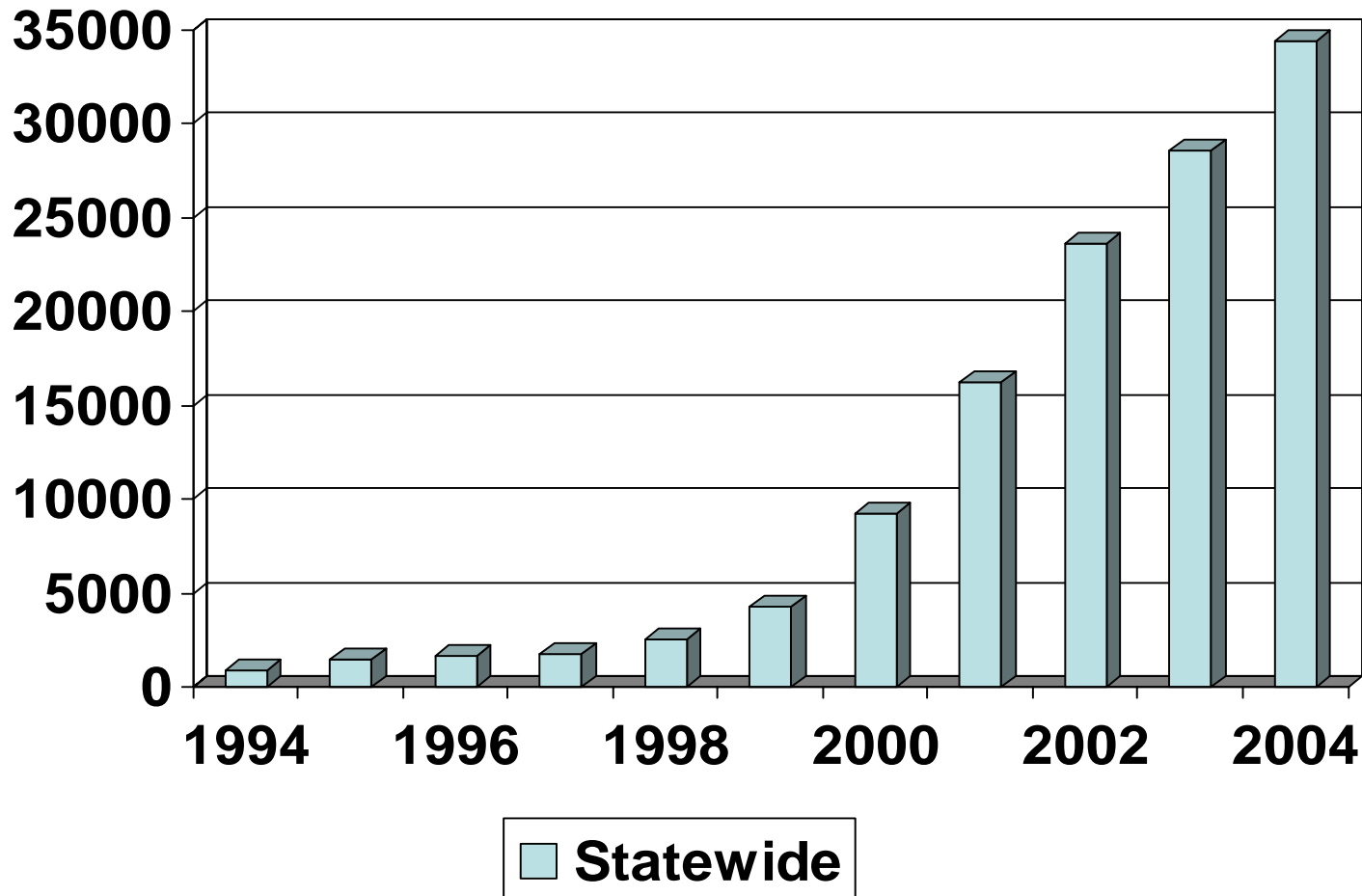
- Conducted annually by the ETC
- “Random sample” of lifeline customers
- ETC verifies the customer remains eligible for Lifeline:
  - May accept customer self-certification
  - May require written documentation

3 AAC 53.390(g)

# How Does Lifeline Affect the ETC?

- No Direct Offset to Costs
- Revenue replacement
  - Customer's bill paid in part by Lifeline fund instead of by customer
- Transparent to utility unless Lifeline stimulates demand for service
- Increased Demand > Increased Revenue

# Lifeline Accounts in Alaska



# State Lifeline Accounts

