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Federal Communications Commission
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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See *MCI v. FCC*, 515 F.2d 385 (D.C. Circ 1974).

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FCC RELEASES NEW TELEPHONE PENETRATION REPORT

States Qualifying for Maximum Federal Lifeline Assistance See Telephone Penetration Increase

Washington, D.C. – The Federal Communications Commission (FCC) today released a report presenting data on telephone penetration levels on a state-by-state basis for various income categories. The report, which covers data through the year 2000, is designed to help assess the degree of success in making telephone service available to low-income households in each state.

Report Highlights

- Between 1984 (prior to the implementation of the Lifeline program) and 1997, states with the federal Lifeline program experienced greater increases in telephone penetration than states without Lifeline programs – nearly 1.5% higher for all households and over 3% higher for low-income households. The Lifeline program, which is part of the Universal Service Fund, provides certain discounts on monthly service for qualified telephone subscribers. These discount amounts have varied over time. Currently the discount amounts range from \$5.25 to \$13.85 per month, depending on your state and the telephone company.
- Effective in 1998, the FCC expanded the Universal Service Fund's Lifeline program by offering states new matching funds. States that have taken the steps necessary to qualify for maximum federal matching funds saw telephone penetration for all households rise nearly one percentage point between 1997 (prior to the expansion of the Lifeline program) and 2000. In these states, low-income households benefited even more – with a 2.2% increase in telephone penetration.
- States that did not take the steps necessary to qualify for full federal matching funds saw no significant improvement in telephone penetration rates.

This report, which is updated annually, is part of a series of supplemental reports on telephone penetration that is designed to complement the information available in *Telephone Subscribership in the United States*, which is published three times a year.

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Like the subscribership report, this report is based on data from the Current Population Survey, which is conducted by the Census Bureau.

This report is available in the FCC's Reference Information Center, Courtyard Level, 445 12th Street SW, Washington, DC 20554. Call International Transcription Service at (202) 857-3800 to purchase a copy. This report also can be downloaded from the FCC-State Link Internet site at <<http://www.fcc.gov/ccb/stats>>.

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News about the Federal Communications Commission can also be found on the Commission's web site www.fcc.gov.