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Federal Communications Commission
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Washington, D. C. 20554

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 SUPPLEMENTAL TELEPHONE PENETRATION REPORT

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 presents penetration statistics based on individual household data from the Current Population Survey (CPS) conducted by the Census Bureau in March 2003.

This report, which is updated annually, provides more detailed information on telephone penetration to complement the information available in *Telephone Subscribership in the United States*, which is published three times a year. This report is designed to track the effects of federal and state Universal Service Fund Lifeline and Linkup support mechanisms that defray the cost of telephone service for low-income consumers.

Report Highlights

- In March 2003, penetration among low-income households nationwide was 89.2%. This contrasts with an overall nationwide penetration rate of 95.5% in March 2003.
- Since 1985, when the FCC first established Lifeline to help low-income households afford the monthly cost of telephone service, penetration rates among the lowest income households (under \$10,000 annual income in 1984 dollars) have grown steadily from 80.0% to 89.2%.
- States that have taken full or nearly full advantage of federal universal service support for telephone service for low-income consumers saw an average growth in penetration for low-income households of over 4% from March 1997 to March 2003. In contrast, states that did not provide any lifeline support beyond the basic federal support saw an average decline in telephone penetration rates for low-income households between March 1997 and March 2003 of 1%, an amount that is not statistically significant.
- Penetration rates among low-income households ranged from a high of 96.4% in Maine to a low of 80.0% in Illinois in March 2003.

This report is available in the FCC's Reference Information Center, Courtyard Level, 445 12th Street SW, Washington, DC 20554. Call Qualex International at (202) 863-2893 to purchase a copy. This report also can be downloaded from the FCC-State Link Internet site at <<http://www.fcc.gov/wcb/iatd/stats.html>>.

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