

### Background

The Federal Communications Commission (FCC) and Congress recognize that telephone service provides a vital link to emergency services, government services, and surrounding communities. To help promote telecommunications service nationwide, the FCC, as directed by Congress and with the help of the Universal Service Administrative Company (USAC), administers the federal Universal Service Fund (USF).

### Programs

The federal USF pays for four programs. They are:

- **Lifeline/Link-Up.** This program provides discounts on monthly service and initial telephone installation or activation fees for primary residences to income-eligible consumers. For additional information see our consumer fact sheet at [www.fcc.gov/cgb/consumerfacts/lllu.html](http://www.fcc.gov/cgb/consumerfacts/lllu.html).
- **High-Cost.** This program ensures that consumers in all regions of the nation have access to telecommunications services at rates that are affordable and reasonably comparable to those in urban areas.
- **Schools and Libraries.** This program makes discounts available to eligible schools and libraries for eligible telecommunications services, Internet access and internal connections. It is intended to ensure that schools and libraries have access to affordable telecommunications and information services. For additional information see our consumer fact sheet at [www.fcc.gov/cgb/consumerfacts/usp\\_Schools.html](http://www.fcc.gov/cgb/consumerfacts/usp_Schools.html).
- **Rural Health Care.** This program helps link health care providers located in rural areas to urban medical centers so that patients living in rural America will have access to the same advanced diagnostic and other medical services that are enjoyed in urban communities. For additional information see our consumer fact sheets at [www.fcc.gov/cgb/consumerfacts/usp\\_RuralHealthcare.html](http://www.fcc.gov/cgb/consumerfacts/usp_RuralHealthcare.html) and [www.fcc.gov/cgb/consumerfacts/RuralHealthProgram.html](http://www.fcc.gov/cgb/consumerfacts/RuralHealthProgram.html).

### Who Pays for Universal Service?

All telecommunications service providers and certain other providers of telecommunications must contribute to the federal USF based on a percentage of their interstate and international end-user telecommunications revenues. These companies include wireline phone companies, wireless phone companies, paging service companies, and certain Voice over Internet Protocol (VoIP) providers.

Some consumers may notice a "Universal Service" line item on their telephone bills. This line item appears when a company chooses to recover its USF contributions directly from its customers by billing them this charge. The FCC does not require this charge to be passed on to customers. Each company makes a business decision about whether and how to assess charges to recover its Universal Service costs. These charges usually appear as a percentage of the consumer's phone bill. Companies that choose to collect Universal Service fees from their customers cannot collect an amount that exceeds their contribution to the USF. They also cannot collect any fees from a Lifeline program participant.

### How Much Do Companies Contribute for Universal Service?

Companies contribute a certain percentage of the amount billed to their residential and business customers for interstate and international calls. The exact percentage that companies contribute is adjusted every quarter based on projected demand for Universal Service funding.

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## I Can't Afford to Pay Full Price for Telephone Service. What Federal Programs Provide Financial Assistance?

- **Link-Up America** helps income-eligible consumers initiate telephone service. This program pays one-half or up to \$30 of the initial installation fee for a traditional, wireline telephone, or activation fee for a wireless telephone, for the primary residence. It also allows subscribers to pay the remaining amount that they owe on a deferred schedule, interest free.
- **Lifeline Assistance** provides discounts on basic monthly telephone service at the primary residence for qualified telephone subscribers. These discounts can be up to \$10.00 per month, depending on your state.

Residents of Native American Indian and Alaska Native tribal communities may qualify for enhanced Lifeline assistance (up to an additional \$25.00) and expanded Link-Up support (up to an additional \$70.00). For additional information see our consumer fact sheet at [www.fcc.gov/cgb/consumerfacts/tribalfactsheet.html](http://www.fcc.gov/cgb/consumerfacts/tribalfactsheet.html).

The Lifeline and Link-Up programs are available to qualifying consumers in every state, territory, and commonwealth. Eligibility criteria vary by state. You should contact your local telephone company for more information about these programs, to determine whether or not you qualify for discounts, and to apply for discounts if you qualify. You can also contact your state public service commission for information. The contact information for your state public service commission can be found on the Web site of the National Association of Regulatory Utility Commissioners, [www.naruc.org/commissions.cfm](http://www.naruc.org/commissions.cfm), or in the blue pages or government section of your local telephone directory. To find the eligibility requirements for your state, visit the USAC Web site, at [www.lifelinesupport.org](http://www.lifelinesupport.org).

## Does the FCC's Schools and Libraries Support Mechanism Duplicate State and Local Efforts?

No. The FCC's Schools and Libraries program complements the efforts of states and localities to link the nation's classrooms and libraries to the information superhighway. Universal Service support provides discounts only for telephone service, Internet access, and internal connections. The discounts range from 20 to 90 percent, depending on the household income level of students in the community and whether the school or library is located in a rural or urban area.

### For More Information

For information about other telecommunications issues, visit the FCC's Consumer & Governmental Affairs Bureau Web site at [www.fcc.gov/cgb](http://www.fcc.gov/cgb), or contact the FCC's Consumer Center by e-mailing [fccinfo@fcc.gov](mailto:fccinfo@fcc.gov); calling 1-888-CALL-FCC (1-888-225-5322) voice or 1-888-TELL-FCC (1-888-835-5322) TTY; faxing 1-866-418-0232; or writing to:

Federal Communications Commission  
Consumer & Governmental Affairs Bureau  
Consumer Inquiries and Complaints Division  
445 12<sup>th</sup> Street, SW  
Washington, D.C. 20554.



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