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Nation's utility consumer advocates: FCC should investigate wireless Lifeline benefits

Washington, DC – June 16, 2010 – Low-income wireless telephone customers receiving benefits through the federal Universal Service Fund (USF) may not be saving enough.

In a resolution adopted this week by the National Association of State Utility Consumer Advocates (NASUCA), the Federal Communications Commission (FCC) was asked to consider establishing a minimum standard to ensure adequate value is provided to recipients of wireless Lifeline benefits. Lifeline is a federal program designed to make local telephone service more affordable and accessible to residential consumers.

The FCC and state regulators have permitted an increasing number of wireless companies to tap into the USF to offer Lifeline benefits. While federal rules define specific levels of landline discounts for eligible low-income customers, there are not required benefit levels for wireless programs. A minimum number of monthly minutes and a maximum price of additional minutes available for purchase are samples of benefits that could be provided.

“Wireless companies should be required to show that those paying into the fund – including residential ratepayers – are getting their money’s worth,” said Mary Healey, president of NASUCA and consumer counsel for the state of Connecticut. “Federal and state regulators should ensure benefits offered to low-income wireless customers are at least equal to the level of funding paid by all customers into the Universal Service Fund.”

“With millions of dollars of ratepayer money at stake, it is in consumers’ best interests that minimum guidelines be enacted to ensure wireless benefits are adequate and only eligible customers are receiving free handsets and monthly allotments of minutes,” said David Bergmann, chairman of the NASUCA telecommunications committee. “As described in the resolution, other aspects of these so-called ‘Lifeline-only’ carriers also deserve explanation.” Bergmann is also an assistant consumers’ counsel with the Office of the Ohio Consumers’ Counsel

The resolution was adopted as part of NASUCA’s mid-year meeting in San Francisco on June 13-15. A copy of the NASUCA resolution will be available at www.nasuca.org.

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About the National Association of State Utility Consumer Advocates (NASUCA)

NASUCA is a non-profit, national organization of more than 40 state offices designated to represent consumers in state and federal utility proceedings. NASUCA regularly participates in proceedings before the Federal Communications Commission and other federal regulatory agencies.