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## NEWS RELEASE

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### **Lifeline Program Changes Coming Next Month** *LIHEAP Recipients Among Those Who Will Need Other Proof of Eligibility for Subsidized Telecommunication Service for Low-income Consumers*

**FRANKFORT, Ky. (Nov. 2, 2016)** – As the annual application process begins this week for the Low-Income Home Energy Assistance Program (LIHEAP), changes are coming soon to another program used by many low-income Kentuckians.

The Kentucky Public Service Commission (PSC) is reminding residents that, after December 1, participation in LIHEAP and several other programs will no longer suffice as proof of eligibility for the Lifeline subsidy for telecommunication services.

“Changes at the federal level have pared down the list of programs that can be used to qualify for the Lifeline subsidy,” PSC Chairman Michael Schmitt said. “But this should not affect many Kentuckians, as there are multiple other ways to qualify.”

Schmitt noted that the changes to the eligibility criteria are far less significant than the expansion of the subsidy to include broadband service.

“Like many other states, Kentucky has a digital divide between those with easy access to broadband internet service and those without,” he said. “The Lifeline expansion could help close that gap.”

The Lifeline program currently provides a subsidy of up to \$12.75 per month for eligible Kentucky households to maintain a single telephone line, which may be either landline or wireless.

The federal government provides \$9.25 of the subsidy, while Kentucky contributes \$3.50. The state subsidy comes from funds collected from carriers who may recover the cost through a small monthly surcharge on telephone bills. The federal subsidy comes from the federal Universal Service Fund which is assessed on all telecommunications carriers and may be recovered through a monthly surcharge on telephone bills.

After December 1, broadband providers will become eligible to participate in the Lifeline program and to offer subsidized service. The service can be either wireless or a fixed service such as cable, DSL or fiber optic. Because the PSC does not regulate broadband the \$3.50 state subsidy will not be available for broadband only service in Kentucky.

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## **Lifeline Telecommunication Program Changes Coming Next Month – Page 2**

Lifeline subsidies will remain limited to one per household. Customers will have to choose whether to obtain federally subsidized service from a telephone or broadband provider. The state subsidy may only be used for voice service provided by wireless or landline telephone.

Changes to the eligibility rules apply to customers who sign up for Lifeline or recertify their eligibility after December 1.

Customers may continue to verify eligibility through proof of participation in SNAP (food stamps), Medicaid, Supplemental Security Income (SSI), or Federal Public Housing Assistance. In addition, participation in Veteran's Pension or Survivor Benefits now may be used as proof of Lifeline eligibility.

Customers also can qualify if they can provide proof of income below 135 percent of the federal poverty level.

In addition to LIHEAP, participation in the school lunch program or the Temporary Assistance to Needy Families (TANF) program will no longer be accepted as proof of eligibility.

The Federal Communications Commission (FCC) made the changes to the verification requirements based on the number of people using various programs as proof of eligibility and also to pave the way for a later move to a verification system that will rely on electronic records.

Lifeline providers will be required to meet certain minimum standards set by the FCC. The standards will be upgraded annually through 2021. The standards as of December 2 will be:

- Landline: unlimited local calling
- Wireless voice service: 500 free minutes
- Wireless broadband: 500 megabytes (MB) of data
- Fixed broadband: 150 gigabytes of data; download speed of 10 MB/second; upload speed of 1 MB/second

The federal subsidy for mobile or fixed broadband will remain at \$9.25 per month through November 2021. However, the federal monthly subsidy for both landline and wireless voice service will be phased out, declining to \$7.25 on Dec. 1, 2019; \$5.25 on Dec. 1, 2020; and falling to zero on Dec. 1, 2021. The only exception will be in areas with only a single Lifeline provider, where the subsidy for voice service will remain at \$5.25 beyond that date.

More information on the Lifeline program is available on both the PSC and FCC websites.

The PSC website is [psc.ky.gov](http://psc.ky.gov). The FCC's online guide to the Lifeline program is here: <https://www.fcc.gov/general/lifeline-program-low-income-consumers>

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 75 employees.

-30-

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