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September 19, 2001

Ms. Magalie Roman Salas, Secretary  
Federal Communications Commission  
Office of the Secretary, 445-12th Street, SW  
Room TW-B204  
Washington, DC 20554.

RE: In the Matter of the Federal-State Joint Board  
On Universal Service CC Docket No. 96-45  
*Ex Parte* Communication

Dear Ms. Magalie:

The Missouri Office of Public Counsel hereby advises the Federal Communications Commission and the Federal State Joint Board on Universal Service of relevant and material information concerning low-income customers that subscribe to Lifeline Service. Therefore, I submit this information to be included in the record in this case by this letter together with supporting attachments as an *ex parte* communication under the Commission rules and procedures.

According to data from the United States Census Bureau (Current Population Survey March, 2000), the 1999 Households Below 150% of Federal Poverty Level total 21,784,000. This Census Bureau data does not include data from American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and Virgin Islands. This data is set forth in Attachment 1.

In the FCC's report *Trends in Telephone Service* (August 2001), the total number of low-income Lifeline subscribers for 1999 (excluding American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and Virgin Islands) was 5,620,971. The *Trends* data is set forth in Attachment 2. The calculation excluding the territories and islands is set forth in Attachment 3.

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The analysis of this data reveals that the Lifeline subscription rate as a percentage of census data households below 150% of the Federal Poverty Level was less than 26%. Specifically, Attachment 3 indicates that Lifeline subscription for households below 150% of poverty in the Continental United States, Alaska, and Hawaii was 25.80% in 1999.

When the Joint Board addresses Lifeline Service in the context of the Universal Service proceeding, Missouri Public Counsel urges the Joint Board to consider the fact that not even 26% of low income households subscribe to Lifeline service. This factor should be given substantial consideration as methods to carry out the goals of Universal Service in the Federal Telecommunications Act of 1996 are crafted to reach those low-income households.

Sincerely



Martha S. Hogerty  
Public Counsel, State of Missouri

Cc/enclosures

Chairman Michael K. Powell (US Mail)

Commissioner Michael J. Copps (US Mail)

Federal State Joint Board on Universal Service (U.S. Mail)

Federal and State Staff, Federal State Joint board on Universal service (e-mail)

Census Bureau

CPS Data for Reference Year: 1999

## Persons in Poverty Universe

(Numbers in Thousands)

NOTE: The Current Population Survey March Supplement is an annual survey of approximately 50,000 households nationwide. Therefore, use extreme caution when making inferences when the cell sizes are small.

CPS Data for Reference Year: 1999

## Persons in Poverty Universe

(Numbers in Thousands)

Household Relationship Recoded  
Householder

	Totals	Income-to-Poverty Ratio			
		Below 100%	100% to 124%	125% to 149%	150% and above
<b>Totals</b>	104,711	11,936	4,658	5,190	82,926
<b>State</b>					
AL	1,744	277	68	100	1,299
AK	218	16	9	8	184
AZ	1,808	217	104	94	1,393
AR	1,027	160	54	62	751
CA	12,082	1,401	649	608	9,424
CO	1,601	122	41	62	1,376
CT	1,287	103	44	53	1,086
DE	288	28	10	11	240
DC	239	32	9	8	190
FL	6,064	715	276	342	4,731
GA	2,951	353	148	147	2,303
HI	407	45	23	18	322
ID	481	57	21	31	372
IL	4,572	441	160	186	3,786
IN	2,301	170	94	136	1,901
IA	1,142	85	52	84	921

KS	1,045	117	58	38	831
KY	1,549	201	114	92	1,142
LA	1,609	275	80	93	1,161
ME	497	45	19	32	401
MD	1,989	174	46	70	1,700
MA	2,466	270	108	94	1,995
MI	3,709	367	177	161	3,004
MN	1,849	150	82	76	1,541
MS	1,040	182	45	97	716
MO	2,171	251	73	89	1,758
MT	357	46	26	22	263
NE	654	78	28	37	511
NV	682	64	26	32	561
NH	465	40	14	14	397
NJ	3,045	262	120	120	2,543
NM	662	119	37	50	457
NY	7,035	960	350	365	5,359
NC	2,947	387	136	156	2,268
ND	257	31	17	16	193
OH	4,521	545	157	171	3,648
OK	1,334	188	63	80	1,004
OR	1,336	166	49	76	1,045
PA	4,668	456	217	243	3,752
RI	387	43	22	19	304
SC	1,544	183	63	100	1,198
SD	282	25	12	16	229
TN	2,134	248	102	111	1,674
TX	7,436	981	350	408	5,697
UT	679	43	25	34	576
VT	240	25	10	16	189
VA	2,652	257	59	98	2,238
WA	2,302	219	88	79	1,915
WV	757	128	42	43	544
WI	2,009	163	74	88	1,684
WY	193	21	10	8	154

Source: U.S. Census Bureau

Current Population Survey March 2000

**Table 7.2**  
**Lifeline Assistance - Subscribers by State or Jurisdiction**

State or Jurisdiction	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Alabama	0	0	0	0	0	0	2,648	11,052	14,346	17,201	18,676	21,488
Alaska	0	0	0	0	0	887	1,445	1,684	1,761	2,530	4,321	8,897
American Samoa	0	0	0	0	0	0	0	0	0	156	427	657
Arizona	5,959	6,723	6,214	5,748	7,587	9,146	9,820	10,679	9,438	21,461	22,118	25,264
Arkansas	6,262	6,703	7,295	7,479	7,370	6,859	7,988	9,730	8,926	8,870	8,843	9,228
California	1,467,859	1,578,458	1,792,884	2,000,234	2,327,740	2,534,160	2,817,982	3,032,960	3,000,571	3,105,855	3,157,706	3,196,661
Colorado	0	9,897	17,871	20,110	18,814	18,136	16,992	22,195	22,452	21,950	23,995	26,644
Connecticut	0	0	0	0	15,294	50,510	62,982	62,610	61,683	59,547	61,437	64,745
Delaware	0	0	0	0	0	0	0	0	0	368	606	756
District of Columbia	2,964	2,894	2,866	5,422	12,344	11,572	10,252	9,888	7,580	9,404	10,593	11,236
Florida	0	0	0	0	0	61,442	108,431	134,258	129,723	131,749	129,980	134,263
Georgia	0	0	31,681	58,497	67,112	72,548	79,545	79,606	75,341	73,660	74,825	73,037
Guam	0	0	0	0	0	0	0	0	0	313	905	2,033
Hawaii	6,378	6,081	5,950	5,862	6,005	6,200	6,444	6,731	6,465	9,008	12,590	15,381
Idaho	7,861	8,186	8,411	8,149	8,212	7,090	7,347	7,526	7,408	6,907	14,780	19,696
Illinois	0	0	0	0	26	0	0	0	0	29,104	49,347	57,821
Indiana	0	0	0	0	0	0	0	0	0	12,439	19,058	19,471
Iowa	0	0	0	0	0	0	0	0	0	2,460	6,105	11,832
Kansas	0	0	0	0	0	0	0	0	0	4,260	5,591	8,540
Kentucky	26	0	0	0	0	0	0	0	0	5,044	25,040	39,550
Louisiana	0	0	0	0	0	0	0	0	0	5,838	10,435	15,476
Maine	33,308	44,392	53,020	63,411	70,029	68,482	62,949	61,177	63,553	63,407	67,401	75,186
Maryland	2,930	5,465	5,203	5,395	5,228	5,226	4,663	4,028	3,964	3,784	3,885	3,948
Massachusetts	0	87,285	131,635	143,216	160,221	165,723	167,182	162,384	156,294	161,657	167,699	165,520
Michigan	41,121	66,053	96,044	116,398	130,586	138,870	135,599	131,786	129,337	129,208	132,432	141,536
Minnesota	45,625	57,529	57,075	51,151	55,380	59,431	51,089	48,494	47,575	49,073	54,787	54,717
Mississippi	0	0	2,153	2,405	4,493	8,438	9,717	9,282	8,321	10,471	13,370	16,694
Missouri	15,187	14,639	16,980	17,295	17,356	15,807	13,897	11,272	10,368	7,885	10,709	18,980
Montana	5,023	5,507	5,405	5,698	6,617	6,744	6,813	8,031	7,613	7,963	9,570	11,060
Nebraska	0	0	0	0	0	0	0	0	0	9,650	11,434	14,728
Nevada	4,497	5,702	5,748	6,339	7,528	8,927	9,408	8,472	9,284	3,438	10,551	17,486
New Hampshire	0	0	0	0	0	0	0	0	0	2,581	5,205	6,453
New Jersey	0	0	0	0	0	0	0	0	0	5,478	6,434	29,095
New Mexico	11,722	12,770	15,190	18,660	28,742	32,244	28,380	30,075	30,314	30,816	32,843	36,859
New York	271,386	327,808	393,684	456,174	522,684	592,705	705,871	756,657	698,267	703,001	657,267	586,742
North Carolina	15,852	14,996	15,812	21,208	23,496	23,446	22,791	23,086	22,595	29,640	44,434	62,475
North Dakota	0	10,037	10,610	10,664	10,029	9,411	8,657	7,146	7,369	10,895	11,968	13,196
Northern Mariana Is.	0	0	0	0	0	0	0	0	0	192	494	427
Ohio	15,420	14,885	15,712	33,450	44,801	47,126	54,706	58,392	60,366	69,358	109,202	167,212
Oklahoma	0	0	0	0	0	0	0	532	532	1,521	2,454	17,101
Oregon	22,330	21,551	23,064	25,229	28,305	30,475	35,820	34,804	31,213	27,953	28,934	30,371
Pennsylvania	0	0	0	0	0	0	0	4,797	7,114	23,202	40,168	48,644
Puerto Rico	0	0	0	0	0	0	0	0	0	10,168	16,895	17,720
Rhode Island	14,017	15,757	23,765	26,906	38,672	39,992	40,835	42,524	43,881	45,066	46,244	47,412
South Carolina	0	0	0	0	0	0	10,624	16,498	18,386	22,222	21,091	20,820
South Dakota	4,657	4,764	4,924	5,018	5,076	3,561	3,690	3,718	3,708	10,698	11,532	13,255
Tennessee	0	0	0	18,749	20,419	20,721	19,934	19,926	18,819	22,915	30,347	38,839
Texas	21,055	33,698	48,453	96,405	103,232	136,352	165,609	190,095	193,444	210,672	236,934	258,810
Utah	14,746	16,006	21,565	27,717	28,379	28,157	26,930	24,088	22,625	20,096	19,237	19,394
Vermont	17,013	18,044	20,661	21,895	22,973	24,322	25,624	24,791	25,356	26,475	28,464	29,740
Virgin Islands	0	0	0	0	316	594	253	296	471	567	402	511
Virginia	14,895	16,201	17,365	19,143	21,293	22,100	20,744	22,180	23,187	22,040	22,306	21,658
Washington	34,685	49,985	68,235	74,879	85,571	90,148	87,276	84,149	63,965	61,563	61,809	68,142
West Virginia	4,930	4,490	4,262	4,115	4,160	4,704	4,230	4,336	5,164	5,320	5,546	5,294
Wisconsin	31	7	54,137	55,829	54,576	59,744	58,071	50,714	50,894	42,514	59,331	62,715
Wyoming	0	0	416	1,366	1,271	1,119	818	776	864	1,113	1,337	1,363
Industry Total	2,107,739	2,466,513	2,984,290	3,440,216	3,971,937	4,423,119	4,914,056	5,233,425	5,110,537	5,380,726	5,640,094	5,886,779

1/ Subscriber data was not actually collected in 1997. USAC used estimated number of subscribers for all states.

2/ Average number of subscribers reported for 1999 through 2000 for companies requesting reimbursement (including true-ups through March 2001).

99% of all eligible companies have reported to USAC for reimbursement at this time.

Source: Universal Service Administrative Company (USAC).

**Calculation Of Lifeline Subscription As A Percentage Of Census Data Households Below 150% Of  
The Federal Poverty Level**

1999 Households Below 150% of Federal Poverty Level	
Based on Census Bureau Current Population Survey March 2000 Does Not Include Data For Puerto Rico And The Virgin Islands	
Below 100%	11,936,000
100% to 124%	4,658,000
125% to 149%	5,190,000
<b>Total Below 150%</b>	<b>21,784,000</b>

1999 Lifeline Subscription	
Source August 2001 <i>Trends in Telephone Service</i>	
Industry Total	5,640,094
Less American Samoa	(427)
Less Guam	(905)
Less Northern Mariana Is.	(494)
Less Puerto Rico	(16,895)
Less Virgin Islands	(402)
	5,620,971

Lifeline Subscription As A Percentage Of Census Data Households Below 150% Of The Federal Poverty Level For  
The Industry Excluding Samoa, Guam, Northern Mariana Is., Puerto Rico and The Virgin Islands

25.80%