

Lifeline and SafeLink Wireless in Georgia

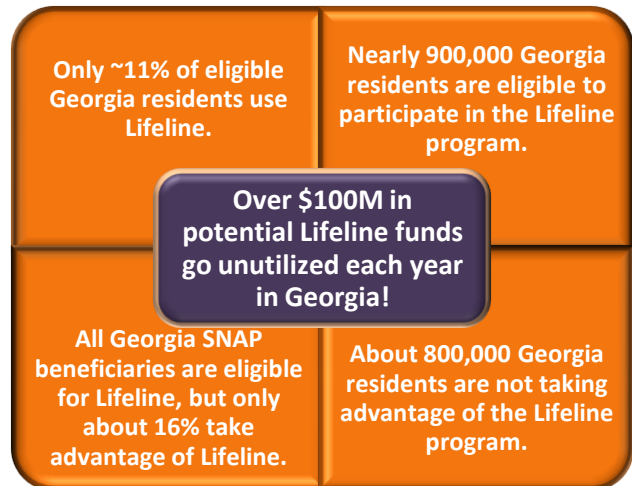
Nearly 800,000 Georgia residents are eligible, but do not take advantage of the Lifeline program. Lifeline is designed to bring free telecommunications to the low-income population. With an average benefit of \$130 per year per participant, Georgia residents forgo over \$100 million a year in potential funds through the Lifeline program. Increased awareness of SafeLink Wireless and the Lifeline program among eligible Georgia residents will help bring free cell phone service to nearly 800,000 low-income families.

Lifeline Program: a federal program created 20 years ago by the Federal Communications Commission (FCC) to provide discounted telephone service, most recently updated to include cell phone service, to low-income consumers who meet specific eligibility criteria.

Lifeline Funding: not funded from federal taxpayer dollars. The federal portion of the Lifeline discount is funded by a fee levied on inter-state and international phone service.

Lifeline Eligibility: Families or individuals enrolled in a state social service program or who otherwise qualify under the *U.S. Federal Poverty Guidelines*.

Lifeline Program in Georgia



Cell phones for the low-income population:

- ✓ Provide personal safety and access to emergency services.
- ✓ Can make the unemployed much more accessible to a potential employer.
- ✓ Are free of cost, with no contract, to eligible individuals through the Lifeline program.

Georgia Eligibility: Consumers who participate in one of the programs listed below.

- Supplemental Nutritional Assistance Program (SNAP)
- Federal Public Housing Assistance / Section 8
- Low Income Home Energy Assistance Program (LIHEAP)
- Medicaid
- Senior citizen low-income discount plan offered by local gas or power company
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)

SafeLink Wireless: sponsored by TracFone Wireless, Inc., America's leading prepaid cell phone provider. SafeLink is the leading provider of cell phones for the Lifeline program.

SafeLink Benefits: Instead of receiving a monthly bill, SafeLink converts the total amount of discounted service from the Lifeline program (approximately \$13.50 of discounted telephone service) into minutes (68 minutes) each month. SafeLink Wireless provides FREE cellular service, a FREE cell phone, and FREE minutes every month to eligible consumers! No cost, no contracts, no recurring fees or monthly charges. Additional minutes can be purchased anywhere TracFone airtime cards are sold (Wal-Mart, Walgreens, CVS, etc.). Unused minutes roll over month-to-month. Service is good for one year. Participants in the program are subject to annual verification.

Lifeline Program Details: Georgia

Background Information

The Lifeline program is a joint state-federal program developed 20 years ago by the Federal Communications Commission (FCC). The program provides discounted telephone service to low-income families and individuals that otherwise would find it difficult to pay for telephone, and more recently, cell phone service.

Funding

Lifeline is not funded from federal taxpayer dollars. The federal portion of the Lifeline discounts (over \$800M annually) is funded by a dedicated tax on inter-state and international phone service. The FCC sets the fee on a quarterly basis to match projected Lifeline program costs for the coming quarter.

The federal government and the states jointly set the benefit levels, but the sizeable majority of the funding for the benefits is federal. Nationally, in 2006, the annual Lifeline benefit averaged approximately \$130 per household participant.

Eligibility

The FCC sets a baseline for eligibility. Families or individuals have to be enrolled in a state social service program (i.e. Medicaid, SNAP, and the Supplemental Security Income Program) or qualify under the *U.S. Federal Poverty Guidelines* (income is below 135 percent of the federal poverty line, or \$28,620 for a family of four in 2008). However, eligibility varies by state and state guidelines are usually stricter than federal guidelines.

Eligibility in Georgia

Eligibility in Georgia occurs with participation in one of the below programs:

- Supplemental Nutritional Assistance Program (SNAP)
- Federal Public Housing Assistance / Section 8
- Low Income Home Energy Assistance Program (LIHEAP)
- Medicaid
- Senior citizen low-income discount plan offered by the local gas or power company
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)

How It Works

If an individual or household qualifies for Lifeline, the consumer receives a discount on their monthly phone bill. The local phone companies are reimbursed for the cost of providing that discount by federal and state governments. Cell phone service is now included as part of the Lifeline program. Pre-paid cell phone programs are an optimal product for Lifeline because the consumer can receive a free cell phone and minutes with no contract. With traditional landlines, the consumer received a discount on service, but still paid for part of their service and a phone; with pre-paid cell phones consumers can enroll at no cost. Visit www.SafeLinkWireless.com for more information on pre-paid cell phone service under the Lifeline program.

Participation

Nationwide, the Lifeline program serves only *1 out of every 3* eligible low-income households. This participation rate is well below the participation rates of other federal programs that identify needy families and deliver assistance. The Department of Agriculture indicates that SNAP reached 63 percent of eligible households nationwide in 2006. Most experts agree that the dismal participation rates in the Lifeline program are a reflection of the lack of awareness about the program among eligible consumers. TracFone is eager to change this dynamic by actively promoting its SafeLink program to all eligible participants.

Participation in Georgia

There are nearly 900,000 individuals in Georgia eligible for the Lifeline program, however; only about 11% take advantage of the program. Individuals eligible for Georgia's Supplemental Nutrition Assistance Program are also qualified for the Lifeline program, but only 16% of these individuals take advantage of Lifeline. An estimated \$100 million of potential Lifeline funds go unutilized each year in Georgia!

Some states that have been successful in implementing Lifeline programs (usage rates between 20-50%) have used "pre-approved" or automatic enrollment programs. These successful programs use the enrollment records of other public assistance programs, like SNAP, to reach a broad swath of the low-income population. This outreach increases awareness and subsequently, enrollment.



SafeLink Wireless in Georgia

In April 2008, the FCC approved TracFone as an Eligible Telecommunications Carrier (ETC) to provide Lifeline service in 11 states. Subsequently, TracFone has been approved in an additional 12 states and is currently providing service in 23 states, including Georgia. Approximately 1,700 carriers could seek eligibility to provide Lifeline, but TracFone's SafeLink Wireless is one of only a few wireless providers, and the first pre-paid wireless company to offer Lifeline service.

How SafeLink Wireless Works

Instead of receiving a monthly telephone bill, SafeLink converts the total amount of discounted service (approximately \$13.50 of discounted telephone service) into minutes (68 minutes) each month. SafeLink provides FREE cellular service, a FREE cell phone, and FREE minutes every month! There is no cost to the consumer, no contracts, no recurring fees and no monthly charges. The SafeLink service is good for one year. Participants in the program are subject to annual verification.

SafeLink Cell Phone Features

Any minutes not used will roll-over. Features such as caller ID, call waiting and voicemail are also included with service. If one needs additional minutes, they can buy TracFone Airtime Cards at any TracFone retailer (Walmart, Walgreens, Family Dollar, etc). SafeLink Airtime Cards will be available soon. The cell phone is NOT subsidized by the federal government and is provided by TracFone to the customer at no cost.

Application Process

Application is simple. By using the website www.SafeLinkWireless.com, individuals can be approved in less than ten minutes. Applications can be submitted online (5-10 days) or by filling out a form (3-5 weeks).

Why SafeLink?

Cell phone usage in the Lifeline program is more advantageous to the consumer than the traditional Lifeline program using landlines because with SafeLink Wireless there is no cost to the consumer. With traditional landlines, consumers still have to pay their bill, but only receive a partial credit on their bill for being a part of the Lifeline assistance program. **With SafeLink Wireless consumers get a free cell phone, there are no costs, no contracts, no recurring fees or monthly charges.**

SafeLink Wireless can help bring free cell phone service to hundreds of thousands of low-income Georgia residents that would otherwise not have access to phone service. Georgia foregoes an estimated \$50 million per year in federal assistance because of a lack of consumer awareness.