

HOUSE BILL REPORT

HB 2787

As Reported By House Committee On:
Energy & Utilities

Title: An act relating to extending the Washington telephone assistance program.

Brief Description: Extending the Washington telephone assistance program through 2003.

Sponsors: Representatives Crouse, Poulsen, Mason, Ogden, Tokuda, Cole, Murray, Costa and Kessler; by request of Department of Social and Health Services.

Brief History:

Committee Activity:

Energy & Utilities: 2/3/98 [DP].

HOUSE COMMITTEE ON ENERGY & UTILITIES

Majority Report: Do pass. Signed by 13 members: Representatives Crouse, Chairman; DeBolt, Vice Chairman; Mastin, Vice Chairman; Poulsen, Ranking Minority Member; Morris, Assistant Ranking Minority Member; Bush; Cooper; Delvin; Honeyford; Kastama; Kessler; Mielke and B. Thomas.

Staff: Linda Brooks (786-7153).

Background: In 1987, the Legislature established a program to assist low-income persons in obtaining basic telephone services. The program, then known as the "Lifeline Assistance Program" and now known as the "Washington Telephone Assistance Program" (WTAP), is administered by the Department of Social and Health Services (DSHS).

The WTAP program provides the following benefits for low-income persons:

- A reduced monthly rate for local telephone service (currently \$9.25 per month);
- A 50 percent discount on phone connection fees (limited to once per year); and
- Waiver of deposit for local phone service (limited to one per year.)

Persons eligible for WTAP assistance are adult recipients of DSHS-administered programs that provide continuing financial or medical assistance, food stamps, or supportive services to persons in their homes.

To illustrate how the WTAP program works, consider a WTAP-eligible person living in an area where the local residential phone rate is \$17.25. This phone bill is paid as follows:

Person pays	\$9.25
Federal funds pay	3.50
State WTAP funds pay	<u>4.50</u>
	\$17.25 local residential phone rate

An excise tax on all switched access lines generates revenues to pay for the state's costs of the WTAP program. By statute, the excise tax rate cannot exceed 14 cents per month per switched access line. The current rate, established by the Washington Utilities and Transportation Commission (WUTC), is 13 cents per line per month. This 13 cents excise tax applies only to switched wireline access lines. There is no WTAP tax associated with wireless phone service.

Recent changes made by the Federal Communications Commission make it possible for Washington to receive \$5.25 in federal funds per WTAP recipient, provided that the state lowers the monthly rate that a WTAP recipient is required to pay from \$9.25 per month to \$7.50 per month. The DSHS indicates that it will lower the monthly rate that WTAP recipients are required to pay to \$7.50 on March 1, 1998.

The WTAP program expires on June 30, 1998, unless extended by the Legislature.

Summary of Bill: The Washington Telephone Assistance Program is extended until June 30, 2003.

Appropriation: None.

Fiscal Note: Requested on January 28, 1998.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The Washington Telephone Assistance Program is very important. Telephone service enables a person to access emergency services, to schedule doctors' appointments, or to call for rides. Low income persons may have medical conditions or other special needs which make access to a phone particularly important. For example, a non-English speaking participant in the WTAP program was able to use his phone to call a translator for assistance, when the person experienced heart trouble late in the night.

Testimony Against: None

Testified: John Atherton, Department of Social and Health Services(pro); and
Khamsaen Keodara(pro);