
**Technology, Telecommunications
& Energy Committee**

HB 3121

Brief Description: Revising the Washington telephone assistance program.

Sponsors: Representatives Sullivan, Crouse and Morris; by request of Utilities & Transportation Commission and Department of Social and Health Services.

Brief Summary of Bill

- Transfers administrative responsibility for the Washington Telephone Assistance program from the Department of Social and Health Services to the Washington Utilities and Transportation Commission.
- Modifies the requirements for participation in the program by telecommunications carriers and for assistance benefits applied to low-income customers.

Hearing Date: 2/3/04

Staff: Pam Madson (786-7166).

Background:

The Washington Telephone Assistance Program (WTAP) has been operating since 1987 to help provide basic telephone services to low-income residents of the state. The program provides a reduced monthly charge for basic telephone service, a 50 percent discount on connection fees, and waivers of deposits for local telephone service. In 2003, the program was modified to include a discount for community service voice mail. The Department of Social and Health Services (DSHS) is the program administrator for the WTAP.

Households are eligible for the WTAP if they have an adult recipient of one or more of the public assistance programs administered by the DSHS. Individuals must apply through their local telephone company for WTAP assistance. The service for which partial reimbursement is paid must be the lowest available flat rate telephone service. Under existing rules, WTAP clients pay a uniform rate of \$8.00 a month for local exchange service. The WTAP fund reimburses up to \$19 per household to participating companies.

The Washington Utilities and Transportation Commission (WUTC) sets the excise tax which funds the program. The excise tax is limited by statute to no more than 14 cents on all switched telephone lines in the state. The current excise tax is set at 13 cents and is collected from 75

telephone companies. Thirty telephone companies provide service under the WTAP. The excise tax does not apply to wireless companies.

The Federal Lifeline Program provides additional assistance toward a household's basic monthly telephone charges. Connection charges are paid by the WTAP and the Federal Link Up Program. A household may receive WTAP assistance once a year. The federal program does not have a similar limitation.

The principles of universal service are embodied in both state and federal law. The goal of universal service is to provide all citizens with access to affordable telephone service and increase access to affordable telecommunications services for all citizens, including low-income persons, and those in rural and high-cost areas. The WTAP program works in conjunction with the low-income program of the federal universal service program.

Summary of Bill:

The agency designated to administer the Washington Telephone Assistance Program is the Washington Utilities and Transportation Commission (WUTC), rather than the Department of Social and Health Services (DSHS). DSHS will continue to determine eligibility of low-income participants. The WUTC will administer the WATAP fund from which reimbursements are made.

The Legislature declares that the methods used in providing assistance with telecommunications service to low-income person are competitively and technologically neutral.

The scope of services provided to participants and the level of reimbursement to the designated telecommunications carriers is modified, and, in some cases, is less restrictive. Rather than limiting the service to basic local exchange flat rate service, the service provided is basic telecommunications services as specified in statute. Each participant may receive only one set of residential basic telecommunication services from one carrier. Additional services must be paid by the participant.

The assistance that is provided to eligible participants includes a waiver of any deposit requirements for basic service, a discount on the service connection fee, and a discount on monthly charges for basic telecommunications services. The WUTC determines the discount amount for service connection fees and monthly charges, and may set different amounts for different geographic areas or service types.

The WUTC designates eligible telecommunications carriers for designated service area. More than one carrier may be designated for a service area. Before designating an additional carrier in an area served by a rural telephone company, the WUTC must first find that such designation is in the public interest. The term "telecommunications carrier" has the same meaning as that contained in the Federal Telecommunications Act.

An eligible telecommunications carrier must offer basic telecommunications services and the waivers and discounts throughout the service area and must advertise the program to participants in the area.

An eligible telecommunications carrier may recover its costs of providing the benefits and administering the program as determined by the WUTC. Costs must be accounted for separately.

Each carrier must try to obtain funds from the federal universal service program and may not be reimbursed for costs under the WTAP program that are eligible for recovery under the federal universal service program.

In designating eligible carriers for the WTAP program, the WUTC must coordinate this designation with that made for purposes of the federal universal service program.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2004.