
HOUSE BILL 3121

State of Washington

58th Legislature

2004 Regular Session

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

Read first time 01/28/2004. Referred to Committee on Technology, Telecommunications & Energy.

1 AN ACT Relating to the Washington telephone assistance program;
2 amending RCW 80.36.410, 80.36.420, 80.36.430, 80.36.450, 80.36.460,
3 80.36.470, 80.36.475, and 80.36.005; adding new sections to chapter
4 80.36 RCW; repealing RCW 80.36.440; and providing an effective date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 80.36.410 and 2003 c 134 s 2 are each amended to read
7 as follows:

8 (1) The legislature finds that universal telephone service is an
9 important policy goal of the state. The legislature further finds
10 that: (a) Recent changes in the telecommunications industry(~~(, such as~~
11 ~~federal access charges,~~) raise concerns about the ability of low-
12 income persons to continue to afford access to (~~local exchange~~
13 ~~telephone~~) basic telecommunications service; and (b) many low-income
14 persons making the transition to independence from receiving supportive
15 services through community agencies do not qualify for economic
16 assistance from the department of social and health services.

17 (2) Therefore, the legislature finds that: (a) It is in the public
18 interest to take steps to mitigate the effects of these changes on low-
19 income persons; and (b) advances in telecommunications technologies,

1 such as community service voice mail provide new and economically
2 efficient ways to secure many of the benefits of universal service to
3 low-income persons who are not customers of (~~local exchange~~
4 ~~telephone~~) basic telecommunications service.

5 (3) The legislature also finds that in providing assistance with
6 telecommunications needs to low-income persons, the means employed
7 should be competitively and technologically neutral; that is, the law
8 should neither favor any carrier or technology nor disfavor any carrier
9 or technology.

10 **Sec. 2.** RCW 80.36.420 and 2003 c 134 s 3 are each amended to read
11 as follows:

12 The Washington telephone assistance program shall be available to
13 participants of programs set forth in RCW 80.36.470 who receive basic
14 telecommunications service from a telecommunications carrier designated
15 pursuant to section 3 of this act. Assistance shall consist of the
16 following components:

17 (1) A discount on service connection fees (~~of fifty percent or~~
18 ~~more~~) as set forth in RCW 80.36.460.

19 (2) A waiver of deposit requirements on (~~local exchange~~) basic
20 telecommunications service, as set forth in RCW 80.36.460.

21 (3) A (~~discounted flat rate service~~) discount on the monthly
22 charges for (~~local exchange~~) basic telecommunications service, which
23 shall be subject to the following conditions:

24 (a) The commission shall by order or rule establish (~~a single~~
25 ~~telephone assistance rate for all local exchange companies operating in~~
26 ~~the state of Washington. The telephone assistance rate shall include~~
27 ~~any federal end user charges and any other charges necessary to obtain~~
28 ~~local exchange service~~) the amount of the monthly discount. The
29 commission may establish different discounts for different geographic
30 areas or service types if the resulting schedule of discounts is
31 competitively and technologically neutral.

32 (b) The commission shall, in establishing the (~~telephone~~
33 ~~assistance rate~~) monthly discount, consider all (~~charges for local~~
34 ~~exchange service, including federal end user charges, mileage charges,~~
35 ~~extended area service, and any other~~) charges necessary to obtain
36 (~~local exchange~~) basic telecommunications service.

1 ~~((c) The telephone assistance rate shall only be available to~~
2 ~~eligible customers subscribing to the lowest priced local exchange flat~~
3 ~~rate service, where the lowest priced local exchange flat rate service,~~
4 ~~including any federal end user charges and any other charges necessary~~
5 ~~to obtain local exchange service, is greater than the telephone~~
6 ~~assistance rate.~~

7 ~~(d) The cost of providing the service shall be paid, to the maximum~~
8 ~~extent possible, by a waiver of all or part of federal end user charges~~
9 ~~and, to the extent necessary, from the telephone assistance fund~~
10 ~~created by RCW 80.36.430.))~~

11 (4) A discount on a community service voice mailbox that provides
12 recipients with (a) an individually assigned telephone number; (b) the
13 ability to record a personal greeting; and (c) a secure private
14 security code to retrieve messages.

15 NEW SECTION. **Sec. 3.** A new section is added to chapter 80.36 RCW
16 to read as follows:

17 (1) The commission must on request or may on its own motion
18 designate a telecommunications carrier that meets the requirements of
19 this section as an eligible telecommunications carrier for a service
20 area designated by the commission. The commission may designate more
21 than one telecommunications carrier as eligible telecommunications
22 carriers for a service area. Before designating an additional eligible
23 telecommunications carrier for an area served by a rural telephone
24 company, as defined by 47 U.S.C. 153(37), the commission must find that
25 the designation is in the public interest.

26 (2) An eligible telecommunications carrier must: (a) Offer basic
27 telecommunications service and the discounts and waivers established
28 under RCW 80.36.420 throughout the service area for which it is
29 designated by the commission; and (b) advertise the availability and
30 charges of such services using media of general distribution.

31 (3) An eligible telecommunications carrier may relinquish its
32 designation upon reasonable notice to the commission and its program
33 participants. The commission may after notice and for good cause
34 revoke the designation of an eligible telecommunications carrier.

35 (4) The commission must, to the extent reasonably feasible,
36 coordinate the designation of eligible telecommunications carriers

1 under this section with its designation of eligible telecommunications
2 carriers, pursuant to 47 U.S.C. 214(e), for the federal universal
3 service program.

4 **Sec. 4.** RCW 80.36.430 and 2003 c 134 s 4 are each amended to read
5 as follows:

6 ((~~(1)~~)) The Washington telephone assistance program shall be funded
7 by a telephone assistance excise tax on all switched access lines and
8 by funds from any federal government or other programs for this
9 purpose. Switched access lines are defined in RCW 82.14B.020. The
10 telephone assistance excise tax shall be applied equally to all
11 residential and business access lines not to exceed fourteen cents per
12 month. The telephone assistance excise tax shall be separately
13 identified on each ratepayer's bill as the "Washington telephone
14 assistance program." All money collected from the telephone assistance
15 excise tax shall be transferred to a telephone assistance fund
16 administered by the ((~~department~~)) commission.

17 ((~~(2)~~ Local exchange companies shall bill the fund for their
18 expenses incurred in offering the telephone assistance program,
19 including administrative and program expenses. The department shall
20 disburse the money to the local exchange companies. The department is
21 exempted from having to conclude a contract with local exchange
22 companies in order to effect this reimbursement. The department shall
23 recover its administrative costs from the fund. The department may
24 specify by rule the range and extent of administrative and program
25 expenses that will be reimbursed to local exchange companies.

26 ((~~(3)~~ The department shall enter into an agreement with the
27 department of community, trade, and economic development for an amount
28 not to exceed eight percent of the prior fiscal year's total revenue
29 for the administrative and program expenses of providing community
30 service voice mail services. The community service voice mail service
31 may include toll free lines in community action agencies through which
32 recipients can access their community service voice mailboxes at no
33 charge.))

34 NEW SECTION. **Sec. 5.** A new section is added to chapter 80.36 RCW
35 to read as follows:

36 (1) Each eligible telecommunications carrier may recover from the

1 telephone assistance program fund its cost of providing the program
2 benefits as described in RCW 80.36.420 and administering the program.
3 Each carrier must account separately for costs associated with the
4 deposit waiver, the discount on connection charges, the discount on
5 monthly charges, and program administration. The commission shall
6 disburse the money to an eligible telecommunications carrier upon
7 adequate evidence submitted by the eligible telecommunications carrier
8 that it has provided qualifying service.

9 (2) Each eligible telecommunications carrier must make reasonable
10 efforts to obtain available funds for the provision of basic
11 telecommunications service to low-income households through the federal
12 universal service program. An eligible telecommunications carrier
13 shall not seek to recover from the telephone assistance program fund
14 any costs that are eligible for recovery through the federal universal
15 service program.

16 (3) The commission is exempted from having to conclude a contract
17 with eligible telecommunications carriers to effect the reimbursement
18 provided for in this section. The commission shall recover its costs
19 to administer the Washington telephone assistance program from the
20 fund. The commission may specify by rule the range and extent of
21 program expenses that will be reimbursed to eligible telecommunications
22 carriers.

23 (4) The commission shall enter into an agreement with the
24 department of community, trade, and economic development for an amount
25 not to exceed eight percent of the prior fiscal year's total revenue
26 for the administrative and program expenses of providing community
27 service voice mail services. The community service voice mail service
28 may include toll-free lines in community action agencies through which
29 recipients can access their community service voice mailboxes at no
30 charge.

31 **Sec. 6.** RCW 80.36.450 and 2003 c 134 s 6 are each amended to read
32 as follows:

33 The Washington telephone assistance program shall limit
34 reimbursement to one residential (~~switched access line~~) basic
35 telecommunications service from one eligible telecommunications carrier
36 per eligible household(~~(7)~~) or one discounted community service voice
37 mailbox per eligible person. Program participants may subscribe to

1 other services such as long distance service or bundled services,
2 however, only they are responsible for all additional charges for such
3 services.

4 **Sec. 7.** RCW 80.36.460 and 2003 c 134 s 7 are each amended to read
5 as follows:

6 ~~((Local exchange companies shall waive deposits on local exchange~~
7 ~~service for eligible subscribers and))~~ (1) Eligible telecommunications
8 carriers must waive for Washington telephone assistance program
9 participants any requirement for a customer deposit that would
10 otherwise be necessary to obtain basic telecommunications service.
11 Eligible telecommunications carriers may apply customary deposit
12 requirements for any service other than basic telecommunications
13 service provided to the program participant.

14 (2) Eligible telecommunications carriers must provide a ((fifty
15 percent)) discount on the company's customary charge for commencing
16 telecommunications service for ((eligible subscribers. Part or all of
17 the remaining fifty percent of service connection fees may be paid by
18 funds from federal government or other programs for this purpose. The
19 commission or other appropriate agency shall make timely application
20 for any available federal funds. The remaining portion of the
21 connection fee to be paid by the subscriber shall be expressly payable
22 by installment fees spread over a period of months. A subscriber may,
23 however, choose to pay the connection fee in a lump sum. Costs
24 associated with the waiver and discount shall be accounted for
25 separately and recovered from the telephone assistance fund))
26 Washington telephone assistance program participants. The commission
27 must establish by order or rule the amount of the discount. The
28 eligible telecommunications carrier must provide the program
29 participant with the option to pay the discounted connection fee in
30 installments over a period of months.

31 **Sec. 8.** RCW 80.36.470 and 2003 c 134 s 8 are each amended to read
32 as follows:

33 (1) Adult recipients of ~~((department administered))~~ programs
34 administered by the department of social and health services for the
35 financially needy which provide continuing financial or medical
36 assistance, food stamps, or supportive services to persons in their own

1 homes are eligible for participation in the telephone assistance
2 program. The department of social and health services shall notify the
3 participants of their eligibility.

4 (2) Participants in community service voice mail programs are
5 eligible for participation in services available under RCW 80.36.420
6 (1), (2), and (3) after completing use of community service voice mail
7 services. Eligibility shall be for a period including the remainder of
8 the current service year and the following service year. Community
9 agencies shall notify the department of social and health services of
10 participants eligible under this subsection.

11 (3) The department of social and health services must maintain a
12 list of eligible participants and must make the list readily available
13 to the commission. Eligible telecommunications carriers and the
14 commission shall use the information only to operate and administer the
15 Washington telephone assistance program. The commission may enter into
16 an agreement with the department of social and health services to
17 reimburse the department from the telephone assistance fund for
18 reasonable costs incurred in providing the eligibility information
19 required by this subsection.

20 **Sec. 9.** RCW 80.36.475 and 2003 c 134 s 9 are each amended to read
21 as follows:

22 The (~~department~~) commission shall report to the appropriate
23 committees of the house of representatives and the senate by December
24 1 of each year on the status of the Washington telephone assistance
25 program. The report shall include the number of participants by
26 qualifying social service programs receiving benefits from the
27 telephone assistance program and the type of benefits participants
28 receive. The report shall also include a description of the eligible
29 telecommunications carriers designated to offer the program, the
30 geographical distribution of participants, the program's annual revenue
31 and expenditures, and any recommendations for legislative action.

32 **Sec. 10.** RCW 80.36.005 and 2003 c 134 s 1 are each amended to read
33 as follows:

34 The definitions in this section apply throughout RCW 80.36.410
35 through 80.36.475, unless the context clearly requires otherwise.

1 (1) "Community agency" means local community agencies that
2 administer community service voice mail programs.

3 (2) "Community service voice mail" means a computerized voice mail
4 system that provides low-income recipients with: (a) An individually
5 assigned telephone number; (b) the ability to record a personal
6 greeting; and (c) a private security code to retrieve messages.

7 (~~(3) ("Department" means the department of social and health
8 services.~~

9 (~~(4)~~) "Service year" means the period between July 1st and June
10 30th.

11 (~~(5)~~) (4) "Community action agency" means local community action
12 agencies or local community service agencies designated by the
13 department of community, trade, and economic development under chapter
14 43.63A RCW.

15 (5) "Telecommunications carrier" has the same meaning as defined in
16 47 U.S.C. Sec. 153(44).

17 (6) "Basic telecommunications services" means the following
18 services:

19 (a) Single-party service;

20 (b) Voice grade access to the public switched network;

21 (c) Support for local usage;

22 (d) Dual tone multifrequency signaling (touch-tone);

23 (e) Access to emergency services (911);

24 (f) Access to operator services;

25 (g) Access to interexchange services;

26 (h) Access to directory assistance; and

27 (i) Toll limitation services.

28 NEW SECTION. Sec. 11. RCW 80.36.440 (Washington telephone
29 assistance program--Rules) and 2003 c 134 s 5, 1990 c 170 s 4, & 1987
30 c 229 s 6 are each repealed.

31 NEW SECTION. Sec. 12. This act takes effect July 1, 2004.

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