

# HOUSE BILL ANALYSIS

## HB 2787

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**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.

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### HOUSE COMMITTEE ON ENERGY & UTILITIES

*Meeting Date:* February 3, 1998.

*Bill Analysis Prepared by:* 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 4.50  
\$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 \$0.14 per month per switched access line. The current rate, established by the Washington Utilities and Transportation Commission (WUTC), is \$0.13 per line per month. This \$0.13 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:** The Washington Telephone Assistance Program is extended until June 30, 2003.

**Appropriation:** None

**Fiscal Note:** Requested

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