
**Technology, Telecommunications
& Energy Committee**

HB 1624

Brief Description: Modifying provisions of the Washington telephone assistance program.

Sponsors: Representatives Hudgins, Pettigrew, Crouse, Morris, Nixon, Linville and Sullivan; by request of Department of Social and Health Services.

Brief Summary of Bill

- The Washington Telephone Assistance Program is extended indefinitely and is modified to include community voice mail as a service for qualifying recipients.

Hearing Date: 2/12/03

Staff: Pam Madson (786-7166).

Background:

The Washington Telephone Assistance Program (WTAP) has been operating since 1987 to help provide telephone services to low-income residents of the state. The program provides for a reduced monthly charge for basic telephone service, a 50 percent discount on connection fees, and waivers of deposits for local telephone service. The Department of Social and Health Services (DSHS) is the program administrator for the WTAP. The program is set to expire on June 30, 2003.

Households are eligible for 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. The program currently serves approximately 119,000 households.

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 57 telephone companies. Twenty-four telephone companies provide service under WTAP. The excise tax does not apply to wireless companies. In fiscal year 2002, the excise tax receipts collected from participating telephone companies were \$5.49 million, and

program costs were \$6.42 million. The fund balance at the end of the program year was \$5.8 million. The trend in recent years has been that program costs are greater than the revenue collected. This trend is drawing down the fund balance over time.

The federal Lifeline program provides additional assistance toward a household's basic monthly telephone charges. The household pays the first \$4 of their monthly local telephone service, the federal program provides up to \$7.85 and WTAP pays the remainder of the charge which is typically a total of around \$17. Connection charges are paid by 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.

Community voice mail is a computerized telephone answering system that is housed in a lead public agency and is shared by other community service agencies. It allows agencies to provide clients with an individual telephone number and a voice mail box where they can record a personal message and access their messages through use of a personal code from any location. The service is provided to those who do not have traditional telephone service.

Nine communities in Washington currently operate community voice mail programs through local community action agencies. They serve low-income and homeless people who are searching for employment or housing, or are working under other case management plans. In 2002 the legislature allowed former recipients of community voice mail to transition to WTAP services for a limited period of time.

Summary of Bill:

The Washington Telephone Assistance Program is extended indefinitely.

The program is modified to include community service voice mail as a WTAP service. The DSHS will contract with the Department of Community, Trade, and Economic Development (DCTED) to administer community voice mail services through local community action or community service agencies. The program is capped at 8 percent of the previous year's total revenue for the WTAP. Recipients may receive either local telephone service or community voice mail service but not both at the same time.

Recipients may pay their portion of a telephone connection charge over a period of 12 months without interest. The connection discount is no longer limited to once a year. The type of local service that recipients may subscribe to is not limited to a flat rate service but must still be the lowest priced service available.

Appropriation: None.

Fiscal Note: Requested on February 10, 2003.

Effective Date: The bill takes effect ninety days after adjournment of session in which bill is passed.