

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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| In the Matter of the Rule-Making Proceeding Related to the Washington Telephone Assistance Program | DOCKET NO. UT-003074 |
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**Comments of
Public Counsel
Attorney General of Washington**

September 25, 2000

Public Counsel files these comments in response to the Commission's August 23, 2000 Notice of Opportunity to File Written Comments. We look forward to working with Commission Staff and all stakeholders during the entirety of this process and to participating in the initial workshop scheduled for October 10, 2000. Our initial comments in this rulemaking for the Washington Telephone Assistance Program (WTAP) focus on the need to modify the current rule to include provisions related to outreach and publicity of the program, and the participation of wireless telecommunication providers in WTAP. We recommend that the Commission require telephone companies to publicize WTAP through a variety of mechanisms outlined in these comments. In the alternative, the Commission may consider establishing a single entity responsible for marketing WTAP to all consumers and requiring telephone companies to coordinate with such a centralized marketing entity. We also recommend that wireless telecommunications providers participate in WTAP and that the Commission require all ILECs, CLECs and resellers to participate in WTAP.

Outreach

Historically, the number of customers participating in WTAP has been far below the total number of individuals eligible for WTAP. In conversations with Public Counsel and other stakeholders, DSHS representatives have indicated that the current participation rate in WTAP is about 24% of those eligible, and that the “penetration rate” has been consistently at this level for the last few years.

A successful marketing and outreach effort is critical to improve participation in WTAP and the overall impact of the program.¹ Currently, the Commission’s rules for WTAP (WAC 480-122), as well as Department of Social and Health Services rules for WTAP (WAC 388-31) do not include requirements related to outreach to potential WTAP customers. Public Counsel recognizes and is pleased that DSHS has taken steps to enhance awareness of WTAP. Recently, for example, DSHS has begun to conduct direct mailings to individuals who are eligible for WTAP but are not currently enrolled in the program. Ultimately, however, outreach efforts for WTAP are not likely to be fully effective unless telephone companies work closely with DSHS to help promote awareness of the program and its benefits.

The Commission has recently endorsed a commitment by Qwest to enhance outreach to improve participation in WTAP. The US West/Qwest merger settlement agreement, approved by the Commission as being in the public interest, included a provision that: “The Company shall work with relevant, interested parties to develop a proactive program designed to inform eligible low-income population consumers” of the WTAP in an effort to improve participation in the program (Ninth Supplemental Order, UT-991358, Appendix A, “Settlement Agreement,” page

¹ “Lack of knowledge” about the program has been cited as a significant barrier to participation in low-income assistance programs (see Public Utilities Commission of Ohio, *In the Matter of the application of The Ohio Bell Telephone Company for Approval of an Alternative Form of Regulation*, Case No. 93-487-TP-ALT, Opinion and Order, December 30, 1998, page 9).

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Public Counsel believes that telephone companies should be required to conduct effective outreach in conjunction with DSHS to notify customers about WTAP. We recommend that the Commission consider a rule to require telephone companies to engage in outreach efforts. Such efforts on the part of carriers might include the following strategies outlined below that have been implemented in other states as part of their lifeline program. Companies could be required to:

develop and implement a comprehensive marketing plan with an annual budget to publicize WTAP;

notify all customers about WTAP through a bill insert that clearly and accurately describes the program, at least once per year;

provide sufficient staffing to handle increased call volume that may result from enhanced publicity efforts;

carry out direct mailings in cooperation with DSHS to those who receive benefits under WTAP qualifying programs;

coordinate with or employ community action agencies to engage in grassroots outreach efforts;

provide a dedicated 800 toll free number for WTAP enrollment and a dedicated staff workgroup to handle those calls and enroll participants;

provide promotional materials about WTAP and enrollment information to DSHS case workers and other relevant staff from qualifying benefits programs;

develop and implement ongoing staff training in WTAP for all customer service representatives;

provide training on WTAP to billing representatives to help identify potential participants; this may be especially worthwhile since low-income customers are more

likely to experience payment troubles.²

provide a message about WTAP on the main menu of the company's voice response unit;
and

provide clear and accurate information about WTAP, including information about how to enroll in the program, on the company's Internet web site as well as in telephone directories.

As an alternative to some of the outreach strategies listed above, the Commission may also consider establishing a centralized marketing effort for the WTAP program, rather than having each telephone company conduct their own marketing campaign on WTAP. This approach has been adopted elsewhere. In California, for example, the Universal Lifeline Telephone Service (ULTS) Marketing Board was established "to implement a competitively neutral marketing program that will increase the number of ULTS subscribers and help achieve the ULTS program goal of providing basic residential telephone service to all qualifying low-income households." (California Public Utilities Commission, February 2, 2000 News Release, *ULTS Marketing Board Requesting Proposals for Study*). The ULTS Marketing Board was created subsequent to an evaluation of the California lifeline program, conducted by SRI, which recommended that telephone companies be dissociated from marketing the telephone assistance program.³ Even if a centralized marketing effort is instituted in Washington however, we note that telephone carriers should still be held to minimum requirements related to outreach, particularly around training customer service representatives about WTAP.

Finally, a promising strategy that has been implemented in other states to boost participation in the low-income telephone assistance program is an "automatic enrollment"

² Roger Colton, "Understanding Why Customers Don't Pay: The Need for Flexible Collection Practices," January 1991, page 3.

³ Susan H. Russell and Marnie H. Collier, "A Study to Assess Customer Eligibility and Recommend Outreach Activities for the Universal Lifeline Telephone Service," November 1993, SRI Project 5042, page ES-3.

process. Under this arrangement, the administrator of the telephone assistance program (DSHS in Washington) determines which customers are eligible for the telephone assistance program and provides telephone companies with an electronic list of individuals in their service area who are eligible for the program. Such an electronic list might be provided on a monthly basis, for example, with “new” eligible customers identified separately. Within a certain period of time after receipt of this list (30 days, for example), telephone companies are required to “automatically enroll” those eligible customers already receiving telephone service in the reduced telephone assistance rates. This mechanism significantly streamlines the enrollment process for those individuals who already have telephone service.⁴ Public Counsel encourages the Commission and other stakeholders to consider whether instituting an automatic enrollment process for WTAP would be feasible, effective, and provide transactional cost savings for all involved.

Wireless Telecommunications Service

Public Counsel recognizes that in certain circumstances, individuals may be eligible for WTAP but may not have access to wireline telephone service, when no exchange exists, for example, or no line extension has been made. We believe the Commission should consider modifying the rule to extend WTAP benefits to these customers through wireless telecommunications service.

Mandatory Participation in WTAP

Public Counsel believes it is in the interest of all ILECs, CLECs and resellers to

⁴ States are increasingly pursuing automatic enrollment as a mechanism to improve participation in low-income assistance programs and streamline the enrollment process. For example, New York has instituted automatic enrollment on a statewide level for their lifeline telephone assistance program. In Ohio, the Public Utilities Commission ordered Ameritech to implement an automatic enrollment pilot for the Universal Service Assistance (USA) lifeline program in conjunction with the Ohio Department of Human Services (Public Utilities Commission of Ohio, *In the Matter of the application of The Ohio Bell Telephone Company for Approval of an Alternative Form of Regulation*, Case No. 93-487-TP-ALT, Opinion and Order, December 30, 1998, page 33).

participate in WTAP, given that the program offers consumer benefits and provides participating telephone companies with a revenue stream that minimizes their exposure to uncollectibles. We would expect companies to recognize these benefits and therefore participate in WTAP.

However, to the extent that local exchange carriers are not participating in the program, Public Counsel supports modifying the rule to require mandatory participation in WTAP by ILECs, CLECs and resellers.