

Supplemental Question

Commission Staff Questions Concerning WTAP Increase Request

July 3, 2003

1-S. On page 3, the filing states that DSHS considered the option of increasing the WTAP excise tax from 13 cents to 14 cents, that the increase in revenue from a one-cent increase is estimated at \$400,000 per year, and concluded that such an increase may not be feasible given the state's current economic circumstance. Also on page 3, the filing states that one reason for the proposed increase is the cost of community service voice mail (CVM), \$400,000.

- a. As proposed, will the \$400,000 annual cost of CVM come from the WTAP fund?
- b. Does paying for CVM from proceeds from a 13 cent excise tax rather than a 14 cent excise tax result in the need for a \$9.00 monthly rate rather than a lower monthly rate?
- c. If an additional \$400,000 in tax receipts were collected each year, could the monthly rate for WTAP customers be lowered below \$9.00? How much lower? (Please provide the calculation necessary to answer this question.)
- d. Did DSHS conduct an analysis of the impact on the economic circumstances of WTAP participants if the cost of CVM is shared generally (through an increase in the excise tax)? Did DSHS conduct an analysis of the impact on the economic circumstances of WTAP participants if CVM is supported through increased monthly rates paid by WTAP participants for local exchange service?
- e. Was the analysis from (d), above, a part of the analysis that resulted in the conclusion that an increase in the WTAP excise tax may not be feasible given the state's current economic circumstances?
- f. What is the effect on the state's economic circumstances if WTAP participants pay for CVM through increased monthly local exchange rates? What is the effect on the state's economic circumstances if all ratepayers pay for CVM through a one-cent increase in the WTAP excise rate?

