

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

In regards to:) DOCKET NO. UT-031033
)
Petition of the Washington Department) COMMENTS OF CITIZENS' UTILITY
of Social and Health Services to) ALLIANCE OF WASHINGTON a
increase the Co-payment of Washington) program of SPOKANE
Telephone Assistance Program) NEIGHBORHOOD ACTION
Participants) PROGRAMS
)
)

I. Introduction

The Citizens' Utility Alliance of Washington (Alliance), a project of Spokane Neighborhood Action Programs, thanks the Commission for this opportunity to comment on DSHS's proposed co-payment increase for participants in the Washington Telephone Assistance Program (WTAP). The CUA has over 2000 members from 120 Washington cities.

The Alliance understands that based on recent history involving recent large depletions of the WTAP fund by some local exchange carriers, WTAP enrollment increases, and recent legislation mandating WTAP program support for Community Service Voice Mail, that there must be some adjustments to assure program viability. However, we believe that an increase in participant co-payment should be a last resort and kept as low as possible.

We cannot comment completely on the DSHS petition, by the July 7 deadline, because more information needs to be provided by DSHS. And so, by these comments we seek to assert some general observations, provide information to the Commission, and advocate for a penny increase in the WTAP excise tax.

II. The Commission Should Withhold Action on a Co-payment Increase Until Important Questions Are Answered.

Like others who have reviewed DSHS petition, we have many questions. Attached to our comments as appendices A, B, and C, are questions and requests for data submitted to DSHS by Public Counsel and WUTC Commission staff. We won't restate those questions here, but we ask that no significant action be taken on an increase of participant co-payments until the questions are

sufficiently answered, the requested data is submitted, and adequate time is allowed for analysis.

One of our primary concerns is that the projections made by DSHS as to future monthly WTAP expenses may not be accurate. As the DSHS petition reveals, since January 2003, the fund and the program has been under unprecedented stress.

Several high cost phone companies engaged in aggressive media marketing to potential program participants causing enrollment and costs to increase rapidly. Now that the costs are under control as a result of the emergency order obtained by DSHS effective June 1, 2003, how much will the monthly costs decrease? What will be the actual increase or decrease in WTAP participation? A decision on a co-payment increase should not be made until better data and projections are available in regard to number of participants and average monthly WTAP expenses.

III. WTAP Participants Cannot Afford a Co-payment Increase.

As the Commission knows, WTAP participants are low-income and vulnerable people. Every dollar makes a difference. For example, a qualifying family of three receives a grant of \$546.00 a month under Washington's Temporary Assistance For Needy Families (TANF) program, the state's primary assistance program for families with children. However, the "needs standard" for a family of three in Washington, the amount set by the state that is the minimum a person in Washington should have to meet their basic needs, is \$1474.00. *WAC 388.478.0015.*

Accordingly, TANF is not enough to support a family, as demonstrated by the "needs standard" and the thousands of families that seek services every month at private social service agencies, community action agencies, food banks, housing shelters, and housing authorities across the state. Lack of resources force families to trade off basic necessities. Some needs go unmet. An increase in phone costs means resources are not available for other essential services or phone service may be disconnected.

IV. WTAP Enrollment May Not Increase as Projected by DSHS.

Several factors indicate to us that WTAP participation may not increase as projected in the petition. The first is that some of the growth in participation in the last year can be attributed to aggressive media marketing by the high cost phone companies referenced above. It is our understanding that these companies are either ending or substantially limiting their participation in the Washington local

exchange markets and the WTAP program. Therefore we do not foresee a continuation of aggressive media marketing of WTAP.

Secondly, in September 2001 Spokane Neighborhood Action Programs initiated a statewide effort called the Low Income Telecom Project (LITE), designed to increase WTAP participation. The project involves subcontracting with four other community action agencies across the state for outreach services. The subcontracts expire on July 31, 2003, with no funding available for renewal.

During the contracts four regional coordinators have worked full-time on WTAP outreach and education and provided over 1400 organizations information and training on WTAP. Over 1300 people have been directly enrolled electronically in WTAP through a process established with Qwest. Thousands have been provided WTAP information, referred to their phone companies to sign up directly, or helped one-on-one with barriers to enrollment. With the termination of the subcontracts, the outreach initiatives end. We think this will have a significant effect on limiting the increase in WTAP enrollments.

V. The Commission should increase the WTAP Excise Tax to 14 Cents.

The Alliance believes a painless way to ensure the viability of WTAP is to increase the excise tax to the maximum of 14 cents. Adding one penny a month to the phone bills of local exchange customers is nothing compared to the burden proposed to be placed on low-income WTAP participants by an increase in the co-payment.

The legislature, with strong support from the Governor, overwhelmingly voted to renew WTAP this year and renew authorization for the WTAP excise tax. The renewal demonstrates that WTAP has broad support from all of Washington's citizens, and not just program participants. We understand that there is a small vocal minority that object to the WTAP excise tax. The Governor and the legislature did not heed their counsel, and we ask that the Commission not do so either. An increase in the excise tax of one penny may not solve the current funding problems, but it is the most important thing that the Commission can do to keep low-income and vulnerable people from bearing the entire burden of the recent WTAP fund turmoil.

VI. Conclusion

In closing, the CUA would like to thank DSHS, Commission staff, Public Counsel, Community Service Voice mail providers, and the Commissioners for the support they have shown WTAP. In our many contacts with the parties involved, all have shown their primary desire to have a program that works and is viable. We do not view this proceeding as adversarial, but believe that by cooperative effort we can find the best set of solutions to sustain the program and protect program participants.

Dated this 7th day of July, 2003

Respectfully submitted,

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