

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

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

The Citizens' Utility Alliance of Washington (CUA), a program 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 more than 2000 members from 120 Washington cities.

We ask the Commissioners to act on this petition cautiously, with an eye towards avoiding, as much as possible, the rate shock that an increase in the WTAP co-payment from \$4.00 to \$9.00 will have on low-income households already forced to cut corners to make ends meet. We have no doubt that such an increase will lead to hundreds if not thousands of disconnections from basic phone service. Thousands of households just do not have any extra resources.

Many words could be written about how the WTAP fund got to this point, but suffice it say that low-income households did not cause the current crises and those households should not have to bear the entire burden of fixing it.

We request the Commissioners to consider the following when deciding on the proper WTAP participant phone rate:

1. Increase the WTAP excise tax to \$0.14.

A \$0.12 annual increase in the tax is almost nothing. DSHS noted this would reduce the burden on WTAP participants by 50 cents a month.

2. Be conservative in enrollment growth estimates.

We inquired of DSHS about their WTAP growth estimates for this fiscal year. In an email sent to us from Grace Moy on July 14, 2003 we received this response:

1. How many people does DSHS project will be on WTAP on 7/01/03?

Answer: The projection is 121,064 after reducing the caseload numbers for the recertification and termination process.

2. How many people does DSHS project will be on WTAP on 6/30/04?

Answer: 154,181 Again, I used average monthly caseload growth from FY03 to do this calculation.

3. How many people are you projecting to be added (per month) on the program in this fiscal year?

Answer: 2,960 This number is based on average monthly caseload growth during FY03.

As stated in our previous comments filed under this docket, we think SFY 2003 should not be used as a model for estimating enrollment growth. Many factors that influenced the rate for 2003 have changed, including a reduction in the WTAP reimbursement rate to phone companies and the end of significant statewide community action agency outreach efforts to facilitate enrollment in the program.

We have examined the report on WTAP made to the legislature by DSHS for the 2002 fiscal year. In 2002 enrollment in the program went from 106,122 to 119,238 (approx. an 12 percent increase). According to estimates provided by DSHS (see above) they are projecting a growth in enrollment of approximately 27 percent for SFY 2004.

We ask that the commission assume a 12 percent WTAP growth rate for 2004. Starting with the July 2003 DSHS estimate of 121,064 participants, this means an average monthly caseload increase of 1376 instead of the 2960 assumed by DSHS, a difference of 1584. That would mean a decrease in connection fee costs of \$24,552 a month if we use the \$15.50 Qwest connection fee reimbursement as an example ($\$15.50 \times 1584$). It would also mean a decline in the monthly reimbursements for service. For example, using the current Qwest reimbursement of \$5.00 a month, that means an approximate savings of \$7920.00 a month ($\5.00×1584).

3. The revenues decrease forecasted by DSHS may not be correct.

We ask that the commissioners use the most accurate projections available to determine the revenues forecast for WTAP. DSHS is projecting a decrease in WTAP revenue due to a decrease in excise tax revenue that may not be accurate.

4. The administrative costs forecast by DSHS may be too high.

Table A of the DSHS petition includes an estimate that total telephone company administration costs will be \$225,024 during SFY 2004, which represents a 96% increase from the \$114,915 in telephone company administration costs during SFY 2002. We do not find any justification for such a large increase.

Thank you for your consideration of these comments. Please do what you can to protect low-income households from this huge WTAP payment increase.

Dated this 18th day of July, 2003

Respectfully submitted,

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