

July 25, 2003

Dear Interested Person:

Thank you for contacting the Washington Utilities and Transportation Commission (Commission) regarding the Washington Department of Social and Health Services' (DSHS) proposal to increase the rate participants pay for the Washington Telephone Assistance Program (WTAP) from \$4 to \$9 a month. This letter explains the Commission's decision to increase the rate to \$8 a month effective on August 1, 2003.

The Washington Utilities and Transportation Commission is responsible for establishing the rate that participants of the Washington Telephone Assistance Program pay for telephone service. The Department of Social and Health Services is responsible for the administration and financial management of the program. DSHS has indicated that the higher rate is necessary to ensure adequate funds are available for the program to continue. The fund that supports the program experienced additional costs due to an increase in participation in the program and higher reimbursements levels paid to some telephone companies. DSHS has recently taken steps to limit the reimbursement rates it pays certain telephone companies.

More than 1,500 WTAP participants contacted the Commission to express concern regarding the proposed increase, particularly the size of the increase. A few people stated their support for a smaller increase if it were necessary to keep the program operating.

Many people commented that the proposed increase would result in a loss of money for food, medicine and even the possibility of having to disconnect phone service. Participants commented that telephone service is no longer a luxury but rather a necessity. The majority of the contacts stated they are disabled or elderly and depend on the phone for their lifeline. Many participants also indicated they are on a fixed income without other means to pay the increase.

On July 24, 2003 the Commission received public testimony from Public Counsel Section of the Attorney General's Office (representing the public at large), DSHS, members of the public and Commission Staff. Commission Staff worked to minimize the size of the increase for the Washington Telephone Assistance Program participants. However, Commission Staff's analysis showed that an increase from \$4 a month to \$8 per month is necessary to continue to fund the program for the 135,000 participants.

The Commission understands the hardship this decision may cause some participants of this program. However, the Commission also understands that the program must be adequately

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funded in order to continue to support telephone service for the thousands of citizens currently enrolled in the program. In its decision the Commission carefully considered all of the comments received from the affected participants of the program. That is why this decision was difficult to make. Thank you for your thoughtful comments.

Sincerely,

Penny Hansen

Public Involvement Coordinator