

BEFORE THE HOUSE OF REPRESENTATIVES HUMAN SERVICES AND HOUSING COMMITTEE

Senate Bill 203

Testimony of Jon Cray

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Public Utility Commission of Oregon (PUC)

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Under the Residential Service Protection Fund law, the Oregon Telephone Assistance Program (OTAP) is the state counterpart to the federal Lifeline program. The OTAP and Lifeline provide a combined subsidy of \$12.75 to assist low-income Oregonians with their monthly phone bills. The state pays \$3.50 and the Federal Communications Commission (FCC) picks up the remaining \$9.25. Current Oregon statute limits OTAP and Lifeline eligibility to participation in the Supplemental Nutrition Assistance Program and other low-income public assistance programs for which eligibility requirements do not exceed 135% of the Federal Poverty Guidelines (FPG).

Last February, the FCC issued an Order to reform the Lifeline program. The FCC acknowledged that eligibility criteria for Lifeline varied from state to state and identified the need for nationwide uniformity. The reforms included allowing additional federal low-income programs, such as Low-Income Home Energy Assistance Program; and also allowed participation based on household income alone (135% of the FPG). As a result, the FCC amended its rules to require all states, including Oregon, to adopt federal uniform eligibility criteria for Lifeline by June 1, 2012. However, Oregon law did not qualify low-income customers for OTAP and Lifeline based on participation in additional federal assistance programs or on the basis of their household income alone. Therefore, the PUC petitioned the FCC for a temporary waiver of this rule, which was granted until April 1<sup>st</sup> of this year.

The PUC respectfully requests your support of this bill that modifies Oregon law to authorize the PUC to establish low-income eligibility requirements for OTAP and Lifeline in Oregon Administrative Rules. This will allow the PUC to meet the April 1<sup>st</sup> deadline imposed by the FCC and will allow the PUC to also meet future FCC deadlines without the need to amend Oregon statute.