

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass
Vote: 6 - 0 - 0
Yeas: Edwards, Girod, Monroe, Starr, Thomsen, Beyer
Nays: 0
Exc.: 0
Prepared By: Patrick Brennan, Administrator
Meeting Dates: 2/4

WHAT THE MEASURE DOES: Authorizes the Public Utility Commission to define, by rule, the term “low income customer” for purposes of the Oregon telephone assistance program. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Necessary to conform with federal law
- Oregon waiver in effect until April 2, 2013
- Potential burden on telecommunications providers if measure not passed
- Eligibility criteria under revised federal rules

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The federal Lifeline program was instituted in 1985 to provide a discount on telephone service for qualifying low-income consumers in order to ensure that all Americans have access to telephone service for jobs, family and emergency services. Lifeline discounts have been available to qualifying low-income consumers on prepaid wireless service plans since 2005. In Oregon, the Lifeline program’s corollary is the Oregon Telephone Assistance Program (OTAP). Under current law, applicants can qualify for the program if they participate in one of the following programs: food stamps/Supplemental Nutrition Assistance Program; Temporary Assistance to Needy Families; Supplemental Security Income; free lunch under the National School Lunch Program; or certain state medical programs or Medicaid programs for those at or below 135 percent of the Federal Poverty Level (FPL). Applicants who qualify receive a reduction of \$12.75 in their monthly telephone bill.

In February 2012, the Federal Communications Commission (FCC) issued FCC Order 12-11, revising its criteria for participation in the Lifeline program. The order noted that eligibility criteria varied from state to state and directed that all states are to use the criteria that applied to “federal default states,” those that did not mandate state-funded Lifeline support (which Oregon does under OTAP). The default criteria, which include household income at or below 135 percent of FPL plus participation in one of a number of federal assistance programs, required the PUC to apply for a waiver in order to prevent a bifurcation of the state and federal programs. This, in turn, would result in unnecessary burdens on eligible telecommunications carriers and consumers. Oregon’s waiver is in effect until April 2, 2013.

Senate Bill 203 authorizes the PUC to establish, by rule, the definition of “low-income customer” for the purposes of the OTAP. The ability to define the term by rule will provide the PUC with the ability to adjust to the current FCC requirements and to adjust to any changes to those requirements made in the future.