

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass

Vote: 8 - 0 - 1

Yeas: Gallegos, Gelser, Gomberg, Keny-Guyer, Olson, Whisnant, Whitsett, Tomei

Nays: 0

Exc.: Gilliam

Prepared By: Regina Wilson, Administrator

Meeting Dates: 3/18, 3/22

WHAT THE MEASURE DOES: Clarifies “low income customer” defined by Public Utility Commission via rule. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Oregon telephone system
- Requirement of states to adopt uniform eligibility criteria
- Provision of state and federal combined subsidy

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Public Utility Commission (PUC) manages the Telephone Assistance Program, known as “Lifeline”. The program is a state and federal government assistance program that reduces an individual’s monthly telephone bill. The program is supported through the federal Universal Service Fund (USF). In 1997, the Federal Communications Commission (FCC) created the USF to meet standards outlined in the 1996 Telecommunications Act. The Act mandates that “specific, predictable and sufficient” federal and state mechanisms preserve and advance universal service. Universal Service, as updated through mandate in 1996, has several core goals, including the accessibility of advanced telecommunications services throughout the United States; the availability of services to all consumers, especially those in rural, low income, and high cost areas; and to ensure equitable and non-discriminatory contributions from providers of telecommunications services to the USF.

To ensure universal service, Lifeline discounts monthly telephone service for eligible low-income consumers. The national monthly average discount is approximately \$9.25. Oregon’s combined subsidy is approximately \$12.75 a month. Federal rules prohibit participants from receiving Lifeline assistance for both wireless or wireline services per household. Eligibility is determined based on income; an individual must be at or below 135% of the federal poverty guidelines, or participate in: Medicaid, Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI), Federal Public Housing Assistance (Section 8), Low-Income Home Energy Assistance Program (LIHEAP), National School Free Lunch Program, Temporary Assistance for Needy Families (TANF), Bureau of Indian Affairs General Assistance, Tribally- Administered Temporary Assistance for Needy Families (TTANF), Food Distribution Program on Indian Reservations (FDPIR), Head Start, or other applicable state assistance programs. In recent years, efforts to reduce fraud and waste have resulted in improvements in data collection, including the creation of the National Lifeline Accountability Database. The database built upon efforts from 2011, where the FCC eliminated almost 270,000 duplicate subscriptions from 12 states after a review of over 3.6 million records. Senate Bill 203 clarifies that PUC defines “low income consumer” via rule and makes other changes to conform to federal law.

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This summary has not been adopted or officially endorsed by action of the committee.