

**STATE OF MARYLAND
OFFICE OF PEOPLE'S COUNSEL**

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BILL NO.: **House Bill 999**
Public Utilities – Telephone Lifeline Service -
Revisions

COMMITTEE: **Economic Matters**

HEARING DATE: **February 23, 2017**

SPONSORS: **Delegate Davis**

POSITION: **Support**

House Bill 999 amends the Maryland Telephone Lifeline Service Law to ensure consistency with the recent changes to the federal Lifeline program. With regard to Lifeline service provided by regulated local telephone companies in Maryland (Verizon MD and Armstrong), the Bill adds clarifying definitions, conforms eligibility requirements to the new FCC rules, and clarifies the role of the Department of Human Resources (DHR) in determining automatic income eligibility until that role is taken over by the FCC. The Office of People's Counsel (OPC) supports House Bill 999.¹

The Lifeline program is a federal program that has helped limited income consumers pay for telephone service, whether for landline (wired) or wireless service. The program is administered by the Federal Communications Commission (FCC). The cost of the program is shared by all telephone customers through a monthly Universal Service Fund surcharge.

¹ With regard to the DHR role in certification, the Bill also clarifies that it may certify consumers as qualifying low-income consumers if they “use service other than local telephone service.” (Bill, page 5, lines 16-18). This could refer to wireless (cell phone) service and broadband service.

The FCC issued new rules in 2016 to make certain changes to the Lifeline program. There are two major changes of importance to Maryland consumers. First, Lifeline has been extended to broadband service. As of December 2, 2016, Lifeline assistance now is available for voice service, broadband service, or a bundle of the two services. Second, the FCC has changed the rules for automatic income eligibility for consumers. For Lifeline voice service provided by a Maryland regulated telephone company, this Bill conforms the Maryland automatic income eligibility rules to the new FCC eligibility rules (or any revisions thereto).

The Maryland Public Service Commission (Commission) obtained a waiver from the FCC to extend the compliance deadline for the new income eligibility rules to October 31, 2017. House Bill 1002 has an effective date of July 1, 2017, which would enable compliance at that earlier date.

The FCC rules, and this Bill, change the enumerated assistance programs for automatic income eligibility. Currently, Maryland consumers who participate in one of the following programs are automatically eligible for Lifeline service:

- Food Supplement Program (SNAP)
- Medicaid
- Energy Assistance (MEAP, EUSP)
- Supplemental Security Income (SSI)
- Temporary Cash Assistance (TANF)
- Section 8 (housing)
- School Lunch Programs (NSLP)
- Temporary Disability Assistance Program (TDAP)
- Public Assistance for Adults (PAA)
- Veterans Pension Program (as of December 2, 2016)
- Veterans Survivors Benefit Program (as of December 2, 2016)

This Bill modifies the list of participating programs, in conformance with FCC rules, to now include only the following:

- Food Supplement Program (SNAP)
- Medicaid
- Supplemental Security Income (SSI)
- Section 8 (housing)
- Veterans Pension Program
- Veterans Survivors Benefit Program
- Certain Tribal programs

The non-automatic income eligibility requirement remains at or below 135 percent of the federal poverty limit.

The Office of People's Counsel has worked with our national association, the National Association of State Utility Consumer Advocates (NASUCA), and the Universal Service Administrative Company (USAC), which currently administers the Lifeline program, to develop education and outreach materials about the changes to the Lifeline program. A copy of OPC's "Lifeline Assistance: A Consumer Guide" is attached to this testimony. It would be amended to reflect the new effective date.

The Office of People's Counsel urges a FAVORABLE report on House Bill 999.