

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 649
Finance

(Senator Middleton, *et al.*)

Economic Matters

Public Utilities - Telephone Lifeline Service - Revisions

This bill generally conforms statute to federal requirements for Lifeline services provided through a landline. The bill also repeals provisions related to Link Up services for landline telephones. Nothing in the bill may be construed to establish jurisdiction by the Public Service Commission (PSC) over wireless services, broadband services, Voice over Internet Protocol (also known as VoIP) services, or other services that are not provided through telephone lines.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: The bill generally conforms to existing federal requirements and does not materially affect State finances or operations. Removal of provisions related to Link Up services has no effect on State finances, as discussed below.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: Statute is revised to conform to a recent Federal Communications Commission (FCC) Order that changed the eligibility requirements for Lifeline service. Specifically, the bill:

- changes the public assistance programs that individuals can use to qualify for Lifeline service in Maryland from specified State programs to federal programs exclusively;
- eliminates Link Up services from statute; and
- clarifies the role of the Department of Human Resources (DHR) in determining Lifeline service eligibility for Maryland customers until FCC or its designee determines eligibility.

Current Law/Background: The bill applies to Lifeline and Link Up services provided through landline telephones in the State. Under these federal programs, companies provide discounted products and services to eligible individuals and then seek reimbursement from the federal government. State law, as it relates to landline telephone service, incorporates aspects of the federal programs. Lifeline service provides customers with telephone (landline or wireless) access at reduced rates, whereas Link Up service reduces the costs of installing a new landline phone.

An April 27, 2016 FCC order significantly modernized Lifeline and Link Up services, including the process through which eligibility is determined. The bill conforms to these federal requirements by removing State programs as determinants of eligibility and removing DHR from the eligibility determination process after FCC or its designee determines eligibility. PSC advises that the order went into effect December 1, 2016, but FCC granted Maryland a waiver from the eligibility requirements in the order until September 1, 2017, to allow Maryland to update its statute. The full text of the [FCC order](#) can be found on its website.

State Fiscal Effect: PSC advises that the federal Link Up service now only applies to tribal lands and that Maryland telephone companies can no longer receive federal reimbursement for Link Up services. There is no separate State funding for Link Up reimbursements. As such, the State's telephone companies are currently not providing Link Up services and removing these provisions has no effect on State finances.

DHR can implement the bill with existing resources.

Additional Information

Prior Introductions: None.

Cross File: HB 999 (Delegate Davis) - Economic Matters.

Information Source(s): Public Service Commission; Federal Communications Commission; Department of Human Resources; Department of Legislative Services

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