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By: Senators Miller and Middleton, Middleton, Della, Exum, Gladden,  
Hooper, Kelley, Klausmeier, and Teitelbaum

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Assigned to: Finance

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: March 7, 2006

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Telephone Companies - Telephone Lifeline Service**

3 FOR the purpose of altering and expanding the types of telephone lifeline service that  
4 are available to eligible subscribers; requiring certain telephone companies to  
5 provide telephone lifeline service at the direction of the Public Service  
6 Commission; requiring certain telephone companies to obtain access to certain  
7 information from the Department of Human Resources in a certain manner for  
8 certain purposes; requiring the Commission to conduct a certain study and  
9 report its findings and recommendations to certain committees of the General  
10 Assembly by a certain date; and generally relating to telephone companies and  
11 telephone lifeline service.

12 BY repealing and reenacting, with amendments,  
13 Article - Public Utility Companies  
14 Section 8-201  
15 Annotated Code of Maryland  
16 (1998 Volume and 2005 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article - Public Utility Companies**

20 8-201.

21 (a) (1) In this section the following words have the meanings indicated.

1 (2) "Eligible subscriber" means an individual who is certified to [the] A  
2 local telephone company [in whose service area the individual is applying for service]  
3 by the Department of Human Resources as receiving:

4 (I) assistance under Article 88A, §§ 44A through 53 of the Code[,  
5 receiving];

6 (II) ASSISTANCE FROM THE ELECTRIC UNIVERSAL SERVICE  
7 PROGRAM UNDER § 7-512.1 OF THIS ARTICLE;

8 (III) ASSISTANCE FROM THE MARYLAND ENERGY ASSISTANCE  
9 PROGRAM UNDER ARTICLE 41, TITLE 6, SUBTITLE 4 OF THE CODE;

10 (IV) State-funded public assistance benefits[.]; or [receiving]

11 (V) Supplemental Security Income under Title XVI of the federal  
12 Social Security Act.

13 (3) "Telephone lifeline service" means [a] local telephone [service]  
14 SERVICES provided to eligible subscribers [that,] at a discount[, provides an  
15 individual residential local exchange dial access line plus the first 30 residential local  
16 untimed messages per billing month] IN ACCORDANCE WITH THIS SECTION.

17 (b) [A] AT THE DIRECTION OF THE COMMISSION, A local telephone company  
18 with more than 10,000 subscribers shall offer telephone lifeline service to eligible  
19 subscribers subject to the following conditions:

20 (1) no other local voice telephone service may be provided to the dwelling  
21 unit of the eligible subscriber applying for telephone lifeline service; AND

22 [(2) except for tone signaling capability, premium services, including  
23 foreign zone or foreign exchange service, are not provided to the eligible subscriber;  
24 and

25 (3)] (2) an inside wiring maintenance plan is not provided to the  
26 eligible subscriber.

27 [(c) (1) The rate that a telephone company charges for telephone lifeline  
28 service shall be 50% of the lowest applicable and approved federal and State tariff  
29 rates for an individual residential local exchange dial access line and for residential  
30 local untimed messages per month, less any waivers of federal tariff provisions  
31 applicable to eligible customers allowed by federal statute, order, rule, or regulation,  
32 plus all applicable federal, State, and local taxes and fees.

33 (2) (i) If an eligible subscriber elects to subscribe to tone signaling  
34 capability, the rate charged shall be 50% of the applicable and approved federal and  
35 State tariff rates for this service, plus all applicable federal, State, and local taxes.

36 (ii) For an eligible subscriber, repairs to inside wiring will be  
37 charged at 50% of the applicable filed tariff.

1 (3) (i) Whenever initial installation or connection of service is  
2 required, the rate charged shall be 50% of the applicable and approved federal and  
3 State tariff charges for the installation and connection of residential dial access  
4 service to one terminating location within the eligible subscriber's dwelling unit, plus  
5 all applicable federal, State, and local taxes.

6 (ii) Custom installation or construction charges shall be charged at  
7 the applicable approved federal and State tariff rates.

8 (4) (i) A telephone company may not require the payment of an order  
9 processing charge or line change charge for an eligible subscriber's change to  
10 telephone lifeline service from any other class of residential service.

11 (ii) A subscriber to telephone lifeline service who no longer qualifies  
12 as an eligible subscriber may not be charged a fee for disconnecting from telephone  
13 lifeline service and connecting to another class of telephone service.

14 (5) All other services provided to eligible subscribers, including all local  
15 messages after the first 30 within a given billing month, shall be charged at the  
16 applicable and approved federal and State tariff rates.]

17 (C) (1) AN ELIGIBLE SUBSCRIBER MAY SELECT A TELEPHONE LIFELINE  
18 SERVICE UNDER EITHER PARAGRAPH (2) OR (3) OF THIS SUBSECTION.

19 (2) AN ELIGIBLE SUBSCRIBER WHO SELECTS TELEPHONE LIFELINE  
20 SERVICE UNDER THIS PARAGRAPH:

21 (I) SHALL RECEIVE:

22 1. AN INDIVIDUAL RESIDENTIAL LOCAL EXCHANGE ACCESS  
23 LINE; AND

24 2. THE FIRST 30 RESIDENTIAL LOCAL UNTIMED MESSAGES  
25 EACH BILLING MONTH AT NO ADDITIONAL CHARGE;

26 (II) SHALL BE CHARGED:

27 1. 50% OF THE LOWEST APPLICABLE AND APPROVED  
28 FEDERAL AND STATE TARIFF RATES FOR THE ACCESS LINE AND INCLUDED  
29 RESIDENTIAL LOCAL UNTIMED MESSAGES, MINUS ANY APPLICABLE WAIVER OF  
30 FEDERAL TARIFF PROVISIONS FOR ELIGIBLE SUBSCRIBERS, PLUS ALL APPLICABLE  
31 FEDERAL, STATE, AND LOCAL TAXES;

32 2. THE FULL APPLICABLE TARIFF RATES FOR ALL OTHER  
33 RESIDENTIAL LOCAL UNTIMED MESSAGES; AND

34 3. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (D) OF  
35 THIS SECTION, THE FULL APPLICABLE TARIFF RATES FOR ALL OTHER SERVICES;  
36 AND

1 (III) MAY NOT BE PROVIDED ANY PREMIUM SERVICES, INCLUDING  
2 FOREIGN ZONE OR FOREIGN EXCHANGE SERVICE.

3 (3) AN ELIGIBLE SUBSCRIBER WHO SELECTS TELEPHONE LIFELINE  
4 SERVICE UNDER THIS PARAGRAPH:

5 (I) SHALL RECEIVE AN INDIVIDUAL RESIDENTIAL LOCAL  
6 EXCHANGE ACCESS LINE WITH UNLIMITED RESIDENTIAL LOCAL UNTIMED  
7 MESSAGES FOR A MONTHLY CHARGE OF \$10; AND

8 (II) MAY PURCHASE UP TO TWO VALUE-ADDED SERVICES AT THE  
9 FULL APPLICABLE TARIFF RATES.

10 (D) THE TELEPHONE COMPANY SHALL CHARGE TO AN ELIGIBLE SUBSCRIBER  
11 50% OF THE APPLICABLE FILED TARIFF FOR:

12 (1) REPAIRS TO INSIDE WIRING; AND

13 (2) INSTALLATION AND CONNECTION OF RESIDENTIAL DIAL ACCESS  
14 SERVICE TO ONE TERMINATION IN THE DWELLING UNIT OF THE ELIGIBLE  
15 SUBSCRIBER.

16 (E) THE TELEPHONE COMPANY SHALL CHARGE TO THE ELIGIBLE  
17 SUBSCRIBER ALL APPLICABLE FEDERAL, STATE, AND LOCAL TAXES AND FEES.

18 (F) (1) A TELEPHONE COMPANY MAY NOT REQUIRE PAYMENT OF AN ORDER  
19 PROCESSING CHARGE OR LINE CHANGE CHARGE TO CHANGE AN ELIGIBLE  
20 SUBSCRIBER TO TELEPHONE LIFELINE SERVICE FROM ANY OTHER CLASS OF  
21 RESIDENTIAL TELEPHONE SERVICE.

22 (2) A TELEPHONE LIFELINE SERVICE SUBSCRIBER WHO NO LONGER  
23 QUALIFIES AS AN ELIGIBLE SUBSCRIBER MAY NOT BE CHARGED A FEE TO CHANGE  
24 FROM TELEPHONE LIFELINE SERVICE TO ANY OTHER CLASS OF RESIDENTIAL  
25 TELEPHONE SERVICE.

26 [(d)] (G) (1) A telephone company may not request a deposit to secure  
27 payment in connection with the initial installation or connection of telephone lifeline  
28 service.

29 (2) An eligible subscriber applying for service may be denied service if  
30 the eligible subscriber:

31 (i) has an outstanding unpaid net telephone debt of \$100 or more  
32 for prior telephone service; and

33 (ii) has not established a reasonable payment plan to satisfy the  
34 debt.

1 (3) An eligible subscriber may not be denied service if the eligible  
2 subscriber has an outstanding unpaid net telephone debt of less than \$100 for prior  
3 telephone service.

4 (H) (1) TO THE EXTENT ALLOWED BY FEDERAL LAW, THE DEPARTMENT OF  
5 HUMAN RESOURCES SHALL PROVIDE TO LOCAL TELEPHONE COMPANIES THAT  
6 OFFER TELEPHONE LIFELINE SERVICE MONTHLY ELECTRONIC ACCESS TO A FILE  
7 CONTAINING A LIST OF ALL INDIVIDUALS WHO RECEIVE ASSISTANCE FROM ANY OF  
8 THE PROGRAMS LISTED IN SUBSECTION (A)(2) OF THIS SECTION.

9 (2) TO OBTAIN ACCESS TO THE FILE, A LOCAL TELEPHONE COMPANY  
10 MUST ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE DEPARTMENT  
11 OF HUMAN RESOURCES THAT GOVERNS ACCESS TO USE, CONFIDENTIALITY, AND  
12 RETENTION OF THE FILE.

13 (3) THE GRANT OF ACCESS TO THE FILE SATISFIES THE CERTIFICATION  
14 REQUIREMENT OF SUBSECTION (A)(2) OF THIS SECTION.

15 SECTION 2. AND BE IT FURTHER ENACTED, That:

16 (a) The Public Service Commission shall study the implications of expanding  
17 the definition of "eligible subscriber" under § 8-201(a)(2) of the Public Utility  
18 Companies Article as enacted by this Act to include individuals who:

19 (1) do not receive the specified assistance or benefits to be eligible for a  
20 telephone lifeline service; and

21 (2) reside in subsidized housing where residential local exchange access  
22 line service, residential local untimed messages, and other associated telephone  
23 services are included as part of the individuals' rent payments.

24 (b) On or before December 31, 2006, the Public Service Commission shall  
25 report its findings and recommendations, in accordance with § 2-1246 of the State  
26 Government Article, to the Senate Finance Committee and the House Economic  
27 Matters Committee.

28 ~~SECTION 2. 3.~~ AND BE IT FURTHER ENACTED, That this Act shall take  
29 effect October 1, 2006.