

SENATE BILL 649

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By: **Senator Middleton**

Introduced and read first time: February 3, 2017

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Public Utilities – Telephone Lifeline Service – Revisions**

3 FOR the purpose of providing that a certain local telephone company provide “lifeline” to
4 certain qualifying low-income consumers under certain circumstances; altering
5 certain terminology used with respect to telephone lifeline service and its
6 requirements; repealing a requirement that a telephone company charge an eligible
7 subscriber a percentage of a certain tariff under certain circumstances; requiring the
8 Department of Human Resources to provide certain information to local telephone
9 companies to the extent allowed by State law in addition to federal law and until
10 certain eligibility is determined; specifying that the Department maintain a certain
11 file; authorizing the Department to certify a certain qualifying low-income consumer
12 under certain circumstances; making certain conforming changes; providing for the
13 scope and construction of a certain provision of law; defining certain terms; repealing
14 certain definitions; and generally relating to telephone service.

15 BY repealing and reenacting, with amendments,
16 Article – Public Utilities
17 Section 8–201
18 Annotated Code of Maryland
19 (2010 Replacement Volume and 2016 Supplement)

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

22 **Article – Public Utilities**

23 8–201.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 [(2) “Eligible subscriber” means an individual who is certified to a local
2 telephone company by the Department of Human Resources as receiving:

3 (i) assistance under Title 5, Subtitle 3 of the Human Services
4 Article;

5 (ii) assistance from the electric universal service program under §
6 7–512.1 of this article;

7 (iii) assistance from the Maryland Energy Assistance Program under
8 Title 5, Subtitle 5A of the Human Services Article;

9 (iv) State-funded public assistance benefits; or

10 (v) Supplemental Security Income under Title XVI of the federal
11 Social Security Act.]

12 **(2) “ECONOMIC UNIT” MEANS ALL ADULT INDIVIDUALS
13 CONTRIBUTING TO AND SHARING IN THE INCOME AND EXPENSES OF A HOUSEHOLD.**

14 [(3) “Telephone lifeline service” means local telephone services provided to
15 eligible subscribers at a discount in accordance with this section.]

16 **(3) “HOUSEHOLD” MEANS AN INDIVIDUAL OR A GROUP OF
17 INDIVIDUALS WHO ARE LIVING TOGETHER AT THE SAME ADDRESS AS ONE
18 ECONOMIC UNIT.**

19 **(4) “LIFELINE” MEANS A NONTRANSFERABLE RETAIL SERVICE
20 OFFERING PROVIDED DIRECTLY TO QUALIFYING LOW-INCOME CONSUMERS FOR
21 WHICH QUALIFYING LOW-INCOME CONSUMERS PAY REDUCED CHARGES AS A
22 RESULT OF FEDERAL OR STATE LIFELINE SUPPORT.**

23 **(5) “QUALIFYING LOW-INCOME CONSUMER” MEANS AN INDIVIDUAL
24 WHO:**

25 **(I) MEETS THE QUALIFICATIONS FOR LIFELINE UNDER 47
26 C.F.R. §§ 54.400, 54.409, AND 54.410; AND**

27 **(II) IS CERTIFIED TO RECEIVE LIFELINE.**

28 **(B) EXCEPT AS PROVIDED IN SUBSECTION (I) OF THIS SECTION, THIS
29 SECTION APPLIES ONLY TO A LOCAL TELEPHONE COMPANY AND THE PROVISION OF
30 LOCAL TELEPHONE SERVICE.**

1 **[(b)] (C)** At the direction of the Commission, a local telephone company with
2 more than 10,000 subscribers shall offer **[telephone] lifeline [service]** to **[eligible**
3 **subscribers] QUALIFYING LOW-INCOME CONSUMERS** subject to the following conditions:

4 (1) no other local voice telephone service may be provided to the **[dwelling**
5 **unit] HOUSEHOLD** of the **[eligible subscriber] QUALIFYING LOW-INCOME CONSUMER**
6 applying for **[telephone] lifeline [service]**; and

7 (2) an inside wiring maintenance plan is not provided to the **[eligible**
8 **subscriber] QUALIFYING LOW-INCOME CONSUMER.**

9 **[(c)] (D)** (1) **[An eligible subscriber] A QUALIFYING LOW-INCOME**
10 **CONSUMER** may select a **[telephone] lifeline [service]** under either paragraph (2) or (3) of
11 this subsection.

12 (2) **[An eligible subscriber] A QUALIFYING LOW-INCOME CONSUMER**
13 who selects **[telephone] lifeline [service]** under this paragraph:

14 (i) shall receive:

15 1. an individual residential local exchange access line; and

16 2. the first 30 residential local untimed messages each billing
17 month at no additional charge;

18 (ii) shall be charged:

19 1. 50% of the lowest applicable and approved federal and
20 State tariff rates for the access line and included residential local untimed messages, minus
21 any applicable waiver of federal tariff provisions for **[eligible subscribers] QUALIFYING**
22 **LOW-INCOME CONSUMERS**, plus all applicable federal, State, and local taxes;

23 2. the full applicable tariff rates for all other residential local
24 untimed messages; and

25 3. **[except as otherwise provided in subsection (d) of this**
26 **section,]** the full applicable tariff rates for all other services; and

27 (iii) may not be provided any premium services, including foreign
28 zone or foreign exchange service.

29 (3) **[An eligible subscriber] A QUALIFYING LOW-INCOME CONSUMER**
30 who selects **[telephone] lifeline [service]** under this paragraph:

1 (i) shall receive an individual residential local exchange access line
2 with unlimited residential local untimed messages for a monthly charge of \$10; and

3 (ii) may purchase up to two value-added services at the full
4 applicable tariff rates.

5 [(d) The telephone company shall charge to an eligible subscriber 50% of the
6 applicable filed tariff for:

7 (1) repairs to inside wiring; and

8 (2) installation and connection of residential dial access service to one
9 termination in the dwelling unit of the eligible subscriber.]

10 (e) The telephone company shall charge to the [eligible subscriber] **QUALIFYING**
11 **LOW-INCOME CONSUMER** all applicable federal, State, and local taxes and fees.

12 (f) (1) A telephone company may not require payment of an order processing
13 charge or line change charge to change [an eligible subscriber] **A QUALIFYING**
14 **LOW-INCOME CONSUMER** to [telephone] lifeline [service] from any other class of
15 residential telephone service.

16 (2) [A telephone lifeline service subscriber] **AN INDIVIDUAL** who **IS** no
17 longer [qualifies as an eligible subscriber] **A QUALIFYING LOW-INCOME CONSUMER** may
18 not be charged a fee to change from [telephone] lifeline [service] to any other class of
19 residential telephone service.

20 (g) (1) A telephone company may not request a deposit to secure payment in
21 connection with the initial installation or connection of [telephone] lifeline [service].

22 (2) [An eligible subscriber] **A QUALIFYING LOW-INCOME CONSUMER**
23 applying for service may be denied service if the [eligible subscriber] **QUALIFYING**
24 **LOW-INCOME CONSUMER**:

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

27 (ii) has not established a reasonable payment plan to satisfy the
28 debt.

29 (3) [An eligible subscriber] **A QUALIFYING LOW-INCOME CONSUMER**
30 may not be denied service if the [eligible subscriber] **QUALIFYING LOW-INCOME**
31 **CONSUMER** has an outstanding unpaid net telephone debt of less than \$100 for prior
32 telephone service.

1 (h) (1) To the extent allowed by federal AND STATE law, the Department of
2 Human Resources shall provide to local telephone companies that offer [telephone] lifeline
3 [service] monthly electronic access to a file containing a list of [all individuals who receive
4 assistance from any of the programs listed in subsection (a)(2) of this section] **QUALIFYING**
5 **LOW-INCOME CONSUMERS UNTIL THE FEDERAL COMMUNICATIONS COMMISSION**
6 **OR ITS DESIGNEE DETERMINES ELIGIBILITY.**

7 (2) To obtain access to the file **MAINTAINED BY THE DEPARTMENT OF**
8 **HUMAN RESOURCES**, a local telephone company must enter into a memorandum of
9 understanding with the Department of Human Resources that governs access to use,
10 confidentiality, and retention of the file.

11 (3) The grant of access to the file satisfies the certification requirement of
12 subsection [(a)(2)] **(A)(5)** of this section.

13 (4) **ONCE THE FEDERAL COMMUNICATIONS COMMISSION OR ITS**
14 **DESIGNEE DETERMINES ELIGIBILITY, THAT DETERMINATION WILL SATISFY THE**
15 **CERTIFICATION REQUIREMENT UNDER SUBSECTION (A)(5) OF THIS SECTION.**

16 (i) **THE DEPARTMENT OF HUMAN RESOURCES MAY CERTIFY CONSUMERS**
17 **AS QUALIFYING LOW-INCOME CONSUMERS IF THEY USE SERVICES OTHER THAN**
18 **LOCAL TELEPHONE SERVICE.**

19 (j) **NOTHING IN THIS SECTION MAY BE CONSTRUED TO ESTABLISH**
20 **JURISDICTION BY THE COMMISSION OVER WIRELESS SERVICES, BROADBAND**
21 **SERVICES, VOICE OVER INTERNET PROTOCOL SERVICES, OR OTHER SERVICES THAT**
22 **ARE NOT PROVIDED THROUGH TELEPHONE LINES.**

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
24 1, 2017.