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#### LOW-INCOME TELEPHONE DISCOUNT TO INCREASE

The state Public Service Commission has approved a bigger discount for participants in Montana's low-income telephone assistance program. Beginning January 1, 1998, recipients of Medicaid assistance can save \$10.50 per month on their phone service.

Under the current state program, local phone companies waive the monthly \$3.50 federal subscriber line charge and provide a matching rate reduction of \$3.50, for a total monthly savings of \$7 for low-income customers.

Under a national law passed in February 1996, the Federal Communications Commission announced that, beginning in 1998, it would add an extra \$3.50 to the existing \$3.50 federal discount to each participant, contingent on state utility commissions approving the additional discount. The Montana PSC approved the additional discount today.

In addition to the \$7 in federal support each month, Montana's local phone companies will continue to provide a rate reduction of \$3.50 per month to program participants, resulting in total monthly phone bill savings of \$10.50.

Besides increasing the discount amount, the FCC made other changes to low-income telephone assistance programs nationwide:

- A local phone company may not require a security deposit from a program participant who chooses to subscribe to toll blocking, which prevents caller from dialing long-distance calls from the customer's phone.
- Toll blocking must be offered to program participants at no charge.
- A local phone company may not disconnect a program participant's local telephone service due to his or her failure to pay for long-distance service.
- A local phone company may not refuse a program participant's request for local phone service based on the customer's previous disconnection for nonpayment of long-distance charges.

Persons receiving Medicaid assistance who are interested in joining the telephone assistance program should call their local phone company for information.

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