

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**Communications Division
Consumer Programs Branch****RESOLUTION T-17323
August 18, 2011****R E S O L U T I O N****Resolution No. T-17323 To Establish the Deaf and Disabled
Telecommunications Equipment and Service Program Budget (Public
Utilities Code Section 2881 Et Seq) for the 2012-13 Fiscal Year Budget.**

SUMMARY

This resolution recommends a Fiscal Year (FY) 2012-13 annual budget of \$76.12 million for the Deaf and Disabled Telecommunications Equipment and Relay Service Program (DDTP), pursuant to Public Utilities (PU) Code Section 2881, *et seq.*

BACKGROUND

The California Public Utilities Commission (CPUC) established a program to provide specialized equipment to the Deaf and Hard-of-Hearing through CPUC decisions issued in the 1980's.¹ Subsequently, the Legislature codified the program through passage of several provisions contained in Public Utilities (PU Code Sections 2881 *et seq.*). To implement the three legislative mandates, the CPUC created the DDTP and its advisory committees.² The three legislative mandates governing the DDTP are as follows: PU Code Section 2881(a) which authorizes the provision of Teletypewriters (TTYs) to Deaf or Hard of Hearing individuals; PU Code Section 2881(b) which uses third-party intervention, also known as the California Relay Service (CRS) to connect by telephone consumers who are deaf, hard of hearing, or speech-impaired with other parties; and PU Code Section 2881(c) which authorizes the provision of other specialized telecommunications equipment to consumers with hearing, vision, mobility, speech, and/or cognitive disabilities.

¹ The statutory language uses the term "hearing impaired". The preferred term today is "hard of hearing", and that term is used in this resolution.

² The CPUC made some minor modifications to the Committee structure in D.03-06-070, which implemented SB 669, the bill that mandated transitioning of the DDTP into the CPUC and the surcharge funds into the State Treasury.

A special fund dedicated to the DDTP was created by Senate Bill 669; this fund is currently maintained in the State Treasury. The DDTP is funded via a surcharge on end user intrastate revenues and collected by all telecommunications service providers in California.³ The current DDTP Surcharge rate is 0.20%.

Pursuant to statute, the CPUC administers and adopts policies which govern the DDTP. The CPUC has charged its Communications Division (CD) staff with the task of monitoring the administration of the DDTP. The CPUC's primary program and contract administrator for the DDTP is the California Communications Access Foundation (CCAF), a private vendor. CCAF and all others providing equipment or services to the DDTP do so under contract to the State/CPUC, pursuant to state contracting and procurement rules.

In addition, the CPUC contracts for services from a number of other vendors including the following: sign language interpreters, captioners, voicers, brailers, marketing vendors, equipment, call center, warehouse operator, and relay providers. The CPUC also by decision created three advisory committees: 1) the Telecommunications Access for the Deaf and Disabled Administrative Committee (TADDAC), now codified in PU Code section 278, the Equipment Program Advisory Committee (EPAC), a subcommittee, and the California Relay Service Advisory Committee (CRSAC), also a subcommittee. Resolution T-17212 authorized the merger of the CRSAC subcommittee into the TADDAC, providing for a more effective and efficient use of resources. The merged committee continues to provide valuable input from the range of constituencies the DDTP serves.

In a review of its Universal Services program, including the DDTP, the CPUC concluded that the DDTP is generally working well (D.08-06-020; R.06-05-028). Among the changes to the DDTP is a Commission initiative that created a wireless pilot program for low-income consumers who are also DDTP-certified. Subsequently Commission Decision 10-11-033 further directed that wireless equipment become a part of the Deaf and Disabled Telecommunications Program/California Telephone Access Program (CTAP).

DISCUSSION

Budget for Fiscal Year 2012-13

³ Participants in the CPUC's LifeLine program do not pay the DDTP surcharge.

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In this Resolution, the CPUC adopts a proposed DDTP budget of \$76.12 million for FY 2012-13 as proposed by CD. Appendix A to the Resolution shows a comparison of the

FY 2011-12 DDTP budget as adopted by Resolution T-17285 in column A, and CD's proposed FY 2012-13 DDTP budget in column B. CD proposes increasing the FY 2012-2013 DDTP budget to \$76.12 million from \$69.03 million in FY 2011-2012 primarily to accommodate pending legislation involving Speech Generating Devices (SGD).

TADDAC identified a list of recommended items for the FY 2012-13 DDTP budget, including the testing of new technologies⁴.

The breakdown of the FY 2012-13 DDTP budget is as follows:

CPUC Staff Costs

CD recommends a budget of \$994,000 for FY 2012-13 for CPUC personnel staff costs associated with the administration of the DDTP program.

Delivery of DDTP Services.

CD recommends maintaining the FY 2012-2013 budget for delivery of DDTP services at the same level of \$29.98 million as the FY 2011-12. This is to ensure that there is adequate funding to cover contractor and consultant expenses associated with the delivery of DDTP services. These contractors and consultants provide for, among other things, DDTP administrative services, service centers and field operations, equipment distribution, contact center, warehouse, non-service aspects of the relay program, customer contact, outreach operations, outreach media and materials, and research.

DDTP Administrative Expenses—Other

CD recommends budgeting total Administrative Expenses at \$806,000 for the FY 2012-13 DDTP budget which is a decrease of \$184,000 over the preceding year. The activities covered by these expenses include various audits of the program, interagency fees associated with staff resources from other state agencies, and data processing automation.

California Relay Service

CD recommends a budget of \$18 million for CRS in the FY 2012-13 DDTP budget, which is \$3.71 million less than FY 2011-12. This budget is more reflective of anticipated traditional CRS traffic, which has declined. It also reflects continued growth in Captioned Telephone (CapTel) or enhanced Voice Carryover (VCO). However, this growth and increased cost per unit of CRS calls with the advent of CRS-3 have not offset the significant drop in CRS usage.

⁴ Ideas submitted by advisory committee groups assisted staff in developing program budget components.

Equipment Purchases

CD recommends increasing the budget for equipment purchases to \$25.8 million in the FY 2012-13 budget which is an increase of \$10.8 million over the preceding year. This is to ensure adequate funding to cover the purchase of equipment for the DDTP Wireless devices and Speech Generating Devices. The Commission D.10-11-033 directed that the wireless equipment become a part of the DDTP /California Telephone Access Program (CTAP). The Communications Division is currently formulating rules governing wireless devices and anticipates launching the first full year of wireless equipment distribution program during the FY 2012-2013. CD recommends allocation of \$2 million to ensure adequate funding to cover the purchase of wireless equipment. Also, pending before the legislature is a bill to make SGDs part of the DDTP program. CD's fiscal analysis for the implementation and distribution of the SGDs given pending Assembly Bill 136 language concludes that \$12.8 million would be required to ensure adequate funding to cover the purchases of SGDs. CD also anticipates continuing to work collaboratively with other organizations and state agencies on implementation of the National Deaf Blind Equipment program under the auspices of the FCC which we anticipate will be distributing equipment in FY 2012-2013.

Committee Expenses

The committee expenses incorporated in the FY 2011-2012 budget continues to be recommended in the FY 2012-13 budget. CD recommends a budget of \$310,000 for the TADDAC and a budget of \$110,000 for the EPAC.

TDD Placement Interim Committee Program Budget Inclusion (TPIC)

Pursuant to Governor Directive in 2003, the TTY Placement Program (TPP), a program that places specialized phones for the deaf in public buildings, was transferred to the DDTP budget and put under the advisory oversight of the TADDAC. CD recommends maintaining the same budget for TPIC: \$120,000 in the FY 2012-13 budget.

Total DDTP FY 2012-13 DDTP budget

CD's proposed FY 2012-13 DDTP budget of \$76.12 million is reasonable and should be adopted.

COMMENTS

In compliance with PU Code § 311 (g), copies of the notice letter were e-mailed on July 19, 2011 to all telecommunications carriers, the parties of record to Investigation (I.) 87-11-031, Rulemaking (R.) 00-05-001, R.03-03-014, for whom e-mail was available, including members of the Telecommunications Access for the Deaf and Disabled

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Administrative Committee (TADDAC) and members of the Equipment Program Advisory Committee (EPAC). The notice informed these parties that this draft

Resolution is available at the CPUC's website: www.cpuc.ca.gov and is available for public comment. In addition, CD informed these parties of the availability of the conformed resolution at the same website.

Comments were filed on August 3, 2011 by the Division of Ratepayer Advocates (DRA). DRA states that including \$12.8 million for Speech Generating Devices is premature since legislation directing the CPUC to incorporate SGDs into the DDTP has not yet been enacted. This legislation AB 136 is still pending.

CD agrees that legislation has not passed yet but includes this budget item to be able to implement the program if the legislation passes.

FINDINGS

1. The California Public Utilities Commission (CPUC) established a program to provide specialized equipment to the Deaf and Hard-of-Hearing through CPUC decisions issued in the 1980's.
2. The Legislature codified the program through passage of several statutory provisions contained in PU Code Sections 2881 *et seq.*
3. PU Code Section 2881(a) authorizes the provision of TTYs to deaf or hard of hearing individuals.
4. PU Code Section 2881(b) authorizes the use of third-party intervention, also known as the California Relay Service (CRS) to connect by telephone consumers who are deaf, hard of hearing, or speech-impaired with other parties.
5. PU Code Section 2881(c) authorizes the provision of other specialized telecommunications equipment to consumers with hearing, vision, mobility, speech, and/or cognitive disabilities.
6. The Communications Division's (CD) estimate of \$76.12 million for the Fiscal Year (FY) 2012-13 DDTP budget, as set forth in Column B of Appendix A, is reasonable for the DDTP and should be adopted.
7. Copies of the notice letter were e-mailed on July 19, 2011, to the parties of record to Investigation (I.) 87-11-031, Rulemaking (R.) 00-05-001, R.03-03-014, members of the

APPENDIX A

Budget for Equipment and Services Provided to the
 Deaf and Disabled Telecommunications Program
 Fiscal Year 2012-13
 (Millions of Dollars)

	A FY 2011-12 Resolution T- 17285	B FY 2012-13 CD Proposed	C FY 2012-13 Adopted
CPUC Staff Costs	\$.81	\$.99	\$.99
Delivery of DDTP Services			
a. DDTP Administrative Contractor (including service center and outreach)	16	16	16
b. DDTP equipment contact center and warehouse	9	9	9
c. Other DDTP contracts including marketing	4.98	4.98	4.98
Subtotal (a, b, and c)	29.98	29.98	29.98
DDTP Administration Expenses—Other	.99	.81	.81
California Relay Service	21.71	18.00	18.00
Equipment Purchases			
a. DDTP Equipment	15	11	11
b. Wireless Equipment	0	2	2
c. SGD	0	12.8	12.8
Sub-Total	15	25.8	25.8
TADDAC	0.31	0.31	0.31
EPAC	0.11	0.11	0.11
TPIC	0.12	0.12	0.12

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TOTAL PROGRAM
EXPENSES

\$69.03

\$76.12

\$76.12