

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**Communications Division
Program Management & Implementation Branch****RESOLUTION T-17089
Date: May 3, 2007****R E S O L U T I O N**

Resolution T-17089. To conduct a pilot of a program which offsets the costs of wireless equipment for California Telephone Access Program (CTAP)-certified pilot participants who meet a certain low-income threshold using Deaf and Disabled Telecommunications Program (DDTP) funds and to delegate authority to CPUC Executive Director to perform the required functions, including, but not limited to, entering into any necessary contracts, to execute and support the DDTP wireless equipment pilot.

Summary

This resolution approves the establishment of a pilot program which offsets the costs of wireless equipment for CTAP-certified participants who are also low income (i.e., CA Lifeline-certified) using DDTP funds. Specifically, pilot participants will be offered an equipment credit not to exceed \$300.00 or the cost of the device alone, whichever is less, whereby he/she would purchase a wireless communications device, initially anticipated to be through a single provider; other providers may be considered in subsequent phases. The arrays of wireless equipment available to participants will initially (i.e., first phase of the pilot) focus on equipment designed to facilitate text-messaging service but may also support other applications for purposes of providing the flexibility required to meet the diverse needs of pilot participants. Moreover, the timeframe for the pilot is anticipated to be 12 months with the possibility of extension to 24 months, which includes the number of months elapsed for the initial phase, upon written approval of the CPUC's Executive Director, and is expected to serve some 100-200 participants at the outset, but not to exceed 500 participants. Finally, this resolution delegates to the Commission's Executive Director the authority to perform the required functions, including, but not limited to, entering into any necessary contracts, to execute and support the DDTP wireless equipment pilot. The Commission retains the discretion to modify or terminate the pilot program at any time.

Background

The Deaf and Disabled Telecommunications Program began through the efforts of an employee volunteer program at Pacific Bell Telephone Company, a local telephone carrier now known as AT&T California, sometime prior to 1978. This volunteer group repaired and sometimes provided equipment to hearing impaired customers. In 1978, the Commission issued Resolution T-9865 authorizing Pacific Bell to revise its tariffs to allow a special rate of \$14.00 per month for a display terminal to certified deaf customers. Subsequent Commission resolutions and Decision 90642 (1979) modified and expanded the program ultimately resulting in the first steps toward formally establishing a program to provide specialized, supplemental equipment to hearing-impaired customers at subsidized rates.

In 1981, the Legislature enacted Pub. Util. Code § 2881, which currently governs the program. The program is comprised of two components: The California Telephone Access Program, which provides equipment to eligible customers; and the California Relay Service, which enables eligible customers to use relay service to access the telecommunications network. The current surcharge for the program, effective April 1, 2007 until further revised by the Commission, is 0.37% as approved by Resolution T-17072 and cannot exceed one half of one percent. The Commission adopted a budget of \$69 million (T-16896) and \$69 million (T-17047) for the fiscal year's 2006-07 and 2007-08 respectively.

Discussion

The Telecommunications Access for the Deaf and Disabled Administrative Committee (TADDAC) in concert with the Equipment Program Advisory Committee (EPAC) have submitted to the Communications Division of the CPUC on January 24, 2007 a proposal (Appendix A) to conduct an initial trial of a paperless, voucher-like mechanism for the provision of California Telephone Access Program (CTAP) equipment in the Deaf and Disabled Telecommunications Program (DDTP). The trial will serve as a testing ground to see how the delivery of equipment to DDTP/CTAP users could be enhanced, as well as how the program could be expanded to embrace advanced communications devices, such as wireless applications. Currently, equipment is limited to communication devices compatible only with landline telephones (the DDTP/CTAP programs were conceived in a monopoly telephone era when wireless was not yet commercially available). The Commission is exploring how to revise its DDTP programs to take advantage of advanced communications technologies to enrich the lives of the deaf, hard-of-hearing, and disabled community and to expand their telecommunications opportunities.

The Commission has statutory authority to undertake such a pilot program. The DDTP was implemented to comply with P.U. Code Section 2881 more than twenty years ago. The legislation specifically authorizes separate programs to provide equipment

and services to Californians who are deaf, hearing impaired or disabled. Advances in technology, shifts in the competitive markets, and major changes in service and price structures have resulted in mature newer technologies that are more practical and economical for eligible customers to use. The language in Section 2881 is sufficiently flexible to allow the Commission to expand the DDTP's offerings to include contemporary technologies. Accordingly, we conclude that the equipment and process authorized by this pilot program are within the authority provided under Section 2881. Under PU Code Section 709(a), this Commission is to "continue our universal service commitment by assuring the continued affordability and widespread availability of high-quality telecommunications services to all Californians." Under PU Code Section 709(c), the Commission is to "encourage the development and deployment of new technologies and the equitable provision of services in a way that efficiently meets consumer need and encourages the ubiquitous availability of a wide choice of state-of-the-art services." Finally, under PU Code Section 709(d), the Commission is to make efforts to "assist in bridging the 'digital divide' by encouraging expanded access to state-of-the-art technologies for rural, inner-city, low-income and disabled Californians."

The Commission acknowledges the tremendous creativity and effort on the part of the committee members of both EPAC and TADDAC in developing this proposal. The Commission also praises the noteworthy efforts of T-Mobile, a national wireless carrier who has agreed to participate in the pilot project. After consideration, the Commission has decided to make some modifications in the proposal to maximize the pilot's efficiency and efficacy. We are putting in place a pilot program where eligible participants will be issued a credit to be applied to the equipment component of a wireless communications device; the monies for the credit will come from the DDTP fund. The initial phase of the pilot program is expected to be no longer than one year with the possibility of an additional one year extension upon written approval of the CPUC's Executive Director. The pilot will not exceed two years total. The pilot is estimated to serve 100-200 customers initially in the first phase of the pilot, but may reach up to 500 total pilot participants if necessary. The Commission retains the discretion to modify or terminate the pilot program at any time.

For a DDTP constituent to qualify for the pilot as a threshold matter, the Commission hereby sets two eligibility requirements:

- 1) He or she must be certified to receive CTAP equipment on loan (i.e., CTAP-certified); and
- 2) He or she must be certified to participate in the California Universal Lifeline Telephone Service (known as the ULTS or California LifeLine) program. This Lifeline program is limited to low income individuals.

Imposition of the low-income criterion is consistent with the Public Utilities Code. We adopt the low-income criterion for several reasons. First, this is a trial, and it is imperative that the group participating in the program be of a manageable size for

efficient oversight and evaluation. Such evaluation is contemplated in Pub. Util. Code § 2881(c), which directs the Commission to study the feasibility of imposing personal income criteria. Second, we are mindful of the potential strain on the cost of the DDTP as a whole, given the pressure for the Commission to add new services and to expand Captioned Telephone Service. Notwithstanding our continued support for expanding the offerings of the program, we are mindful of our fiscal responsibilities and choose to proceed incrementally so as to evaluate program costs and benefits before expanding the scope of the program. Pub. Util. Code § 270(b).

Third, as noted above, the Commission is mandated by statute to focus efforts to deploy new technologies in recognition of their economic and societal impact. In keeping with that mandate, the Legislature also requires that the Commission assist in expanding access to newer technologies specifically to low-income and disabled Californians. Given these mandates and the desire to ensure manageability of the trial, accordingly, *at this juncture*, we have elected to limit the pool of eligible participants as set forth here.

Therefore, once it is ascertained that pilot candidates meet these criteria and other requirements, including, but not limited to, falling within a certain geographic distribution, a specific DDTP constituent group, or the coverage area of the service provider or providers, they will be enrolled in the pilot predicated on a “first-come, first-serve” basis. After an applicant is chosen to become an official pilot participant, the pilot participant will be issued a maximum credit of \$300.00 or the cost of the communications device (i.e., equipment component) alone, whichever is less, to obtain a wireless communications device of his or her choice. Subsequently, pilot participants would exercise the equipment credit via a provider’s retail distribution channel, whether it is a physical storefront, an online store, a promotional booth, or some other venue. The credit, however, cannot be applied to the provision of service related to the wireless communications device.

In the initial phase, the pilot is anticipated to be limited to a single service provider and focus on equipment designed to facilitate text-messaging; however, the number of service providers and types of equipment may be expanded in subsequent phases of the pilot. Providers that wish to be considered for successive phases of the pilot should contact and notify the Communications Division by emailing the Director of Communications at jml@cpuc.ca.gov, identifying “Wireless Pilot-T17089” in the subject line. In the body, please provide contact information and a brief description of those wireless applications currently available which the provider would want to proffer for evaluation. We point out that, pursuant to statute, the CPUC’s DDTP/CTAP provides equipment to eligible participants. The relevant statutes do not, however, provide for the DDTP/CTAP to pay recurring service charges associated with use of the equipment provided (see P.U. Code section 2881 *et seq.*). Pilot participants are responsible for the costs of their chosen service plan(s), and should provide feedback on affordability, use, and features of the service that would be useful in formulating policies within this program. Thus, the Commission appeals to the participating service providers to voluntarily set up low cost rate plans especially for the DDTP program participants to

obtain reduced service rates related to devices obtained under this program. We encourage service providers that have set up such low cost rate plans for DDTP program participants to aid the Commission in learning about the level of demand within the deaf, hard of hearing, and disabled communities for wireless equipment and services. Further, we expect the provider(s) will arrange for equipment returns, which may have negative salvage value, if the devices did not meet participant's needs.

We direct the Communications Division (CD) staff to obtain regular feedback from the program participants as a requirement of their participation in order to evaluate the ease of the process to obtain the equipment and service, the impact of the new device on the participant's quality of life, and suggestions about the pilot program and a future permanent program. The CD is also directed to monitor the effectiveness of this pilot program, via quarterly evaluations delivered to the Executive Director and the Commissioners, in addition to an annual report CD will prepare on the status of the pilot program, to be delivered to the Executive Director and the Commissioners no later than 14 months after the pilot is begun, and yearly thereafter should the pilot continue beyond the first year. In the quarterly evaluations and the annual report, we expect to see CD's evaluation of the first year's results, including feedback on the application process, participant data, details on cost impacts on the program, recommendations as to a permanent program, and any suggested changes. We expect that this process will enable the staff to fine-tune the pilot while it is underway, and that the one-year annual report will help identify any problems requiring higher level correction. We expect that the administrative process to participate in the pilot program be as simple as possible while adhering to necessary and reasonable controls to ensure there is no waste, fraud, or abuse in the program.

The Commission delegates authority to the CPUC Executive Director to perform the required functions, including, but not limited to, entering into any necessary contracts, to execute and support the DDTP wireless equipment pilot.

It is the CPUC's expectation that the pilot program will yield a number of insights into the current state of the deaf and disabled communities with regard to their use of wireless communications devices. For example, the pilot should inform the Commission as to the extent these wireless devices meet the needs of these participants and enhance their quality of life. We require staff to also report in the annual report on the cost of the pilot program, with attention to data as to the cost per participant. We require the staff to ensure that the program design addresses potential fraud, abuse and security issues.

This pilot program will help us evaluate whether low income persons who are eligible for the DDTP/CTAP programs should be afforded expanded access to wireless communications equipment. If the pilot is successful, the Commission anticipates that with the advent of wireless communications offerings in the DDTP/CTAP, users would have access to a range of devices which were previously unavailable in the Program.

Comments

Public Utilities Code Section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Accordingly, this draft resolution was mailed for comments at least 30 days prior to being considered by the Commission.

On April 18, 2007, the Commission received comments from 8 parties, comprising of DDTP committee members, organizations representing the deaf, hard-of-hearing, and disability communities, and wireless providers, namely the Telecommunications Access For the Deaf and Disabled Administrative Committee, the California Relay Service Advisory Committee, Winston Ching, TADDAC speech-to-speech representative, the California Coalition of Agencies Serving the Deaf and Hard of Hearing, the Hearing Loss Association of California, the Hearing Loss Association of America, East Bay Chapter, AT&T-CA, and Omnipoint Communications dba T-Mobile.

The opening comments provided by the parties were well-considered and constructive. The following captures the salient points broached by the various parties and/or individuals: do not limit pilot to low-income participants; quarterly evaluations and the annual report should be made available to the DDTP consumer committees; DDTP committees and vendors should be actively involved in pilot design; ensure pilot sample is representative of targeted population; include multiple providers in first phase or shorten to 6 months; utilize vendor and trade shows exclusively as the equipment distribution channels at the onset; there was concern regarding the applicability of the pilot to various user communities including seniors; current complications of the LifeLine certification and verification processes could become a bottleneck to the pilot; participants should be allowed to choose their cell phone and service plan; mandate service plan discounts.

On April 24, 2007, 6 parties submitted reply comments, including TADDAC, Winston Ching, the California Coalition of Agencies Serving the Deaf and Hard of Hearing, the Hearing Loss Association of California, the Hearing Loss Association of America, East Bay Chapter, and the Equipment Program Advisory Committee; the reply comments were equally considered thoughtful. Although the parties consented on a number of issues, they were dissenting on the following: the distribution channels for the pilot; the return policy during the pilot; the degree to which the credit concept should be fleshed out in the Resolution.

After careful consideration of the comments, the CPUC has elected to preserve the CA low-income certification requirement. The basis for maintaining the LifeLine eligibility qualification are four-fold. One of the underpinnings for the Commission to undertake

this pilot is to narrow the “digital divide” that exists not only with persons with disabilities but also with low-income individuals. Also, to prevent the pilot from becoming unwieldy, the LifeLine qualification would limit the number of qualified participants and serve those who need it most. While all CTAP constituents could benefit from this pilot, low-income persons with a disability or disabilities would benefit to a greater extent from the pilot than those who are disabled but not low-income. Further, limiting pilot enrollment to CTAP- and CA low-income-certified participants would ensure that pilot dollars are well-spent. Finally, the CPUC has a fiduciary obligation to serve not only the disability community, but also the poor; the CA low-income certification requirement would achieve both ends.

With regard to the other comments, the Commission will provide the quarterly evaluations and the annual report for the DDTP consumer committees’ review. The CPUC will also seek input from DDTP committees during pilot design. In terms of the comments which focused on the more detailed aspects of the pilot such as the pilot’s duration and the frequency of the credit, these particulars will be addressed in the program design and implementation stage of the pilot. The Commission executive director will consider these recommendations during program design.

Findings of Fact

1. The Deaf and Disabled Telecommunications Program (DDTP) originated as an employee volunteer program at Pacific Bell Telephone Company, a local telephone carrier now known as AT&T – California, sometime prior to 1978.
2. In 1978, the Commission issued Resolution T-9865 authorizing Pacific Bell to revise its tariffs to allow a special rate of \$14.00 per month for a display terminal to certified deaf customers.
3. Subsequent Commission resolutions and Decision 90642 (1979) modified, expanded, and formalized the DDTP.
4. In 1981, the Legislature enacted Pub. Util. Code § 2881, which currently governs the DDTP.
5. DDTP is composed of the California Telephone Access Program (CTAP) and the California Relay Service (CRS).
6. The current surcharge for the program, effective April 1, 2007 until further revised by the Commission, is 0.37% as approved by Resolution T-17072 and cannot exceed one half of one percent.
7. The Commission adopted a budget of \$69 million (T-16896) and \$69 million (T-17047) for the fiscal year’s 2006-07 and 2007-08 respectively.
8. The Telecommunications Access for the Deaf and Disabled Administrative Committee (TADDAC) in concert with the Equipment Program Advisory Committee (EPAC) have submitted to the Communications Division of the CPUC on January 24, 2007 a proposal (Appendix A) to conduct an initial trial of a paperless,

- voucher-like mechanism for the provision of California Telephone Access Program (CTAP) equipment in the Deaf and Disabled Telecommunications Program (DDTP).
9. The trial will serve as a testing ground to see how the delivery of equipment to DDTP/CTAP users could be enhanced, as well as how the program could be expanded to embrace advanced communications devices, such as wireless applications.
 10. Currently, equipment is limited to communication devices compatible only with landline telephones (the DDTP/CTAP programs were conceived in a monopoly telephone era when wireless was not yet commercially available).
 11. The Commission is exploring how to revise its DDTP programs to take advantage of advanced communications technologies to enrich the lives of the deaf, hard-of-hearing, and disabled community and to expand their telecommunications opportunities.
 12. The Commission has statutory authority to undertake such a pilot program. Under PU Code Section 709(a), this Commission is to “continue our universal service commitment by assuring the continued affordability and widespread availability of high-quality telecommunications services to all Californians.”
 13. Under PU Code Section 709(c), the Commission is to “encourage the development and deployment of new technologies and the equitable provision of services in a way that efficiently meets consumer need and encourages the ubiquitous availability of a wide choice of state-of-the-art services.”
 14. Finally, under PU Code Section 709(d), the Commission is to make efforts to “assist in bridging the ‘digital divide’ by encouraging expanded access to state-of-the-art technologies for rural, inner-city, low-income and disabled Californians.”
 15. The Commission acknowledges the tremendous creativity and effort on the part of the committee members of both EPAC and TADDAC in developing this proposal.
 16. After consideration, the Commission has decided to make some modifications in the proposal to maximize the pilot’s efficiency and efficacy.
 17. We are putting in place a pilot program where eligible participants will be issued a credit to be applied to the equipment component of a wireless communications device; the monies for the credit will come from the DDTP fund.
 18. The initial phase of the pilot program is expected to be no longer than one year with the possibility of an additional one year extension upon written approval of the CPUC’s Executive Director.
 19. The pilot will not exceed two years total.
 20. The pilot is estimated to serve 100-200 customers initially in the first phase of the pilot, but may reach up to 500 total pilot participants if necessary.
 21. The Commission retains the discretion to modify or terminate the pilot program at any time.
 22. For a DDTP constituent to qualify for the pilot as a threshold matter, the Commission hereby sets two eligibility requirements: 1) He or she must be certified to receive CTAP equipment on loan (i.e., CTAP-certified); and 2) He or she must be certified to participate in the California Universal Lifeline Telephone Service (known as the ULTS or California LifeLine) program.
 23. This Lifeline program is limited to low income individuals.

24. Imposition of the low-income criterion is consistent with the Public Utilities Code.
25. We adopt the low-income criterion for several reasons.
26. First, this is a trial, and it is imperative that the group participating in the program be of a manageable size for efficient oversight and evaluation.
27. Such evaluation is contemplated in Pub. Util. Code § 2881(c), which directs the Commission to study the feasibility of imposing personal income criteria.
28. Second, we are mindful of the potential strain on the cost of the DDTP as a whole, given the pressure for the Commission to add new services and to expand Captioned Telephone Service.
29. Notwithstanding our continued support for expanding the offerings of the program, we are mindful of our fiscal responsibilities and choose to proceed incrementally so as to evaluate program costs and benefits before expanding the scope of the program. Pub. Util. Code § 270(b).
30. Third, as noted above, the Commission is mandated by statute to focus efforts to deploy new technologies in recognition of their economic and societal impact.
31. In keeping with that mandate, the Legislature also requires that the Commission assist in expanding access to newer technologies specifically to low-income and disabled Californians.
32. Given these mandates and the desire to ensure manageability of the trial, accordingly, at this juncture, we have elected to limit the pool of eligible participants as set forth here.
33. Therefore, once it is ascertained that pilot candidates meet these criteria and other requirements, including, but not limited to, falling within a certain geographic distribution, a specific DDTP constituent group, or the coverage area of the service provider or providers, they will be enrolled in the pilot predicated on a “first-come, first-serve” basis.
34. After an applicant is chosen to become an official pilot participant, the pilot participant will be issued a maximum credit of \$300.00 or the cost of the communications device (i.e., equipment component) alone, whichever is less, to obtain a wireless communications device of his or her choice.
35. Subsequently, pilot participants would exercise the equipment credit via a provider’s retail distribution channel, whether it is a physical storefront, an online store, a promotional booth, or some other venue.
36. The credit, however, cannot be applied to the provision of service related to the wireless communications device.
37. In the initial phase, the pilot will be limited to a single service provider and focus on equipment designed to facilitate text-messaging; however, the number of service providers and types of equipment may be expanded in subsequent phases of the pilot.
38. We point out that, pursuant to statute, the CPUC’s DDTP/CTAP provides equipment to eligible participants on a loan basis.
39. The relevant statutes do not, however, provide for the DDTP/CTAP to pay recurring service charges associated with use of the equipment provided on a loan basis (see P.U. Code section 2881 et seq.).

40. Pilot participants are responsible for the costs of their chosen service plan(s), and should provide feedback on affordability, use, and features of the service that would be useful in formulating policies within this program.
41. Thus, the Commission appeals to the participating service providers to voluntarily set up low cost rate plans especially for the DDTP program participants to obtain reduced service rates related to devices obtained under this program.
42. We encourage service providers that have set up such low cost rate plans for DDTP program participants to aid the Commission in learning about the level of demand within the deaf, hard of hearing, and disabled communities for wireless equipment and services.
43. Further, we expect the provider(s) will arrange for equipment returns, which may have negative salvage value, if the devices did not meet participant's needs.
44. We direct the Communications Division (CD) staff to obtain regular feedback from the program participants as a requirement of their participation in order to evaluate the ease of the process to obtain the equipment and service, the impact of the new device on the participant's quality of life, and suggestions about the pilot program and a future permanent program.
45. The CD is also directed to monitor the effectiveness of this pilot program, via quarterly evaluations delivered to the Executive Director and the Commissioners, in addition to an annual report CD will prepare on the status of the pilot program, to be delivered to the Executive Director and the Commissioners no later than 14 months after the pilot is begun, and yearly thereafter should the pilot continue beyond the first year.
46. In the quarterly evaluations and the annual report, we expect to see CD's evaluation of the first year's results, including feedback on the application process, participant data, details on cost impacts on the program, recommendations as to a permanent program, and any suggested changes.
47. We expect that this process will enable the staff to fine-tune the pilot while it is underway, and that the one-year annual report will help identify any problems requiring higher level correction.
48. We expect that the administrative process to participate in the pilot program be as simple as possible while adhering to necessary and reasonable controls to ensure there is no waste, fraud, or abuse in the program.
49. The Commission delegates authority to the CPUC Executive Director to perform the required functions, including, but not limited to, entering into any necessary contracts, to execute and support the DDTP wireless equipment pilot.
50. It is the CPUC's expectation that the pilot program will yield a number of insights into the current state of the deaf and disabled communities with regard to their use of wireless communications devices.
51. For example, the pilot should inform the Commission as to the extent these wireless devices meet the needs of these participants and enhance their quality of life.
52. We require staff to also report in the annual report on the cost of the pilot program, with attention to data as to the cost per participant.
53. We require the staff to ensure that the program design addresses potential fraud, abuse and security issues.

54. This pilot program will help us evaluate whether low income persons who are eligible for the DDTP/CTAP programs should be afforded expanded access to wireless communications equipment.
55. If the pilot is successful, the Commission anticipates that with the advent of wireless communications offerings in the DDTP/CTAP, users would have access to a range of devices which were previously unavailable in the Program.
56. The Commission received comments from various parties; their comments were summarized and addressed herein this Resolution.

THEREFORE, IT IS ORDERED that:

1. A pilot of a program which offsets the costs of wireless equipment for California Telephone Access Program (CTAP)-certified pilot participants who meet a certain low-income threshold (CA Lifeline-certified) using Deaf and Disabled Telecommunications Program (DDTP) funds is authorized.
2. The CPUC Executive Director is delegated the authority to perform the required functions, including, but not limited to, entering into any necessary contracts, to execute and support the DDTP wireless equipment pilot program.

This Resolution is effective today.

I hereby certify that the Public Utilities Commission adopted this Resolution at its regular meeting on May 3, 2007. The following Commissioners approved it:

/s/PAUL CLANON

PAUL CLANON

Executive Director

MICHAEL R. PEEVEY

President

DIAN M. GRUENEICH

JOHN A. BOHN

RACHELLE B. CHONG

TIMOTHY A. SIMON

Commissioners

Appendix A

(see next page)

**TELECOMMUNICATIONS ACCESS FOR THE DEAF AND DISABLED
ADMINISTRATIVE COMMITTEE**

January 11, 2007

Mr. Jack Leutza
Director, Telecommunications Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94201

Dear Jack:

The Telecommunications Access for the Deaf and Disabled Administrative Committee (TADDAC) at its January 10, 2007 meeting approved the attached Wireless Equipment Paperless Voucher Test proposal as submitted by the Equipment Program Advisory Committee (EPAC).

As written, the proposal envisages a short test period of no more than six months to obtain feedback from testers identifying both the strengths and weaknesses of the tested item which will a Sidekick 3 device. This is the initial test of a wireless device for potential use in the program. We are doing this in anticipation of a go ahead from the CPUC regarding wireless equipment being part of the CTAP program.

Our review determined that several additional steps must be part of the proposal.

- 1) There must be a form attached to all test equipment informing testers that the Sidekick 3 is not to be relied up for 911 emergency calling. This is the case with all wireless equipment at this time. We recommend that each tester acknowledge the fact by signing a special form upon receipt of the equipment.

- 2) The selection process of test participants and other operational details of the test should be done in collaboration with CCAF.

- 3) At the end of the test period all testers will be surveyed regarding their views of service contract pricing plans and the affordability of various plans. Our hope is to identify what the most attractive service plan for the Sidekick is. Of course, all testers who retain the Sidekick 3 will be responsible for service plan payment.
- 4) We are not addressing the service contract pricing and packaging issue at this time. We do believe that this issue will best be addressed at the end of the test period.

TADDAC believes that these new aspect to the proposal as well as those directly addressed in the EPAC proposal will be implemented with the assistance of CCAF and with any additional required input from the Telecommunications Division as well as the Legal Division of the CPUC.

Should you have any questions regarding this proposal please direct them to Ann Ruth, EPAC Chair or myself. This is an important first step for the program and the CPUC as well.

Sincerely,

Philip H. Kaplan
Chair

Enclosure

cc: L. Gustafson
H. Mickiewicz
S. Bergum
A. Ruth

Deaf and Disabled Telecommunications Program
Proposal to Trial a CTAP Wireless Equipment Distribution Program
Submitted by the Equipment Program Advisory Committee (EPAC)
December 2006

PURPOSE

EPAC proposes the process described in this proposal to test a method of providing wireless telecommunications devices to certified CTAP consumers. EPAC proposes that this trial would begin with one specific wireless device provided through one wireless service provider, and the trial could expand to other devices and other providers once the proposed methodology is proven to be workable and effective.

PROCESS SUMMARY

EPAC proposes to conduct a trial of distributing a wireless telecommunications device through a "paperless voucher" process. The proposed device for the initial phase of this trial is the SideKick cellular phone, which would be provided by T-Mobile, in conjunction with data and/or voice-based monthly airtime service. In this proposed trial, CTAP customers would complete a separate wireless equipment application. Once approved, customers would visit a T-Mobile retail outlet (or a retail outlet of one of T-Mobile's California resellers) to receive their equipment. Customers would select and pay for the monthly service plan most appropriate to their needs. T-Mobile has proactively offered to assist the DDTP in launching this trial, and the SideKick is currently widely used and accepted within the Deaf and Hard-of-Hearing communities.

The DDTP would need to ensure that all eligible consumers have access to appropriate distribution channels to receive their wireless equipment. For example, deaf people tend to not visit the retail outlets of cellular providers, because they typically cannot be served in ASL. Many people in the deaf community make their purchases at trade shows or on-line, and the DDTP would need to ensure that the paperless voucher could be used through these distribution channels.

The DDTP would pre-arrange billing arrangements with T-Mobile so that once the customer signed up for monthly service and informed T-Mobile of their status as an approved CTAP consumer, T-Mobile would deduct the cost of the wireless device (up to the maximum amount approved by the DDTP) from the initial bill of the customer. No paper voucher would be required. T-Mobile would verify the customer's eligibility through contacting the CTAP call center on one of the lines reserved for telephone company contacts. T-Mobile would bill the DDTP monthly (with complete, approved back-up detail) for the cost of all wireless devices provided to CTAP consumers.

PROPOSED TRIAL PROGRAM RULES

EPAC proposes the following rules associated with this trial:

1. All trial participants would be able to keep their CTAP wireline equipment in addition to their wireless device. This is necessary to guarantee access to 911.
2. The CTAP wireless equipment application would contain a User Agreement, in which trial participants would need to agree to all terms and conditions of the trial, including the requirement to participate in surveys and to be responsible for the maintenance and repair of their wireless device. Trial participants would need to live in an area served by T-Mobile.
3. The wireless equipment would be owned by the consumer, not by the State. EPAC recommends that insurance on the wireless device be covered as part of the voucher amount, so that the consumer could replace a lost or damaged device. The consumer would be responsible for arranging all repairs or replacements of the equipment.
4. Trial participants would be eligible to receive a new paperless voucher after 2 years from the date of their initial voucher. During the 2 year period, any equipment exchanges or replacements would be transacted between the consumer and T-Mobile. DDTP would need to implement procedures to ensure that each eligible consumer receives only one voucher every 2 years.

ADVANTAGES OF A PAPERLESS VOUCHER PROGRAM

This type of a voucher distribution program offers the following advantages to the State and to consumers:

1. No requirement to purchase, warehouse, distribute, retrieve, and repair equipment, therefore no new program costs for these activities. All equipment would be owned by the consumer, with the consumer responsible for repairs and replacements within the 2-year voucher period.
2. No need to continually evaluate and update equipment to be offered by the program.
3. No requirement to print and distribute vouchers which could be forged or transferred, or otherwise fraudulently used for unintended purposes.
4. No requirement to select only certain limited wireless devices to be offered by the program. Consumers would select the wireless device best meeting their needs, and the wireless service providers (T-Mobile in the initial phase of the trial) would bill the DDTP for the cost, up to the maximum allowed. This would give consumers choice of any appropriate wireless devices offered by the service providers.
5. The paperless voucher methodology uses CTAP procedures already in place for the wireless service providers to verify CTAP eligibility and to bill the DDTP for the cost of the equipment provided to consumers.
6. This trial methodology would get equipment into the hands of consumers quickly, because there is no need to test and evaluate equipment which would then need to be procured through competitive bidding. There is no need for the DDTP to be involved in the monthly service provided to consumers in any way. (This would not preclude the program from negotiating discounts on monthly service plans that could be offered to consumers, but not paid for by the program.)

FURTHER TRIAL PHASES

EPAC recommends that the trial start initially with offering the SideKick cellular phone through T-Mobile. Starting out simply with one piece of equipment and one provider would allow the DDTP to perfect the trial acceptance procedures and the billing arrangements with T-Mobile. Once the "bugs" are worked out, other cellular phones could be offered through T-Mobile, and then other service providers could be added, in addition to T-Mobile.

CUSTOMER SERVICE OFFERED BY THE DDTP

With this paperless voucher program, consumers would be responsible for evaluating and selecting their own equipment. Consumers would look at and test out equipment at the retail stores of the service providers or through other appropriate distribution channels, rather than at the CTAP Service Centers. Broken or malfunctioning equipment would be returned to the wireless service provider, rather than to CTAP.

EPAC believes that the DDTP would need to provide timely and comprehensive product information to consumers to assist them with making good equipment choices. The DDTP itself should test the accessibility and usability features of wireless equipment offered by the service providers participating in the program and provide information about this equipment to consumers with their application packages. EPAC would assist the DDTP in identifying equipment that could be evaluated for the purposes of developing educational information for consumers.

The DDTP could also produce instructional aids for the most popular cellular devices in formats most accessible to CTAP consumers. For example, many blind and visually impaired users would need audible instructions for how to set-up and program their wireless devices. Instructional videos would also be useful for many CTAP consumers. CTAP could work with the wireless service providers to distribute the appropriate instructional information with the wireless devices.