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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Communications Division
Program Management & Implementation Branch

RESOLUTION T-17105
August 23, 2007

R E S O L U T I O N

Resolution No. T-17105. To Establish the Deaf and Disabled Telecommunications Equipment and Service Program (Public Utilities Code Section 2881, Et Seq.) for the 2008-2009 Fiscal Year Budget.

SUMMARY

This resolution recommends an annual budget of \$69.03 million for the Deaf and Disabled Telecommunications Equipment and Relay Service Program (DDTP), pursuant to Public Utilities (PU) Code Section 2881 *et seq.* for Fiscal Year (FY) 2008-09.

BACKGROUND

The CPUC established a program to provide specialized equipment to the deaf and hard-of-hearing through Commission decisions issued in the 1980's. Subsequently, the Legislature codified the program through passage of several statutory provisions contained in P.U. Code Sections 2881 *et seq.* To implement the three legislative mandates, the Commission reconstituted the DDTP to its current form and expanded it by Commission order. The three legislative mandates are: PU Code Section 2881(a) which authorizes the provision of TTYs to deaf or hard of hearing individuals; PU Code Section 2881(c) which authorizes the provision of other specialized telecommunications equipment to consumers with hearing, vision, mobility, speech, and cognitive disabilities; and 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 or hearing or speech-impaired with other parties. The DDTP was previously managed by an external staff, who acted as de facto agents of the Commission. The DDTP Administrative Committee (DDTPAC) administered the DDTP and oversaw its finances. Two advisory committees, the Equipment Program Advisory Committee (EPAC) and the CRS Advisory Committee (CRSAC), advised the DDTPAC on the equipment and relay service programs.

DRAFT

In 1999, SB 669 changed the operations of the Commission's public programs in two ways: 1) it transferred the funds for the programs from several bank trust funds to the State Treasury and 2) it changed the scope of the program committees' duties from "administrative" to "advisory".

Pursuant to AB 1734, signed into law in June 2002, DDTP funds were transferred to the state on July 1, 2003.

The Commission is responsible for all policy and decision-making involving the DDTP. The Commission's primary program and contract administrator for the DDTP is the California Communications Access Foundation (CCAF). CCAF and all others providing equipment or services to the DDTP do so under contract to the State/Commission, pursuant to state contracting and procurement rules. As a result of a competitive bid process called a request for proposal, CCAF was awarded a new contract effective July 1, 2006 through August 30, 2008, with an optional one-year extension.

DISCUSSION

In this Resolution, the Commission adopts a proposed DDTP budget of \$69.03 million for FY 2008-09 as proposed by the Communications Division (CD)¹. Appendix A shows a comparison of the FY 2007-08 DDTP budget as adopted by Resolution T-17047 in column A and CD's proposed FY 2008-09 DDTP budget in column B. The Communications Division (CD) proposes maintaining the FY 2008-09 DDTP budget at the same level of \$69.03 million as the FY 2007-08.

The Telecommunications Access for the Deaf and Disabled Administrative Committee (TADDAC) identified a list of recommended items for the FY 2008-09 DDTP budget. The TADDAC's recommended requests include testing of new technology. The FY 2008-09 DDTP budget generally provides sufficient funding to meet these and other TADDAC recommendations.

The breakdown of the FY 2008-09 DDTP budget follows:

California Relay Service

CD recommends total expenses of \$31.71 million for California Relay Service (CRS) in the FY 2008-09 DDTP budget. This is a decrease from the \$33.23 million in the FY 2007-08 DDTP budget because of a decrease in traditional CRS traffic. However, the decrease

¹ This budget is based on the current program structure being applicable in FY 2008-09.

DRAFT

in traditional CRS traffic is somewhat offset by the increase in captioned telephone (CapTel) or enhanced voice carryover (VCO) which continues to grow.

Equipment Purchases

CD recommends total expenses of \$15.00 million for equipment purchases in the FY 2008-09 DDTP budget, which is increased from \$12.32 million in the FY 2007-2008 DDTP budget. CD is recommending this increase as the program is increasing outreach to reach more potential recipients as the population of California continues to grow older with longer lifespans. In addition, the DDTP is launching a new wireless project in the 2007-08 FY.

All Contracts and Consultants

CD recommends maintaining expenses of \$19.98 million for contractors and consultants in the FY 2008-09 DDTP budget. These contracts provide, among other things, for DDTP administrative services, service centers and field operations, equipment distribution, non-service aspects of the relay program, customer contact, outreach operations, and outreach media and materials.

CPUC Staff Costs

CD recommends a budget of 1.24 million for FY 2008-09 for CPUC personnel staff costs associated with the administration of the DDTP program.

Administrative Expenses

CD recommends total Administrative Expenses at \$560,000 for the FY 2008-09 DDTP budget. The activities covered by these expenses include various audits of the program, inter-agency fees associated with staff resources from other state agencies, banking fees and data processing automation.

Committee Expenses

The expenses for the three committees (TADDAC, CRSAC and EPAC) incorporated in the FY 2007-08 budget continue to be reflected in the FY 2008-09 budget. CD recommends maintaining the same budget for the three committees: \$170,000 for the TADDAC, \$140,000 for the CRSAC and \$110,000 for the EPAC.

Total DDTP FY 2008-09 DDTP budget

CD proposed FY 2008-09 DDTP budget of \$69,030,000 is reasonable and should be adopted.

COMMENTS

In compliance with PU Code § 311 (g), copies of the notice letter were e-mailed on July 24, 2007 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 email was available, The

DRAFT

Telecommunications Access for the Deaf and Disabled Administrative Committee (TADDAC) members, California Relay Service Advisory Committee (CRSAC) members and the Equipment Program Advisory Committee (EPAC) members informing these parties that this draft resolution is available at the Commission's website: www.cpuc.ca.gov and is available for public comments. In addition, TD informed these parties of the availability of the conformed resolution at the same website.

CD did not receive any comments on this resolution.

FINDINGS

1. In October 1999, Public Utilities Code Sections 270-281 were codified as a result of the enactment of Senate Bill 669.
2. Assembly Bill 1734, signed into law in June 2002, required the transfer of the Deaf and Disabled Telecommunications Program (DDTP) fund into the State Treasury on July 1, 2003.
3. The Communications Division's (CD) estimate of \$69.03 million for the Fiscal Year (FY) 2008-09 DDTP budget, as set forth in Column B of Appendix A, is reasonable for the DDTP and should be adopted.
4. Copies of the notice letter were e-mailed on July 24, 2007, to the parties of record to Investigation (I.) 87-11-031, Rulemaking (R.) 00-05-001, R.03-03-014, the Telecommunications Access for the Deaf and Disabled Administrative Committee (TADDAC) members, California Relay Service Advisory Committee (CRSAC) members, and the Equipment Program Advisory Committee (EPAC) members.
5. CD did not receive any comments on this resolution.

THEREFORE, IT IS ORDERED that:

1. The Fiscal Year 2008-09 budget for the Deaf and Disabled Telecommunications Program of \$69.03 million, as set forth in Column C of Appendix A of this resolution is adopted.

DRAFT

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the California Public Utilities Commission at its regular meeting on August 23, 2007. The following Commissioners adopted it:

PAUL CLANON
Executive Director

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APPENDIX A

Budget for Equipment and Services Provided to the
Deaf and Disabled Telecommunications Program
Fiscal Year 2008-09
(Millions of Dollars)

	A FY 2007-2008 Resolution T-17047	B FY 2008-09 CD Proposed	C FY 2008-09 Adopted
CPUC Staff Costs	\$1.66	\$1.24	\$1.24
DDTP Contractors and Consultants	19.98	19.98	19.98
DDTP Administration Expenses	1.30	.56	.56
California Relay Service	33.23	31.71	31.71
Equipment Purchases	12.32	15.00	15.00
TPIC	0.12	0.12	0.12
TADDAC	0.17	0.17	0.17
CRSAC	0.14	0.14	0.14
EPAC	0.11	0.11	0.11
TOTAL PROGRAM EXPENSES	\$69.03	\$69.03	\$69.03