

DRAFT**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA****Communications Division
Consumer Programs Branch****RESOLUTION T-17212
August 20, 2009****R E S O L U T I O N**

Resolution No. T-17212. To Establish the Deaf and Disabled Telecommunications Equipment and Service Program Budget (Public Utilities Code Section 2881 Et Seq) for the 2010-11 Fiscal Year Budget and to Make Structural Changes to the DDTP Consumer Advisory Boards.

SUMMARY

This resolution recommends a Fiscal Year (FY) 2010-11 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.* This resolution also recommends structural changes to the DDTP Consumer Advisory Boards.

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

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.

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specialized telecommunications equipment to consumers with hearing, vision, mobility, speech, and/or cognitive disabilities.

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 the end-user intrastate billings of 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 several 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. The CPUC is proposing here to merge the CRSAC subcommittee into the TADDAC, thus providing for a more effective and efficient use of resources. This merged committee will continue to provide valuable input from the range of constituencies the DDTP serves.

In a recent 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 improvements to the DDTP is a recent initiative that created a wireless pilot program for low-income consumers who are also DDTP-certified. Additionally, the CPUC is considering an expansion of the Lifeline discount to include DDTP customer wireless service plans.

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

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DISCUSSION

Budget for Fiscal Year 2010-11

In this Resolution, the CPUC adopts a proposed DDTP budget of \$69.03 million for FY 2010-11 as proposed by CD. Appendix A to the Resolution shows a comparison of the FY 2009-10 DDTP budget as adopted by Resolution T-17156 in column A, and CD's proposed FY 2010-11 DDTP budget in column B. CD proposes maintaining the FY 2010-11 DDTP budget at the same level of \$69.03 million as the FY 2009-10.

TADDAC identified a list of recommended items for the FY 2010-11 DDTP budget, including the testing of new technologies⁴.

The breakdown of the FY 2010-11 DDTP budget is as follows:

CPUC Staff Costs

CD recommends a budget of \$810,000 for FY 2010-11 for CPUC personnel staff costs associated with the administration of the DDTP program.

DDTP Contractors and Consultants

CD recommends maintaining expenses of \$19.98 million for contractors and consultants in the FY 2010-11 DDTP budget. These contracts provide for, among other things, 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.

DDTP Administrative Expenses

CD recommends total Administrative Expenses at \$990,000 for the FY 2010-11 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.

California Relay Service

The California Relay Services⁵ expenses incorporated in the FY 2009-10 budget continue to be reflected in the FY 2010-11 budget. CD recommends maintaining the same budget for CRS: \$31.71 million in the FY 2010-11 DDTP budget. Although there continues to be

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

⁵ CRS is an operator service which enables a deaf, hard-of-hearing or speech disabled user to place a telephone call to anyone through the use of specialized telecommunications equipment and a communications assistant who relays the call.

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a decrease in traditional CRS traffic, this is somewhat offset by the increase in captioned telephone (CapTel) or enhanced Voice Carryover (VCO)⁶ which continues to grow.

Equipment Purchases

The level of equipment purchase expenses incorporated in the FY 2009-10 budget continues to be reflected in the FY 2010-11 budget. CD recommends maintaining the same budget for equipment purchases: \$15.00 million in the FY 2010-11 budget.

Committee Expenses

The committee expenses incorporated in the FY 2009-10 budget continues to be maintained in the FY 2010-11 budget. CD recommends a budget of \$310,000 for the TADDAC (including CRSAC) and a budget of \$110,000 for the EPAC. See the section entitled "Structural Changes to the DDTP Advisory Boards" for a discussion of the committee restructuring.

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: \$12,000 in the FY 2010-11 budget.

Total DDTP FY 2010-11 DDTP budget

CD's proposed FY 2010-11 DDTP budget of \$69,030,000 is reasonable and should be adopted.

Structural Changes to DDTP Advisory Boards

Composite Structure

Beginning in 2003, when the DDTP Administrative Committee Fund was created in the State Treasury, the DDTP has undergone significant changes and adjustments as the CPUC assumed contracting and administrative responsibilities for the Program. Many of these functions previously were performed by the DDTP Advisory Committee and its subcommittees. As a result of the program's transition, the CPUC and its staff now perform administrative and contract oversight duties. This change has been most noticeable in the change in responsibilities of the TADDAC and the CRSAC in the

⁶ CapTel, which is a form of Enhanced "voice carryover" (VCO), provides word-for-word captions of everything said by the other party in a telephone conversation. At the same time, the voice can be heard via an amplified handset. Users with intelligible speech who are deaf or hard of hearing speak directly to the other party.

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oversight of the California Relay Service (CRS). Since the transition began in 2003, a significant overlap between the duties and functions of the TADDAC and the CRSAC has developed. This became most apparent as the TADDAC, in addition to its advisory role to the Commission, took on a larger role in developing recommendations regarding the changing relay environment. A joint TADDAC/ CRSAC working group met for several months to provide comments and input to the CPUC as CPUC staff were preparing to seek bids for a new CRS contract. Since the CRSAC is a subcommittee of the TADDAC, and many of the duties overlap, it now makes sense to absorb the functions of the CRSAC into the parent committee, the TADDAC. This will result in cost savings and efficiencies in governance.

The CRSAC should be merged into the TADDAC beginning on January 1, 2010. It is the CPUC's intent that once the two committees are merged, the remaining committee - the TADDAC - will continue to represent the various constituencies the DDTP serves, as those constituencies are currently reflected in the membership of both the TADDAC and the CRSAC. The merged TADDAC shall have 9 seats as follows:

- 2 representatives of the Deaf community;
- 1 representative of the Hard-of-Hearing community;
- 1 representative of the Late Deafened community;
- 3 representatives of the Disabled Community (including 1 Mobility Impaired representative; 1 Speech-to-Speech representative; and 1 Vision Impaired representative);
- 1 representative of the CPUC's Division of Ratepayer Advocates (DRA); and
- 1 At Large representative.

The DDTP Advisory Committees have submitted comments to the CPUC in response to the CPUC's request that the Committees identify efforts to make the DDTP program and its Advisory Boards more efficient and effective. The Committees considered a number of proposals, including consolidating TADDAC, CRSAC, and EPAC into one committee. The Committees' comments address the various proposals considered.

Currently, each of these three committees meets monthly. The Committees recommended that the CPUC merge all three committees into one larger committee that would meet for two days each month. CD concurs that the CRSAC be merged into the TADDAC, but recommends that the EPAC be retained as a separate subcommittee. CD further recommends that each of these two remaining committees meet no less frequently than once per quarter. This Resolution directs that the Communications Division shall consult with the committees and then, consistent with the mandate for

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the Committees to provide input as set forth in this Resolution, CD is delegated authority to set additional meetings as necessary.

In addition to retaining the same duties and responsibilities of the current TADDAC, the new TADDAC would also make recommendations with respect to the quality and efficiency of relay services, including procedures for the conduct of calls and effective means of implementing its recommendations. The TADDAC also should make recommendations on options for controlling expenses and increasing program efficiency. In addition, the TADDAC shall have responsibility for evaluating the effectiveness of the relay service vendors by offering recommendations for service standards. The TADDAC also should provide input to CD staff and to CCAF to help design surveys as a means to evaluate actual performance. The TADDAC shall have the authority to make recommendations on future relay service contract requirements and specifications. Further, the TADDAC shall advise the CPUC to assist in ascertaining compliance with Federal TRS requirements as established by the FCC.

CD's recommendation, that the EPAC remain a separate subcommittee, is adopted. Also adopted is CD's proposal that to accomplish this consolidation, the current Committee members serve until no later than January 1, 2010, at which point the new Committee structure will take effect. After January 1, 2010, the combined TADDAC will have 9 seats. The members of the merged TADDAC, consistent with the existing charters, will select new members so long as the constituencies identified in this resolution are represented.

Transition

The combined current membership of TADDAC and CRSAC is as follows:

3 representatives of the Deaf community,
representatives of the Hard-of-Hearing community,
2 representatives of the Late- Deafened community,
3 representatives of the Disabled Community (including 1 Mobility Impaired seat; 1 Speech-to-Speech seat; and 1 Vision Impaired seat); and
1 representative of DRA.

The merger of the CRSAC into the TADDAC will commence on January 1, 2010. Each of the 10 board members at that time shall be allowed to continue to serve out his or her term. Additionally, all committee members whose terms would otherwise end *prior* to January 1, 2010 may continue to serve until the consolidation commences. This will provide continuity for the Program.

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The following changes will be made in order to transition over time from the current 10 TADDAC seats as of January 1, 2010 to 9 seats. All seats on the TADDAC and the CRSAC committees that are *vacant* as of January 1, 2010 will be eliminated as of that date. The seats to be eliminated as of January 1, 2010 are as follows: a representative of a Statewide Deaf Organization, a representative of the Speech-Disabled Community, a representative of the Hard-of-Hearing Community, and a representative of the Hearing Community. In March 2010, one of the two existing Late-Deafened seats will become vacant and will be eliminated at that time. In October 2011, one of the three seats currently occupied by a member of the Deaf Community will become vacant, and then will become an Ad Hoc seat.⁷

CD Authorized to Prepare Implementation Resolution

This Resolution also authorizes CD staff to prepare a subsequent Resolution to implement the broad policy and governance changes adopted today, and specifically, to address any necessary modifications to the existing DDTP Committee Charters adopted in D.03-06-070.

COMMENTS

In compliance with PU Code § 311 (g), copies of the notice letter were e-mailed on July 21, 2009 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 Administrative Committee (TADDAC), members of the California Relay Service Advisory Committee (CRSAC), 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.

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.

⁷ These transition steps assume that all Committee members currently occupying seats with terms scheduled to expire *after* January 1, 2010 will remain in their seats until their terms end. Should a committee member with a term that expires *after* January 1, 2010 *and* slated for elimination resign his or her seat *before* its expiration date, that seat will not be refilled, but instead will be eliminated early.

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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 \$69.03 million for the Fiscal Year (FY) 2010-11 DDTP budget, as set forth in Column B of Appendix A, is reasonable for the DDTP and should be adopted.
7. Merging the CRSAC into the TADDAC will still retain the valuable input from the range of constituencies that the DDTP serves.
8. A restructured TADDAC will provide more effective and efficient use of resources.
9. The committee structure will be revised through merging the CRSAC into the TADDAC. The EPAC will be retained as a separate subcommittee. The Committees will meet no less than once per quarter. The Communications Division shall consult with the committees and then, consistent with the mandate for the Committees to provide input as set forth in this Resolution, CD is delegated authority to set additional meetings as necessary.
10. The merger of the CRSAC subcommittee into the TADDAC will commence on January 1, 2010.
11. Copies of the notice letter were e-mailed on July 21, 2009, to the parties of record to Investigation (I.) 87-11-031, Rulemaking (R.) 00-05-001, R.03-03-014, members of the Telecommunications Access for the Deaf and Disabled Administrative Committee (TADDAC), members of the California Relay Service Advisory Committee (CRSAC), and members of the Equipment Program Advisory Committee (EPAC).

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THEREFORE, IT IS ORDERED that:

1. The Fiscal Year 2010-11 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.
2. The California Relay Service Advisory Committee (CRSAC) shall be merged into the Telecommunications Access for the Deaf and Disabled Administrative Committee (TADDAC), effective January 1, 2010.
3. CD staff is authorized to prepare a subsequent Resolution to implement the broad policy and governance changes adopted today, and specifically, to address any necessary modifications to the existing DDTP Committee Charters adopted in D.03-06-070.

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APPENDIX A

Budget for Equipment and Services Provided to the
Deaf and Disabled Telecommunications Program
Fiscal Year 2010-11
(Millions of Dollars)

	A FY 2009-10 Resolution T- 17156	B FY 20010-11 CD Proposed	C FY 2010-11 Adopted
CPUC Staff Costs	\$.81	.81	.81
DDTP Contractors and Consultants	19.98	19.98	19.98
DDTP Administration Expenses	.99	.99	.99
California Relay Service	31.71	31.71	31.71
Equipment Purchases	15.00	15.00	15.00
TADDAC	0.17	0.31	0.31
CRSAC	0.14	N/A	N/A
EPAC	0.11	0.11	0.11
TPIC	0.12	0.12	0.12
 TOTAL PROGRAM EXPENSES	 \$69.03	 \$69.03	 \$69.03