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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Communications Division **RESOLUTION T-17285**
Consumer Programs Branch **August 12, 2010**

R E S O L U T I O N

Resolution No. T-17285. To Establish the Deaf and Disabled Telecommunications Equipment and Service Program Budget (Public Utilities Code Section 2881 Et Seq) for the 2011-12 Fiscal Year Budget.

SUMMARY

This resolution recommends a Fiscal Year (FY) 2011-12 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.*

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.

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[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 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, braillers, 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 improvements to the DDTP is an 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.

DISCUSSION

Budget for Fiscal Year 2011-12

In this Resolution, the CPUC adopts a proposed DDTP budget of $69.03 million for FY 2011-12 as proposed by CD. Appendix A to the Resolution shows a comparison of the

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

FY 2010-11 DDTP budget as adopted by Resolution T-17212 in column A, and CD's proposed FY 2011-12 DDTP budget in column B. CD proposes maintaining the FY 2011-12 DDTP budget at the same level of $69.03 million as the FY 2010-11.

TADDAC identified a list of recommended items for the FY 2011-12 DDTP budget, including the testing of new technologies[4].

The breakdown of the FY 2011-12 DDTP budget is as follows:

CPUC Staff Costs
CD recommends a budget of $810,000 for FY 2011-12 for CPUC personnel staff costs associated with the administration of the DDTP program.

Delivery of DDTP Services
CD recommends increasing the budget for delivery of DDTP services to $29.98 million for FY 2011-12, which is $10 million over the preceding year. 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 $990,000 for the FY 2011-12 DDTP budget. The activities covered by these expenses include various audits of the program, interagency fees associated with staff resources from other state agencies, banking fees and data processing automation.

California Relay Service
CD recommends a budget of $21.71 million for CRS in the FY 2011-12 DDTP budget, which is $10 million less than FY 2010-11. This budget is more reflective of anticipated traditional CRS traffic, which continues to decline. Although captioned telephone (CapTel) or enhanced Voice Carryover (VCO)[5] continues to grow, and the cost per unit of CRS calls has increased with the advent of CRS-3, these factors have not offset the significant drop in CRS usage.

[4] Ideas submitted by advisory committee groups assisted staff in developing program budget components.
[5] 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.

Equipment Purchases
CD recommends maintaining the same budget for equipment purchases: $15.00 million in the FY 2011-12 budget as was budgeted in FY 2010-2011. This budget has been adequate thus far to cover the purchase of equipment for the DDTP Wireless Pilot Program.

Committee Expenses
The committee expenses incorporated in the FY 2010-11 budget continues to be maintained in the FY 2011-12 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: $12,000 in the FY 2011-12 budget.

Total DDTP FY 2011-12 DDTP budget
CD's proposed FY 2011-12 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 13, 2010 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) 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. CD did not receive any comments on this resolution.

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 $69.03 million for the Fiscal Year (FY) 2011-12 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 13, 2010, 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) and members of the Equipment Program Advisory Committee (EPAC).

8. CD did not receive any comments on this resolution.

THEREFORE, IT IS ORDERED that:

1. The Fiscal Year 2011-12 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.

/s/ Paul Clanon

PAUL CLANON
Executive Director

MICHAEL R. PEEVEY
President

DIAN M. GRUENEICH

JOHN A. BOHN

TIMOTHY ALAN SIMON

NANCY E. RYAN

Commissioners

APPENDIX A

Budget for Equipment and Services Provided to the
Deaf and Disabled Telecommunications Program
Fiscal Year 2011-12
(Millions of Dollars)

	A FY 2010-11 Resolution T-17212	B FY 2011-12 CD Proposed	C FY 2011-12 Adopted
CPUC Staff Costs	.81	.81	.81
Delivery of DDTP Services			
a. DDTP Administrative Contractor (including service center and outreach)		16	16
b. DDTP equipment contact center and warehouse		9	9
c. Other DDTP contracts including marketing		4.98	4.98
Subtotal (a, b, and c)	19.98	29.98	29.98
DDTP Administration Expenses—Other	.99	.99	.99
California Relay Service	31.71	21.71	21.71
Equipment Purchases	15.00	15.00	15.00
TADDAC	0.31	0.31	0.31
EPAC	0.11	0.11	0.11
TPIC	0.12	0.12	0.12
TOTAL PROGRAM EXPENSES	$69.03	$69.03	$69.03