

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**Communications Division
Consumer Programs Branch****RESOLUTION T-17372
September 27, 2012****R E S O L U T I O N****Resolution No. T-17372 To Establish the Deaf and Disabled
Telecommunications Equipment and Service Program Budget (Public
Utilities Code Section 2881 Et Seq) for the 2013-14 Fiscal Year Budget.**

SUMMARY

This resolution recommends a Fiscal Year (FY) 2013-14 annual budget of \$63.1 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. Assembly Bill 136 (AB 136, 2011) adds Speech Language

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 Commission currently is advised by the DDTP consumer advisory boards: the Telecommunications Access for the Deaf and Disabled Administrative Committee (TADDAC), now codified in PU Code section 278, and the Equipment Program Advisory Committee (EPAC), a subcommittee.

Pathologists to the list of Program Certifying Agents and expands the program to include assistance to individuals with speech disabilities for provision of speech generating devices, accessories, mounting systems, and specialized telecommunications equipment. Commission Decision 10-11-033 directs that wireless equipment become a part of the Deaf and Disabled Telecommunications Program's California Telephone Access Program (CTAP).

Senate Bill 669 created a special fund dedicated to the DDTP whose funds are maintained in the State Treasury. The DDTP is funded via a surcharge on the end-user telephone bills 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 to the DDTP Administrative Contractor, the CPUC contracts for services from a number of other vendors including the following: sign language interpreters, captioners, voicers, braille, marketing vendor, equipment, contact center, warehouse operator, and relay providers.

Lastly, the DDTP anticipates supporting the Lighthouse for the Blind efforts as lead in California's response to the federal National Deaf Blind Equipment Distribution Program (NDBEDP) in fiscal year 2013-14.

DISCUSSION

Budget for Fiscal Year 2013-14

In this revised Resolution, the CPUC adopts a proposed DDTP budget of \$63.1 million for FY 2013-14 as proposed by CD. Appendix A to the Resolution shows a comparison of the FY 2012-13 DDTP budget as adopted by Resolution T-17323 in column A, and CD's proposed FY 2013-14 DDTP budget in column B. Previously, in a draft resolution issued on July 25, 2012, CD proposed a budget of \$76.11 million for the FY 2013/14 DDTP budget. CD modified its proposed budget to \$63.1 million to more closely reflect actual program expenses during FY 2011-2012, anticipated program expenses for FY

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

2012-13, and predicted expenses for FY 2013-14. In decreasing the propose budget, CD reduced projected service and equipment expenses.

In TADDAC's letter dated July 3, 2012, TADDAC and EPAC identified a list of program priorities for the FY 2013-14 DDTP budget, which assisted Commission staff in developing the Program budget. The CD proposed revised budget of \$63.1 million as described below is sufficient to cover these FY 2013-2014 program priorities. Among the list of items include:

- suggestions on how to improve the DDTP user experience with wireless devices and service;
- suggestions on how to improve the DDTP user experience with landline devices and service;
- suggestions on how to improve various other aspects of the DDTP; and
- need to ensure all core DDTP/CTAP/CRS program areas are adequately funded and cover major program initiatives for FY 2013-14.

The breakdown of CD's proposed FY 2013-14 DDTP budget is as follows:

CPUC Staff Costs

CD recommends a budget of \$1.38 million for FY 2013-14 for CPUC personnel staff costs associated with the administration of the DDTP program.

Delivery of DDTP Services .

CD recommends a FY 2013-2014 budget for delivery of DDTP services of \$30.1 million, which is about level with FY 2012-13. This budget continues to ensure that there is adequate funding to cover major 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 \$721,500 for the FY 2013-14 DDTP budget which is a slight decrease 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 \$13 million for CRS in the FY 2013-14 DDTP budget, The projected level of program expenses continues to be reflective of anticipated traditional CRS traffic, which continues to decline while growth in captioned telephone (CapTel) or enhanced Voice Carryover (VCO)⁴ continues to grow. Although cost per unit of CRS calls has increased because of new contracts, these factors have not offset the impact of the significant drop in other traditional CRS usage. Accordingly, our proposed budget reflects this usage decline.

Equipment Purchases

CD recommends a budget for equipment purchases of \$17.4 million in the FY 2013-14 budget. This ensures adequate funding to cover the purchase of equipment for the DDTP wireline, wireless devices and Speech Generating Devices (SGDs). Of the \$17 million in the proposed budget, CD projects that \$9 million would be for traditional wireline phones and accessories and \$2 million is budgeted for wireless devices. \$6.4 million is the estimated program expense for the 6 months that the SGD program will be in operation in FY 2013-14 (i.e., January 1, 2014 – June 30, 2014).

The SGD program is authorized in AB 136 which requires the Commission to expand DDTP to include assistance to individuals with speech disabilities, including assistance to purchase speech-generating devices, accessories, and mounting systems, and specialized telecommunications equipment. The bill requires the Commission to design and implement a program to provide access to a speech-generating device to any subscriber who is certified as having a speech disability at no charge additional to the basic exchange rate. The bill requires the Commission to adopt regulations and rules to implement the program by January 1, 2014.

Committee Expenses

The projected committee expenses incorporated in the FY 2012-13 budget are maintained in the FY 2013-14 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 the Governor's 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 2013-14 budget.

⁴ 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.

Total DDTP FY 2013-14 DDTP budget

CD's proposed FY 2013-14 DDTP budget of \$63.1 million is reasonable and should be adopted.

COMMENTS

In compliance with PU Code § 311 (g), copies of the notice letter for the draft Resolution were e-mailed on July 25, 2012 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.

Copies of the notice letter for the revised draft Resolution were e-mailed on September 11, 2012 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).

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. Assembly Bill 136 (AB 136, 2011) adds Speech Language Pathologists to the list of Certifying Agents and expands the program to include assistance to individuals with speech disabilities for provision of speech-generating devices, accessories, mounting systems, and specialized telecommunications equipment.
7. Commission Decision 10-11-033 directs that wireless equipment become a part of the Deaf and Disabled Telecommunications Program's California Telephone Access Program (CTAP).
8. The Communications Division's (CD) estimate of \$63.1 million for the Fiscal Year (FY) 2013-14 DDTP budget, as set forth in Column B of Appendix A, is reasonable for the DDTP and should be adopted.
9. Copies of the notice letter for the draft Resolution were e-mailed on July 25, 2012, 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).
10. Copies of the notice letter for the revised draft Resolution were e-mailed on September 11, 2012 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).

THEREFORE, IT IS ORDERED that:

1. The Fiscal Year 2013-14 budget for the Deaf and Disabled Telecommunications Program of \$63.1 million, as set forth in Column C of Appendix A of this resolution is adopted.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the California Public Utilities CPUC at its regular meeting on September 27, 2012. The following Commissioners adopted it:

PAUL CLANON
Executive Director

APPENDIX A

Budget for Equipment and Services Provided to the
Deaf and Disabled Telecommunications Program
Fiscal Year 2013-14
(Millions of Dollars)

	A	B	C
	FY 2012-13	FY 2013-14	FY 2013-14
	Resolution T-17323	CD Proposed	Adopted
CPUC Staff Costs	.99	1.38	
<ul style="list-style-type: none"> • Delivery of DDTP Services DDTP Administrative Contractor (including service center and outreach); and • Other DDTP contracts including marketing 	29.98	30.1	
DDTP Administration Expenses—Other	.81	.72	
California Relay Service	18	13	
Equipment Purchases			
a. DDTP Equipment	11	9	
b. Wireless	2	2	
c. SGDs	12.8	6.4	
TADDAC	0.31	0.31	
EPAC	0.11	0.11	
TPIC	0.12	0.12	
TOTAL PROGRAM EXPENSES	\$76.12	\$63.1	