Agenda ID # 5854
08/24/06

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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Telecommunications Division **RESOLUTION T-17047**
Public Program Branch **August 24, 2006**

R E S O L U T I O N

Resolution No. T-17047. To Establish the Deaf and Disabled Telecommunications Equipment and Service Program (Public Utilities Code Section 2881, Et Seq.) 2007-2008 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) 2007-08.

BACKGROUND

The Commission established the DDTP and has expanded it by Commission order and implementation of three legislative mandates. 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, hearing or speech-impaired with other parties. The DDTP was previously managed by an external staff acting as agents of the Commission. The DDTP Administrative Committee (AC) 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.

SB 669 (1999) changed the operations of the Commission's public programs in two ways: 1) it transferred the funds for the programs from a bank trust fund to the State Treasury and, 2) it changed the duties of the administrative committees to those of advisory boards.

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 recently 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 2007-08 as proposed by the Telecommunications Division (TD)[1]. Appendix A shows a comparison of the FY 2006-07 DDTP budget as adopted by Resolution T-16896 in column A and TD's proposed FY 2007-08 DDTP budget in column B. TD proposes maintaining the FY 2007-08 DDTP budget at the same level of $69.03 million as the FY 2006-07.

The Telecommunications Access for the Deaf and Disabled Administrative Committee (TADDAC) identified a list of recommended items for the FY 2007-08 DDTP budget. The TADDAC's recommended requests include testing of new technology. The FY 2007-08 DDTP budget generally provides sufficient funding to meet these and other TADDAC recommendations.

The breakdown of the FY 2007-08 DDTP budget follows:

<u>California Relay Service</u>
TD recommends total expenses of $33.23 million for California Relay Service (CRS) in the FY 2007-08 DDTP budget. This is a slight decrease from the $33.84 million in the FY 2006-2007 DDTP budget.

<u>Equipment Purchases</u>
TD recommends total expenses of $12.32 million for equipment purchases in the FY 2007-08 DDTP budget, which remains unchanged from the FY 2006-2007 DDTP budget.

<u>All Contracts and Consultants</u>
TD recommends total expenses of $19.98 million for contractors and consultants in the FY 2007-08 DDTP budget. These contracts provide for DDTP administrative services, service centers and field operations, equipment distribution, non-service aspects of the

[1] This budget is based on the current program structure being applicable in FY 2007-08.

relay program, customer contact, outreach operations, and outreach media and materials.

CPUC All Other Costs
The FY 2007-08 DDTP budget includes $1.66 million for CPUC personnel staff costs, interagency fees, audits and other items. The increase in FY 2007-08 DDTP budget over the FY 2006-07 DDTP budget is attributable to anticipated increase in staffing at the Commission for the DDTP program.

Total DDTP FY 2007-08 DDTP budget
TD proposed FY 2007-08 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 25, 2006, to 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 TADDAC members, California Relay Service Advisory Committee (CRSAC) members and the Equipment Program Advisory Committee (EPAC) members informing theses 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.

Comments filed on a timely basis will be addressed by TD in 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 Telecommunications Division's (TD) estimate of $69.03 million for the Fiscal Year (FY) 2007-08 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 25, 2006, 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.

THEREFORE, IT IS ORDERED that:

1. The Fiscal Year 2007-08 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.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on August 24, 2006. The following Commissioners adopted it:

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STEVE LARSON

Executive Director

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APPENDIX A

Budget for Equipment and Services Provided to the Deaf and Disabled Telecommunications Program Fiscal Year 2007-08 (Millions of Dollars)

	A FY 2006-2007 Resolution T-16896	B FY 2007-08 TD Proposed	C FY 2007-08 Adopted
CPUC Staff Costs	$1.05	$1.66	$1.66
DDTP Contractors and Consultants	19.98	19.98	19.98
DDTP Administration Expenses	1.30	1.30	1.30
California Relay Service	33.84	33.23	33.23
Equipment Purchases	12.32	12.32	12.32
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