

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Telecommunications) DOCKET NO. 910496-TP
Access System Act of 1991) ORDER NO. PSC-95-0693-FOF-TP
_____) ISSUED: June 12, 1995

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION
ORDER EXTENDING CONTRACT,
APPROVING FTRI BUDGET AND DECREASING SURCHARGE

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding pursuant to Rule 25-22.029, Florida Administrative Code.

BACKGROUND

The Telecommunications Access System Act of 1991 (TASA) became effective May 24, 1991 and is found in Chapter 427, Part II of the Florida Statutes. TASA was developed in response to two needs. The first was the need for permanent funding of the distribution of specialized telecommunications equipment for people who are hearing and speech impaired (TDDs, volume control telephones, etc.). The second motivation for the TASA was the need for a telecommunications relay system whereby the cost for access to basic telecommunications services for persons who have a hearing or speech impairment is no greater than the amount paid by other telecommunications customers.

The federal Americans with Disabilities Act (ADA) required telephone companies to develop a relay system for both interstate and intrastate calls by July of 1993; however, TASA mandated that a statewide telecommunications relay service be provided earlier, beginning June 1, 1992, in Florida. Florida's TASA required the development of a statewide relay service that would be capable of

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being certified by the FCC. TASA provides funding for the distribution of specialized telecommunications devices and intrastate relay service through the imposition of a surcharge of up to \$.25 per access line per month. (Accounts with over 25 lines are billed for only 25 lines).

Beginning July 1, 1991, the LECs began collecting the initial \$.05 per access line surcharge pursuant to Order No. 24581; the surcharge was later increase to \$.10 per access line on July 1, 1992. After issuing a Request for Proposals (RFP), the Commission selected MCI to provide the relay service and MCI began providing service June 1, 1992 out of its relay center in Miami. Florida Telecommunications Relay, Inc. (FTRI), a non-profit corporation formed by the thirteen local exchange telephone companies, was named by the Commission to serve as the TASA administrator.

EXTENSION OF CONTRACT

At our May 30th Agenda, we addressed the issue of extending the contract with MCI for a fifth year (6/1/96 - 5/31/97) with some amendments. The contract between the FPSC and MCI provided for an initial service period of three years beginning June 1, 1992. Under a provision of the contract entitled Term of Agreement, there was a renewal option.

Our staff reviewed the service quality and the complaint levels, and recommended an extension. In addition, the Advisory Committee voted at its March 29, 1995, for an extension of the contract with certain amendments. We approved the following amendments to the contract:

- 1) Add requirement to handle hearing carryover to hearing carryover calls (allows two speech impaired parties to communicate) and voice carryover to voice carryover calls (allows two hearing impaired parties to connect) upon request;
- 2) Omit restriction on number of calls allowed to leave a message on an answering machine;
- 3) Add requirement to use same operator through duration of call whenever possible;
- 4) Require Advisory Committee input on plans for evaluation and make results of evaluations reasonably available to Advisory Committee members after completion;

- 5) Require relay of same source transmission (to allow deaf/hard of hearing person to ask for translation of voice message and answering machine if a line shared with hearing person);
- 6) Address special needs services. MCI shall collaborate with deaf service centers, independent living centers, or other community resources as may be available, in an effort to provide 20 hours of special needs relay service at 12 locations throughout the State. Such requirement shall be subject to the cooperation and participation of such local service providers.

Given that MCI has agreed to these contract modifications, and since it appears that the current contract has resulted in good quality service at a good price, we approved the extension of the contract with the amendments.

APPROVAL OF FTRI BUDGET

At the May 30th Agenda, we also approved the Florida Telecommunications Relay, Inc.'s budget for fiscal year 1995-1996. (See Attachment A).

As it is today, the FTRI budget shall be grouped into five categories. FTRI may move amounts between these five categories not to exceed 10% of the category from which the funds are being moved; greater movement would require prior FPSC authorization.

DECREASE IN SURCHARGE

We voted to decrease the surcharge from the current \$.12 to \$.10. The expense reductions proposed by FTRI and the size of the cash balance in the surplus fund account make this possible. The reduction should become effective July 1, 1995.

Therefore, based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the contract with MCI be extended, with the above modifications, for 1996-1997. It is further

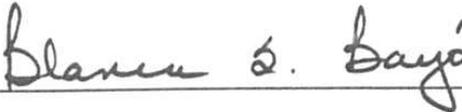
ORDERED that FTRI's proposed budget be approved. It is further

ORDERED that the surcharge be decreased from \$.12 to \$.10 effective July 1, 1995. It is further

ORDER NO. PSC-95-0693-FOF-TP
DOCKET NO. 910496-TP
PAGE 4

ORDERED that this docket remain open.

By ORDER of the Florida Public Service Commission, this 12th
day of June, 1995.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on July 03, 1995.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

ORDER NO. PSC-95-0693-FOF-TP
DOCKET NO. 910496-TP
PAGE 5

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

ATTACHMENT A

ORDER NO. PSC-95-0693-FOF-TP
 DOCKET NO. 910496-TP
 PAGE 6

| | COMMISSION Approved 1994-95 Budget | COMMISSION Approved 1995-96 Budget |
|---|---|---|
| 1 Revenue | | |
| 2 Surcharges | 11,110,381 | 10,370,448 |
| 3 Interest Income | 64,193 | 125,914 |
| 4 Services/Other | 0 | 0 |
| 5 Total Operating Revenue | 11,174,574 | 10,496,362 |
| 6 Other Revenue Funds | | |
| 7 Surplus Account | 3,678,000 | 3,646,933 |
| 8 Total Other Revenue | 3,678,000 | 3,646,933 |
| 9 Total Revenue | 14,852,574 | 14,143,295 |
| 10 Operating Expenses | | |
| Category I – Relay Services | | |
| 11 DPR Provider | 8,702,601 | 8,034,156 |
| Subtotal – Category I | 8,702,601 | 8,034,156 |
| Category II – Equipment and Repair | | |
| 12 TDD Equipment | 507,180 | 481,500 |
| 13 LVD TDD's | 24,150 | 5,690 |
| 14 VCO-TDD | 88,165 | 73,800 |
| 15 Dual Sensory Equip. | 24,900 | 6,575 |
| 16 VCP hearing impaired | 2,939,725 | 2,152,200 |
| 16A VCP speech impaired | 13,990 | 7,830 |
| 17 Ring Signaling Equip. | 697,795 | 477,666 |
| 18 Telecomm. Equip. Repair | 103,000 | 65,000 |
| Subtotal Category – II | 4,398,905 | 3,270,261 |
| Category III – Equipment Distribution and Training | | |
| 19 Freight Telecomm. Equip. | 39,732 | 23,990 |
| 20 Regional Dist. Ctr. | 692,000 | 710,124 |
| 21 Workshop | 6,000 | 9,675 |
| 22 Training | 30,000 | 19,392 |
| Subtotal Category – III | 767,732 | 763,181 |
| Category IV – Outreach | | |
| 23 Outreach | 306,000 | 250,000 |
| Subtotal Category – IV | 306,000 | 250,000 |

ATTACHMENT A

ORDER NO. PSC-95-0693-FOF-TP
 DOCKET NO. 910496-TP
 PAGE 7

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| COMMISSION Approved 1994-95 Budget |
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| COMMISSION Approved 1995-96 Budget |
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| Category V - General & Administrative | | | |
|---------------------------------------|------------------------------|-------------------|-------------------|
| 24 | Advertising | 1,500 | 900 |
| 25 | Accounting | 14,800 | 12,750 |
| 26 | Legal | 45,000 | 58,600 |
| 27 | Consultation | 15,000 | 7,500 |
| 28 | Auto Expense | 0 | 0 |
| 29 | Auto Lease | 4,800 | 4,800 |
| 30 | Bank Charges | 0 | 0 |
| 31 | Dues/Subscriptions | 1,000 | 1,250 |
| 32 | Office Furn. Purchase | 1,000 | 1,000 |
| 33 | Office Equip. Purchase | 5,000 | 2,000 |
| 34 | Capitalized | 0 | 0 |
| 35 | Office Equip. Lease | 2,000 | 2,052 |
| 36 | Ins.-health/life/Dis. | 67,482 | 61,296 |
| 37 | Ins. Other | 2,500 | 2,500 |
| 38 | Office Expense | 8,000 | 5,000 |
| 39 | Postage | 30,000 | 16,500 |
| 40 | Rent | 42,100 | 44,340 |
| 41 | Printing | 40,000 | 20,000 |
| 42 | Retirement | 30,032 | 30,966 |
| 43 | Employee Comp. | 260,000 | 269,231 |
| 43A | Temporary Employment | 5,000 | 2,500 |
| 44 | Payroll Taxes | 20,640 | 20,963 |
| 45 | SUTA/FUTA | 2,100 | 206 |
| 46 | Taxes/License | 200 | 75 |
| 47 | Telephone | 35,000 | 25,000 |
| 48 | Travel & Bus. Expense | 18,000 | 10,000 |
| 49 | Xerox | 0 | 0 |
| 50 | Equipment Maint. | 8,000 | 5,000 |
| 51 | Employee Train/Dvlp. | 2,000 | 1,000 |
| 52 | Meeting | 3,000 | 1,000 |
| 53 | Misc. | 5,000 | 1,000 |
| | Subtotal Category - V | 669,154 | 607,429 |
| 54 | Total Expense | 14,844,392 | 12,925,027 |
| 55 | Revenue Less Expenses | 8,182 | 1,218,268 |