

## BEFORE THE PUBLIC SERVICE COMMISSION

In re: Request for submission of proposals for relay service, beginning in June 2000, for the hearing and speech impaired, and other implementation matters in compliance with the Florida Telecommunications Access System Act of 1991.

DOCKET NO. 991222-TP  
ORDER NO. PSC-04-0117-PAA-TP  
ISSUED: January 30, 2004

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman  
J. TERRY DEASON  
LILA A. JABER  
RUDOLPH "RUDY" BRADLEY  
CHARLES M. DAVIDSON

NOTICE OF PROPOSED AGENCY ACTION OF SURCHARGE INCREASE AND FINAL ORDER APPROVING PROPOSALS FOR RELAY SERVICE, BEGINNING IN JUNE 2000, FOR THE HEARING AND SPEECH IMPAIRED, AND OTHER IMPLEMENTATION MATTERS IN COMPLIANCE WITH THE FLORIDA TELECOMMUNICATIONS ACCESS SYSTEM ACT OF 1991

BY THE COMMISSION:

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

The Telecommunications Access System Act of 1991 (TASA) became effective May 24, 1991, and is found in Part II, Chapter 427, Florida Statutes. TASA provides funding for the distribution of specialized telecommunications devices and provision of 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.

Section 427.706 of TASA allows the Advisory Committee to consist of up to ten members recommended by various organizations and named to the committee by this Commission. The committee's role is to provide the expertise, experience, and perspective of persons who are hearing impaired or speech impaired to this Commission and to FTRI during all phases of the development and operation of the telecommunications access system.

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FPSC-COMMISSIONER

Mr. Steven Hardy, Mr. Tom Kemble, and Ms. Shirley Jones have resigned from their positions on the Advisory Committee. Mr. Jimmy Peterson is with the Florida Association of the Deaf, Inc. and would replace Mr. Steven Hardy. Mr. Christopher McDonald is with AT&T and would replace Mr. Tom Kemble as the long distance company representative. Ms. Kathy Borzell is with the Self Help for Hard of Hearing People and would replace Ms. Shirley Jones. Accordingly, we approve Mr. Jimmy Peterson, Mr. Christopher McDonald, and Ms. Kathy Borzell to be named to the TASA Advisory Committee.

This Commission shall amend the current contract with Sprint Communications Company Limited Partnership to include Captel as a service offering starting March 1, 2004, and extending through May 31, 2005, at the session minute rates as described in the "usage costs" section of this order. Captel service is approximately 44% faster than regular relay calls because the relay operator does not have to type. With regular relay calls, the operator must type into a computer. Revoicing is much faster than typing and the end result is fewer minutes are required for the same conversation.

It was determined, during trials Sprint conducted in several states, that 64% of the usage was from new users that had not previously used voice carry-over or relay services. This service reaches those persons that are hearing impaired to the extent that normal speech cannot be understood over normal or amplified telephones. The potential Captel users are late deafened, profoundly deaf and able to speak, cochlear implant users, VCO and 2-line VCO users, and hard of hearing. Because of the elderly population in Florida, the Captel service should benefit a large populous that has not been previously assisted with their hearing impairments.

### **Federal and State Authority**

In order for the service to be eligible for reimbursement for interstate usage from the Interstate TRS Fund, Ultratec, Inc., the developer of the Captel service, filed for a declaratory ruling with the Federal Communications Commission (FCC) seeking approval to clarify Captel as a telecommunications relay service. The FCC ruled on July 25, 2003, in CC Docket No. 98-67 that Captel is eligible for reimbursement from the National Exchange Carrier Association, Inc. (NECA).

Section 427.702(3)(b), Florida Statutes, requires that the telecommunications access system include a telecommunications relay service system that meets or exceeds the certification requirements of the Federal Communications Commission. Section 427.702(3)(g), Florida Statutes, requires that the telecommunications access system use state-of-the-art technology for specialized telecommunications devices and the telecommunications relay service. The statute further encourages the incorporation of new developments in technology, to the extent that it has demonstrated benefits consistent with the intent of the act and is in the best interest of the citizens of this state.

### Usage Costs

Currently, regular relay calls cost the state \$.73 per session minute and will remain unchanged. The proposed rate for Captel varies depending on the call volume. The usage cost for the Captel service is \$1.45 per session minute until the call volume reaches 100,000 minutes per month. The rate shall then be reduced to \$1.40 until the volume reaches above 200,000 when it shall be reduced to \$1.35. Our staff does not anticipate the volume to reach above 100,000 until at least nine months after implementation.

Using a distribution of 100 Captel phones per month and including the initial 132 trial users, the usage cost is estimated to be \$1,980,480 minus \$367,394 which is the usage cost of persons migrating from traditional VCO relay to Captel.

### Equipment Costs and Distribution

The equipment shall be purchased and distributed by the Florida Telecommunications Relay, Inc. (FTRI). The Captel telephone will cost FTRI \$350. FTRI shall have the flexibility to distribute the maximum number of phones while staying within the budgetary constraints. Our staff has used 100 phones per month in its calculations; however, if FTRI does not distribute 100 per month, it is not responsible for purchasing that amount. Our staff used 100 phones per month in the calculation because the call center is only capable of supporting a growth rate of approximately 100 phones per month. Sprint is currently contracting with Ultratec to provide the operator functions; however, in the future, Sprint intends to establish its own call centers and will be able to handle a substantial increase in the usage of the Captel service.

The total cost of purchasing the equipment (1,632 phones) for the contract period, including the existing 132 trial users, is \$571,200. There will be some distribution costs, but much of those costs were budgeted for distribution of regular VCO phones and it is possible that there will not be 1,632 users of the service. If additional costs for distribution are identified at a later date that have a significant impact on FTRI's budget, our staff will take appropriate action at that time.

Based on our staff's calculations, the current \$.12 monthly surcharge will fall \$756,569 short over the contract period. By increasing the surcharge from \$.12 to \$.13, the increase will produce an additional \$1,613,245 which will provide a \$856,675 surplus by the end of the contract period.

Based on the benefits to a larger population of hearing impaired citizens of the state of Florida, and the authority provided through state and federal laws, this Commission shall amend the current contract with Sprint to include Captel as a service offering starting March 1, 2004, and extend the contract through May 31, 2005, at the rates described in the "usage costs" section of this order.

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Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Mr. Jimmy Peterson, Mr. Christopher McDonald, and Ms. Kathy Borzell are hereby appointed to the Telecommunications Access System Advisory Committee. It is further

ORDERED that the local exchange telephone companies and alternative local exchange telephone companies shall assess a \$.13 surcharge beginning March 1, 2004. It is further

ORDERED that this Commission shall amend the current contract with Sprint Communications Company Limited Partnership to include Captel as a service offering starting March 1, 2004, and extend the contract through May 31, 2005, at the rates described in the "usage costs" section of this order. It is further

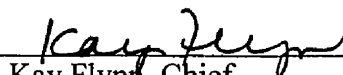
ORDERED that the provision of this Order regarding the surcharge increase, is issued as proposed agency action and shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that Docket No. 991222-TP shall remain open for the duration of the current relay contract with Sprint.

By ORDER of the Florida Public Service Commission this 30th day of January, 2004.

BLANCA S. BAYÓ, Director  
Division of the Commission Clerk  
and Administrative Services

By:

  
\_\_\_\_\_  
Kay Flynn, Chief  
Bureau of Records

( S E A L )

JPR

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.

As identified in the body of this order, our action regarding the proposed surcharge increase is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on February 20, 2004. If such a petition is filed, mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing. In the absence of such a petition, this order shall become effective and final upon the issuance of a Consummating Order.

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.

Any party adversely affected by the Commission's final action in this matter may request:

- (1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of the Commission Clerk and Administrative Services within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or
- (2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or 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 the Commission Clerk and Administrative Services 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 after the issuance 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.