

ANNUAL REPORT
TO THE LEGISLATURE
ON THE STATUS OF THE

Telecommunications Access System Act

A PUBLICATION OF THE
FLORIDA PUBLIC SERVICE COMMISSION'S
DIVISION OF COMMUNICATIONS

DECEMBER 1998

TABLE OF CONTENTS

I.	Terms and Acronyms	-2-
II.	Executive Summary	-3-
	Table A - Financial Report.	-3-
	Table B - Equipment Distribution.	-3-
	Table C - New Recipients of Equipment and Training.	-4-
	Table D - Surcharge Level	-4-
III.	Development of the Telecommunications Access System	-5-
IV.	Revenues and Expenditures	-6-
V.	Distribution of Specialized Telecommunications Equipment	-7-
VI.	Relay Call Volumes	-7-
VII.	Advisory Committee	-8-
	APPENDIX A - FTRI Budget for 1997-98 and 1998-99 Fiscal Years	-9-
	APPENDIX B - FTRI Annual Report to the Florida Public Service Commission	-11-
	APPENDIX C - Florida Relay Service Annual Report to the Florida Public Service Commission	-29-
	APPENDIX D - Order No. PSC-98-1521-FOF-TP.	-45-

Status of Implementation of the

TELECOMMUNICATIONS ACCESS SYSTEM ACT OF 1991

I. TERMS AND ACRONYMS

Several terms and organizations are referenced throughout this report. To assist in reading the report, the following explanation of terms is provided.

ADMINISTRATOR - A nonprofit corporation [427.704(2), F.S.] created by the local exchange telephone companies pursuant to Commission Order No. 24462 dated May 1, 1991. That nonprofit corporation has been formed and is known as Florida Telecommunications Relay, Inc. (FTRI).

The Administrator has three basic roles: one is to collect the surcharge revenues from the local exchange telephone companies and pay the relay service Provider [427.705(1)(d)&(g), F.S.], another is to distribute and maintain the specialized telecommunications devices [427.705(1)(a), F.S.] and the third is to provide community outreach and training on use of the relay service and specialized telecommunications devices [427.705(1)(a)-(b), F.S.]. The FTRI's offices are located in Tallahassee.

ADVISORY COMMITTEE - A group of up to ten (10) individuals recommended by various organizations representing both the telephone industry and individuals with hearing, speech, or dual sensory impairment (427.706, F.S.). The Advisory Committee's role is to provide input to both the FPSC and the Administrator on the development and operation of the Telecommunications Access System. The Advisory Committee has been actively involved in the implementation of TASA since May 1991. The Advisory Committee has met with the Commission staff on several occasions and also made presentations before the Commission.

FCC - Federal Communications Commission

FPSC - The Florida Public Service Commission, which has overall responsibility for implementation and oversight of the system [427.704(1), F.S.].

FTRI - The Florida Telecommunications Relay, Inc., which is the corporation formed to serve as the TASA Administrator.

LEC - The providers of local exchange telephone service have the responsibility of collecting the surcharge and submitting it to the Administrator [427.704(4)(a)-(d), F.S.].

PROVIDER - The entity that provides the relay service [427.704(3)(a), F.S.]. In April 1997, the FPSC entered into a contract with MCI Telecommunications Corporation to provide the relay service for the three-year period from June 1, 1997 through May 31, 2000.

TASA - Telecommunications Access System Act of 1991

II. EXECUTIVE SUMMARY

The Telecommunications Access System Act of 1991 (TASA) gives the Florida Public Service Commission (FPSC) responsibility for implementation and oversight of the Telecommunications System created by TASA. The following sections of this report describe implementation of the requirements of the law. The tables below provide a statistical summary of the status of the Telecommunications Access System.

**TABLE A
FINANCIAL REPORT
(7/97-6/98)**

Total Revenue	\$14.1 million
Program Expense	\$10.0 million
Administrative Expense	\$.5 million
Revenue less Expenses	\$ 3.5 million

**TABLE B
EQUIPMENT DISTRIBUTION***

	Total Items Distributed	Average per month
9/1/91 - 6/30/92	6,462	646
7/1/92 - 6/30/93	22,259	1,855
7/1/93 - 6/30/94	41,639	3,470
7/1/94 - 6/30/95	45,307	3,776
7/1/95 - 6/30/96	41,281	3,440
7/1/96 - 6/30/97	36,526	3,044
7/1/97 - 6/30/98	38,321	3,193

* The predominant single piece of equipment distributed is the volume control telephone for the hearing impaired.

TABLE C
NEW RECIPIENTS OF EQUIPMENT AND TRAINING
(7/97-6/98)

Deaf	538
Hard of Hearing	20,480
Speech Impaired	120
Dual Sensory Impaired	35
Total	21,173*

*Number of recipients is lower than the amount of new equipment distributed referred to in Table B, as a significant number of recipients received one unit of Category A and one unit of Category B.

TABLE D
SURCHARGE LEVEL

7-1-91 to 6-30-92	5¢/access line/month
7-1-92 to 10-31-94	10¢/access line/month
11-1-94 to 6-30-95	12¢/access line/month
7-1-95 to 6-30-96	10¢/access line/month
7-1-96 to 6-30-98	12¢/access line/month
7-1-98 forward	11¢/access line/month

Additional statistical information is contained in Appendices to this report. Appendix A (pages 9 & 10) provides the budget for FTRI for the 1997-98 and 1998-99 fiscal years. Appendix B (pages 11 - 28) is FTRI's annual report to the Public Service Commission and contains information on the equipment information program and audited financial statements for FTRI. Appendix C (pages 29-44) is MCI's report on the Florida Relay Service and contains usage information on the relay service.

III. DEVELOPMENT OF THE TELECOMMUNICATION ACCESS SYSTEM

The major implementation issues were dealt with in 1991 and 1992. Since that time, the Telecommunications Access System has been continuing to meet telecommunications needs of the population of Florida. The table below identifies the major steps in development of the Telecommunication Access System.

April 24, 1991	TASA passed legislature.
May 1, 1991	First Advisory Committee members named.
May 24, 1991	TASA became law.
June 13, 1991	Florida Telecommunications Relay, Inc. (TASA Administrator) incorporated as a nonprofit association.
July 1, 1991	TASA surcharge set at \$.05 per access line per mo.
September 1, 1991	Responsibility for distribution of specialized telecommunications equipment transferred from Florida Council for the Hearing Impaired to Florida Telecommunications Relay, Inc.
September 16, 1991	First specialized telecommunications equipment distributed by FTRI.
August 15, 1991	Relay RFP issued for relay service beginning June 1, 1992.
January 17, 1992	Contract signed with MCI to provide Florida Relay Service.
June 1, 1992	Florida Relay Service formally begins processing relay calls out of the Miami relay center.
July 1, 1992	TASA surcharge increased from \$.05 to \$.10 per access line per month.
September 15, 1992	FPSC request for certification of Florida Relay Service sent to FCC.
July 8, 1993	FCC letter certifying the Florida Relay System as being in compliance with the FCC rules implementing the Americans with Disabilities Act. Certification is in effect from July 26, 1993 through July 25, 1998.
March 31, 1994	Final report of Deaf Service Center Association on results of pilot project on Special Needs.
August 4, 1994	Contract amendment with MCI to extend relay service contract for fourth year from June 1, 1995 to May 31, 1996.
November 1, 1994	TASA surcharge increased from \$.10 to \$.12 per access line per month.
July 1, 1995	TASA surcharge decreased from \$.12 to \$.10 per access line per month.
July 18, 1995	Contract amendment with MCI to extend relay service contract for fifth year from June 1, 1996 to May 31, 1997.
July 1, 1996	TASA surcharge increased from \$.10 to \$.12 per access line per month.

August 14, 1996	Relay RFP issued for relay service beginning June 1, 1997.
April 8, 1997	Contract signed with MCI to provide Florida Relay Service for three years. (June 1, 1997 - May 30, 2000)
May 6, 1997	MCI offers a third 800 telephone number for ASCII users.
September 4, 1997	The FPSC submitted, on behalf of the State of Florida, an application for renewal of the certification of the Florida Relay Service by the FCC.
July 1, 1998	TASA surcharge decreased from \$.12 to \$.11 per access line per month.
July 1, 1998	The FPSC submitted its comments to the FCC on several relay issues in CC Docket No. 98-67, Telecommunications Relay Services and Speech to Speech Services for Individuals with Hearing and Speech Disabilities.

IV. REVENUES AND EXPENDITURES

Pages 21 through 28 are the audited financial statements for the Florida Telecommunications Relay, Inc. for the fiscal year ended June 30, 1998. Appendix A to this report (pages 9 & 10) is the 1997-98 and 1998-99 fiscal year budgets for FTRI. As reflected in the 1998-99 budget, the relay surcharge is estimated to produce \$13.3 million during the year. This surcharge revenue plus interest earned and money contained in FTRI's current surplus will be used to fund the projected total expenses of \$14.3 million for the year. Of that \$14.3 million expense, \$9.3 million will go towards funding the relay service. The total expenses are broken down into the five categories listed below.

BUDGET CATEGORY	\$ MILLION
I. Relay Services	\$9.3
II. Equipment and Repairs	3.2
III. Equipment Distribution and Training	.9
IV. Outreach	.2
V. General and Administrative	.7
Total Expenses	\$14.3

V. DISTRIBUTION OF SPECIALIZED TELECOMMUNICATIONS EQUIPMENT

Section 427.705(9), F.S. of TASA requires the Administrator to file a report annually to the Commission by November 1 which shall include the status of the distribution of specialized telecommunications devices and an accounting of any money received and disbursed. Appendix B (pages 11 to 28) is FTRI's (the Administrator) annual report to the FPSC.

In terms of equipment distributed to users, the following table identifies the types and quantity of equipment which were distributed by FTRI from July 1, 1997 through June 30, 1998.

EQUIPMENT DISTRIBUTED BY FTRI	UNITS DISTRIBUTED <i>7/1/97 - 6/30/98</i>
1. Telecommunications Devices for the Deaf (TDD)	1,158
2. TDD/Large Visual Display (TDD/LVD)	12
3. Dual Sensory Equipment	1
4. Volume Control Telephones for Hearing Impaired (VCPH)	21,657
5. Volume Control Telephones for Speech Impaired (VCPS)	94
6. Visual Ring Signalers (VRS)	1,346
7. Audible Ring Signalers (ARS)	13,145
8. Tactile Ring Signalers (TRS)	14
9. Voice Carry-Over Telephone & TDD (VCO)	761
10. In-Line Amplifier	131
11. Speech Impaired Equipment (TYKRIPHONE)	2
Total	38,321

VI. RELAY CALLING

June, 1992 was the first month of operation for the Relay Service and call volumes have continued to grow since that time. Pages 35-42 of MCI's annual report (Appendix C) provide calling statistics on the use of the system.

VII. ADVISORY COMMITTEE

TASA establishes an Advisory Committee to provide advice to the Florida Public Service Commission and to the Administrator concerning the Telecommunications Access System. The Advisory Committee can consist of up to ten individuals recommended by eight different organizations. The current Advisory Committee consists of the following members.

RECOMMENDING ORGANIZATION	NAME OF MEMBER
Advocacy Center for Persons with Disabilities, Inc.	Tessa Little
Coalition for Persons with Dual Sensory Disabilities	Organization Dissolved
Deaf Service Center Association	Jerry Conner
Florida Association of the Deaf, Inc.	Alexander Fleischman Rita Slater
Florida Language Speech and Hearing Association	Joseph Schad
Florida League of Seniors	Organization Dissolved
Florida Telephone Association	Susan C. Langston - local telco rep. Jack Spooner - long distance telco rep.
Self Help for Hard of Hearing People	Shirley Jones

During 1998, the Advisory Committee met on May 5, 1998. At that meeting, a motion was made to have the Florida Public Service Commission (FPSC) investigate the appropriateness of including an electrolarynx device as part of FTRI's equipment distribution program. An electrolarynx is a portable mechanical device which sends vibrations to the throat and words are formed by manipulation of the tongue and cheeks. An electrolarynx is generally used by individuals who have had their vocal cords removed (laryngectomy).

At the November 2, 1998, Agenda Conference, we addressed whether an electrolarynx device should become part of FTRI's equipment distribution program. By Order No. PSC-98-1521-FOF-TP (Appendix D pp 45-54) it was determined that FTRI not currently be required to distribute an electrolarynx because it did not fall within the definition of a "Specialized Telecommunications Device". However, we will be preparing an analysis concerning whether the definition of a "Specialized Telecommunications Device" should be changed to allow electrolarynxes to be distributed by FTRI.

APPENDIX A

COMMISSION APPROVED BUDGET 1997 - 1998	COMMISSION APPROVED BUDGET 1998 - 1999
---	---

OPERATING REVENUE

1.	SURCHARGES	\$13,696,341	\$13,313,216
2.	INTEREST INCOME	\$71,658	\$201,684
3.	SERVICE/OTHER	\$0	\$0
	TOTAL OPERATING REVENUE	\$13,767,999	\$13,514,900

OPERATING EXPENSES

CATEGORY I - RELAY SERVICES

4.	DPR PROVIDER	\$8,862,120	\$9,307,940
	SUBTOTAL-CATEGORY I	\$8,862,120	\$9,307,940

CATEGORY II - EQUIPMENT & REPAIRS

5.	TDD EQ	\$399,000	\$425,200
6.	LARGE PRINT TDD'S	\$5,010	\$5,010
7.	VOC/HCO-TDD	\$295,950	\$267,900
8.	VCO-TELEPHONE	\$134,000	\$134,000
9.	DUAL SENSORY EQ	\$0	\$16,675
10.	VCP HEARING IMP	\$1,838,160	\$1,762,680
11.	VCP SPEECH IMP	\$16,590	\$18,455
12.	ARS SIGNALING EQ	\$13,200	\$23,805
13.	VRS SIGNALING EQ	\$371,070	\$397,575
14.	TRS SIGNALING EQ	\$60,345	\$38,070
15.	TELECOMM EQ REPAIR	\$960	\$1,080
16.	IN-LINE AMPLIFIER	\$290,000	\$140,614

SUBTOTAL-CATEGORY II

\$3,424,285	\$3,231,064
--------------------	--------------------

**CATEGORY III - EQUIPMENT
DISTRIBUTION AND TRAINING**

17.	FRGHT/TELECOMM EQ	\$23,686	\$28,177
18.	REGIONAL DIST CTRS	\$710,124	\$779,496
19.	WORKSHOP EXPENSE	\$18,146	\$18,146
20.	TRAINING EXPENSE	\$39,112	\$76,066

SUBTOTAL-CATEGORY III

\$791,068	\$901,885
------------------	------------------

CATEGORY IV - OUTREACH

21.	OUTREACH EXPENSE	\$153,000	\$187,020
-----	------------------	-----------	-----------

SUBTOTAL-CATEGORY IV

\$153,000	\$187,020
------------------	------------------

**COMMISSION APPROVED
BUDGET 1997 - 1998**

**COMMISSION APPROVED
BUDGET 1998 - 1999**

**CATEGORY V - GENERAL &
ADMINISTRATION**

22. ADVERTISING	\$800	\$400
23. ACCOUNTING/AUDITING	\$11,525	\$11,275
24. LEGAL	\$42,000	\$41,400
25. CONSULTATION	\$25,000	\$25,000
26. AUTO LEASE EXPENSE	\$4,800	\$4800
27. BANK CHARGES	\$0	\$0
28. DUES/SUBSCRIPTIONS	\$1,000	\$1,100
29. OFFICE FURNITURE PURCHASE	\$1,000	\$1,500
29A. LESS: CAPITALIZED POR	\$0	\$0
30. OFFICE EQUIPMENT PURCHASE	\$23,500	\$28,500
30A. LESS: CAPITALIZED POR	\$0	\$0
31. DEPRECIATION	\$0	\$0
32. OFFICE EQUIPMENT LEASE	\$3,892	\$3,492
33. INSURANCE-HEALTH/LIFE/DISABILITY	\$62,269	\$76,376
34. INSURANCE-OTHER	\$3,250	\$3,021
35. OFFICE EXPENSE	\$7,008	\$4,586
36. POSTAGE	\$15,024	\$16,532
37. RENT	\$35,306	\$23,210
38. PRINTING	\$47,698	\$58,927
39. RETIREMENT	\$27,073	\$32,278
40. EMPLOYEE COMPENSATION	\$234,782	\$280,844
41. TEMPORARY EMPLOYMENT	\$2,400	\$2,400
42. TAXES-PAYROLL	\$18,328	\$21,852
43. TAXES-UNEMP COMP.	\$2,822	\$3,450
44. TAXES-LICENSES	\$75	\$65
45. TELEPHONE	\$24,000	\$28,092
46. TRAVEL AND BUS EXPENSE	\$14,990	\$17,750
47. EQUIPMENT MAINTENANCE	\$5,000	\$5,000
48. EMPLOYEE TRNG/DVLMP	\$4,000	\$1,800
49. MEETING EXPENSE	\$3,900	\$6,430
50. MISCELLANEOUS EXP.	\$500	\$250
SUBTOTAL-CATEGORY V	\$621,942	\$700,330
TOTAL EXPENSES	\$13,852,415	\$14,328,239
REVENUE LESS EXPENSES	(\$84,416)	(\$813,339)



FFLORIDA
TTELECOMMUNICATIONS
RRELAY,
IINC.



**Fiscal Year
1997-1998
Annual Report**



Table of Contents

I. Introduction.....1

 A. TASA Requirements1

 B. FTRI Mission Statement.....1

II. Equipment Distribution Program Overview.....1

 A. Equipment Available Through the Program.....1

 B. Equipment Vendors2

 C. Distribution Methods2

III. Fiscal Year 1997-1998 Program Reports.....3

 A. Distribution Report3

 B. Number of New Recipients by Disability.....4

 C. Number of New Recipients by County.....5

 D. Number of New Recipients by Age6

 E. Complaint Report.....7

 F. Quality Assurance Report8

IV. Fiscal Year 1997-1998 Financial Report8

V. Conclusion.....8

I. INTRODUCTION

A. TASA REQUIREMENTS

In response to TASA, the Florida Public Service Commission (FPSC) directed the local exchange companies (LECs) to form a not-for-profit corporation to fulfill the requirements of TASA. Florida Telecommunications Relay, Inc. (FTRI) registered with the Florida Department of State as a not-for-profit corporation effective June 13, 1991, and is exempt from Florida sales tax as a 501(c)(3) organization.

B. FTRI MISSION STATEMENT

The FTRI Mission Statement is as follows:

"The Florida Telecommunications Relay, Inc. (FTRI), as the designated Administrator, shall carry out the intent of the Telecommunications Access System Act (TASA) by providing access terminals required for basic telecommunications services to hearing impaired, speech impaired, and dual sensory impaired persons in the most cost effective manner."

II. EQUIPMENT DISTRIBUTION PROGRAM OVERVIEW

A. EQUIPMENT AVAILABLE THROUGH THE PROGRAM

FTRI is currently distributing the following specialized telecommunications equipment, which provides deaf, hard of hearing, speech impaired, or dual sensory impaired individuals with the ability to access the telephone system:

- a. Telecommunications Device for the Deaf (TDD)
- b. Volume Control Phone for the Hearing Impaired (VCPH)
- c. Volume Control Phone for the Speech Impaired (VCPS)
- d. Voice Carry-Over Telephone (VCO)
- e. Large Visual Display TDD (LVDTDD)
- f. TeleBraille TDD (TBTDD)
- g. In-Line Amplifier (ILA)
- h. Voice Carry Over/Hearing Carry Over (VCO/HCO)
- i. Tykriphone

Additionally, FTRI distributes ring signaling devices to alert these individuals to a ringing telephone. The signaling devices are:

- a. Audible Ring Signaler (ARS)
- b. Visual Ring Signaler (VRS)
- c. Tactile Ring Signaler (TRS)

B. EQUIPMENT VENDORS

Vendors providing specialized telecommunications equipment through contract with FTRI are as follows:

<u>Vendor</u>	<u>Equipment</u>
Ultratec, Inc.	TDD
Ultratec, Inc.	LVDTDD
Telesensory	TBTDD
Graybar, Inc.	VCPH
Graybar, Inc.	VCPS
Ameriphone	VCO
Ameriphone	ILA
Hear More, Inc.	ARS
Sonic Alert	VRS
Silent Call	TRS
Harris Communications	VCO/HCO
Tykris, Inc.	Tykriphone

Each type of equipment provided by FTRI has the following warranty:

<u>Equipment</u>	<u>Warranty Period</u>
TDD 4425	5 Years
LVDTDD	5 Years
VCPH	5 Years
VCO	5 Years
VCO/HCO	5 Years
ARS	2 Years
TBTDD	2 Years
VRS	2 Years
TRS	2 Years
Tykriphone	2 Years
VCPS	1 Year
ILA	1 Year

C. DISTRIBUTION METHODS

FTRI's distribution method incorporates a regional distribution system for approximately eighty percent of the State of Florida with a centralized distribution for the remaining twenty percent. In order to achieve this distribution system, FTRI contracts with thirteen non-profit agencies to provide services as Regional Distribution Centers (RDCs). These RDCs serve FTRI applicants and clients in the twenty counties identified as containing the highest number of deaf, hard of hearing and speech

impaired citizens. FTRI continues to utilize the centralized system of distribution to serve residents of the non-regionalized areas from the central office in Tallahassee.

In areas served by RDCs deaf, hard of hearing and speech impaired persons have applications certified and processed, receive their equipment and training, and are supplied with any follow-up services necessary, including maintenance replacements.

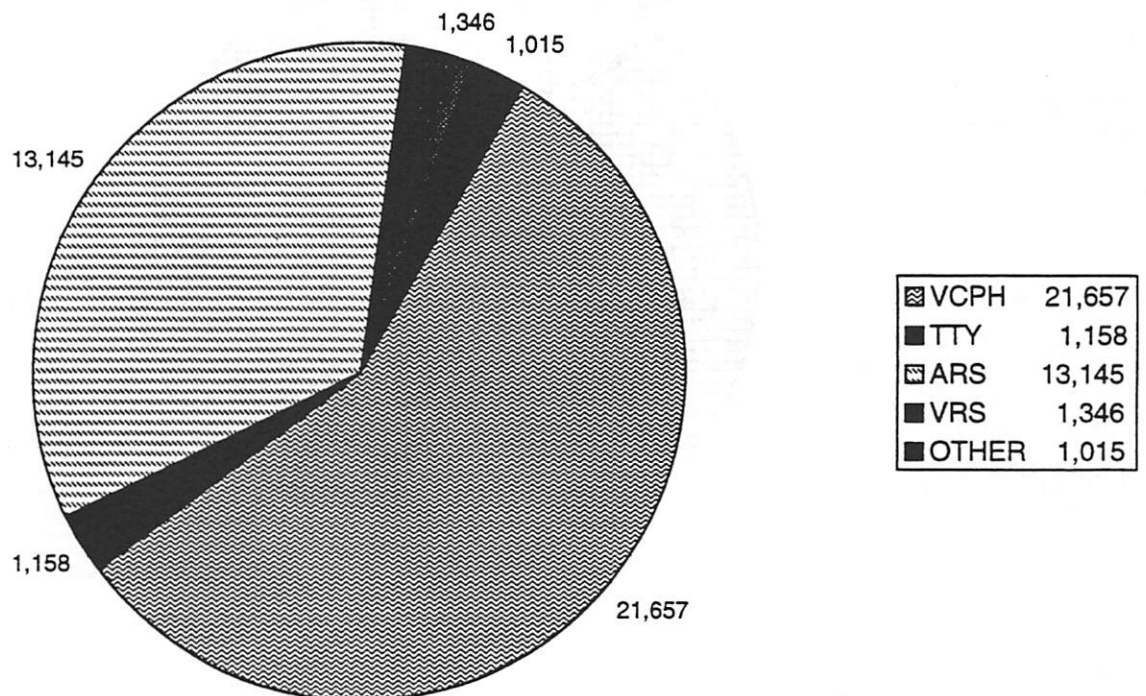
Contracted services were as follows:

- a. Distributed specialized telecommunications equipment
- b. Trained recipients on the use of the equipment
- c. Handled requests for maintenance services
- d. Provided follow-up assistance
- e. Assisted with outreach and advertising
- f. Prepared and submitted weekly, monthly and quarterly reports

III. FISCAL YEAR 1997-1998 PROGRAM REPORTS

A. DISTRIBUTION REPORT

New equipment distributed in fiscal year 1997-1998 numbered 38,321 pieces. The monthly average of equipment distribution was 3,193.



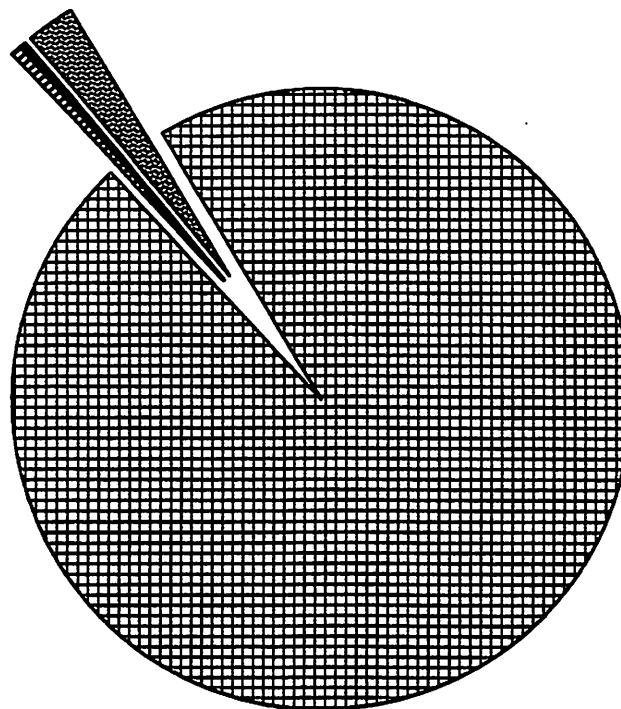
B. NUMBER OF NEW RECIPIENTS BY DISABILITY

FTRI served 21,173 new recipients during the reporting period.

The breakdown of recipients is as follows:

<u>Group</u>	<u>Number of New Recipients</u>
Deaf	538
Hard of Hearing	20,480
Speech Impaired	120
Dual Sensory Impaired	35
Total	*21,173

* Number of recipients is lower than the amount of new equipment distributed referenced in Section III-A, as a significant number of recipients received one unit of Category A and one unit of Category B.



Deaf	538
HoH	20,480
SI	120
DSI	35

C. NUMBER OF NEW RECIPIENTS BY COUNTY

The breakdown of new recipients served by county is as follows:

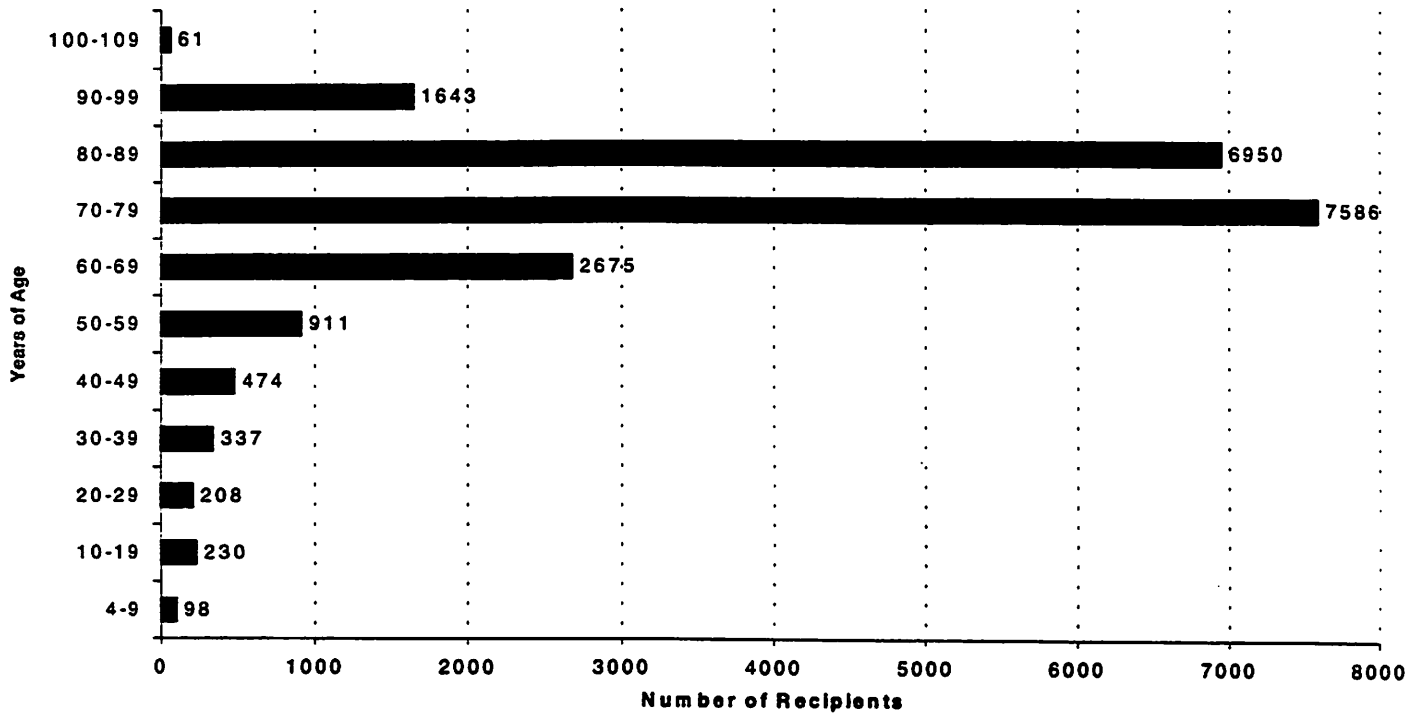
Alachua	185	Lake	519
Baker	14	Lee	612
Bay	110	Leon	271
Bradford	29	Levy	69
Brevard	724	Liberty	10
Broward	2,123	Madison	12
Calhoun	11	Manatee	500
Charlotte	487	Marion	685
Citrus	486	Martin	221
Clay	108	Monroe	69
Collier	186	Nassau	47
Columbia	60	Okaloosa	137
Dade	2,098	Okeechobee	22
DeSoto	39	Orange	499
Dixie	24	Osceola	159
Duval	637	Palm Beach	1,933
Escambia	347	Pasco	798
Flagler	87	Pinellas	1,533
Franklin	13	Polk	553
Gadsden	46	Putnam	107
Gilchrist	22	Santa Rosa	153
Glades	5	Sarasota	880
Gulf	14	Seminole	244
Hamilton	5	St. Johns	129
Hardee	12	St. Lucie	302
Hendry	13	Sumter	74
Hernando	323	Suwannee	29
Highlands	136	Taylor	41
Hillsborough	849	Union	8
Holmes	15	Volusia	969
Indian River	214	Wakulla	33
Jackson	52	Walton	35
Jefferson	20	Washington	17
Lafayette	9		
Total			21,173

Counties in **bold** are served by regional distribution centers.

D. NUMBER OF NEW RECIPIENTS BY AGE

The breakdown of new recipients by age group is as follows:

<u>Years of Age</u>	<u>Number of Recipients</u>
4-9	98
10-19	230
20-29	208
30-39	337
40-49	474
50-59	911
60-69	2,675
70-79	7,586
80-89	6,950
90-99	1,643
100-109	61
Total	21,173



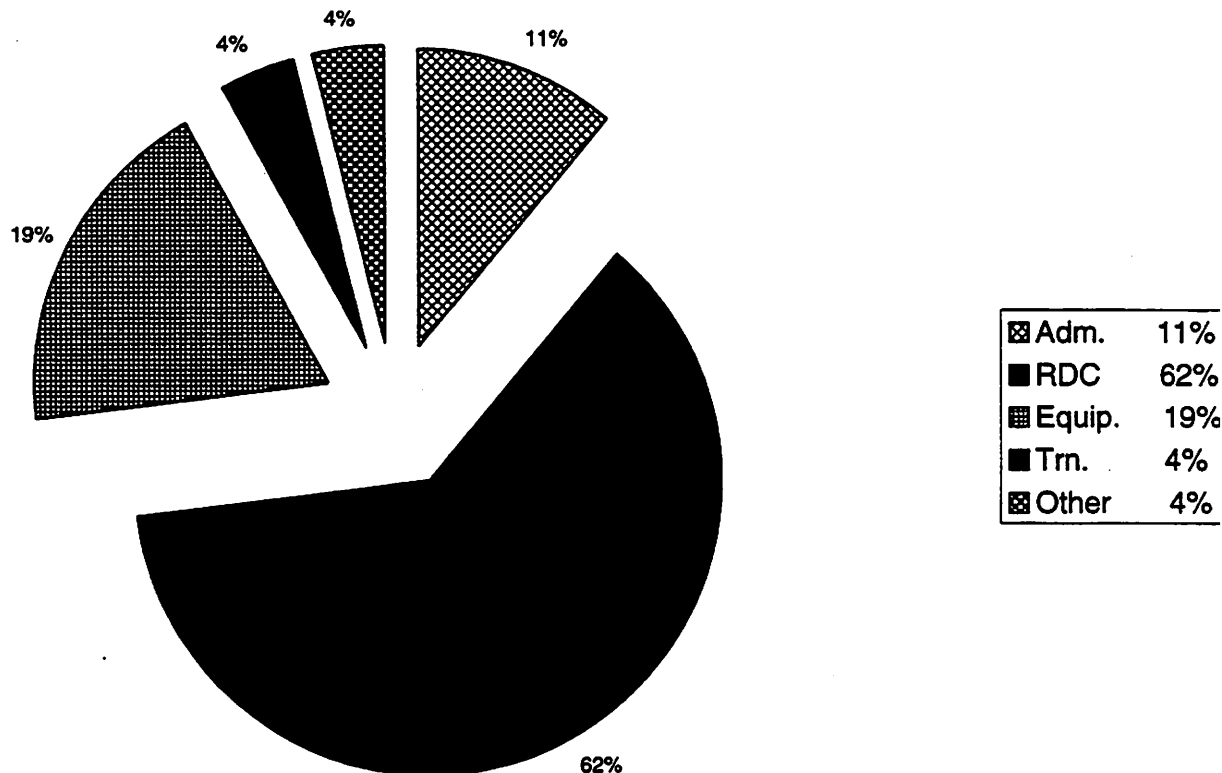
More people in the 70-79 age group received equipment than those of any other specific age group. Eighty-nine percent of all recipients in fiscal year 1997-1998 were 60 years of age or older.

E. COMPLAINT REPORT

A complaint is defined as follows: "Whenever an individual who, for whatever reason, feels he or she has not been adequately served, whether justified or not." The staff addresses all complaints received by FTRI; RDC complaints are referred to the executive director of the named agency.

Following is a percentage distribution, which reflects the areas into which FTRI categorized the complaints received by the main office during the fiscal year 1997-1998:

<u>Target</u>	<u>Number of Complaints</u>
Administration	3 - 11%
Equipment	5 - 19%
Repair Facility	0 - 0%
RDCs	17 - 62%
Maintenance	0 - 0%
Training	1 - 4%
Other	1 - 4%
Total	27



F. QUALITY ASSURANCE REPORT

FTRI maintains a quality assurance system to monitor services as provided by the RDCs and training agencies. Questionnaires are sent monthly to a random selection of clients served by each center.

Approximately 20% of clients served by RDCs in a given month are sent quality assurance surveys. Of the 4,703 questionnaires sent for the fiscal year, FTRI received approximately 2,378 responses for a 51% return rate. Approximately 98% of these responses were positive. All negative responses were forwarded to RDC's for follow-up.

IV. FISCAL YEAR 1997-1998 FINANCIAL REPORT

Please see Appendix A.

V. CONCLUSION

Fiscal year 1997-1998 represented a growth period for the FTRI equipment distribution program. During the past fiscal year distribution of new equipment increased by 12.6%, with an increase in the number of new clients.

FTRI continues to maintain its status as primarily an administrative center, concentrating on oversight of the regional distribution center (RDC) contractors, training contractors and equipment vendors, while still serving the approximately 20% of Florida's citizens that account for the non-regionalized areas in the state. Since the inception of the equipment distribution program in 1986, over 165,000 citizens have been provided with telecommunications equipment.

FTRI expects the new equipment distribution to continue growing at a steady rate with the maintenance remaining stationary.

Additionally, FTRI expects outreach to expand throughout the next fiscal year consequently creating an increase in demand for services. FTRI anticipates working closely with the Florida Relay Service to render expansive outreach activities among the business sector throughout the state.

Finally, FTRI looks forward to another successful year of providing specialized telecommunications equipment and services while examining new technologies that will assist the deaf, hard of hearing, speech impaired and deaf/blind citizens of Florida in accessing the telecommunication system.

FLORIDA TELECOMMUNICATIONS RELAY, INC.

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITORS' REPORT

FISCAL YEAR ENDED JUNE 30, 1998

TONY C. STARACE, CPA, PA

*1834 Hermitage Blvd., Suite 200-A
Tallahassee, Florida 32308
(850) 422-0080 FAX 386-3418*

INDEPENDENT AUDITORS' REPORT

Board of Directors
Florida Telecommunications Relay, Inc.

We have audited the accompanying statement of financial position of Florida Telecommunications Relay, Inc. (a nonprofit organization) as of June 30, 1998, and the related statements of activities and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Telecommunications Relay, Inc. as of June 30, 1998, and the results of its activities, changes in net assets, and cash flows for the year then ended in conformity with generally accepted accounting principles.

Tony C. Starace, CPA



September 28, 1998
Tallahassee, Florida

FLORIDA TELECOMMUNICATIONS RELAY, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 1998

ASSETS

CURRENT ASSETS

Cash	\$ 4,396,645
Accounts Receivable (Note 1)	1,178,910
Prepaid Expenses (Note 1)	<u>9,554</u>

TOTAL CURRENT ASSETS **\$ 5,585,109**

PROPERTY & EQUIPMENT (Note 1)

Office Furniture	\$ 23,652
Office Equipment	74,636
Dual Sensory Equipment	42,790
less: Accumulated depreciation	<u>(123,636)</u>

NET PROPERTY & EQUIPMENT **17,442**

OTHER ASSETS 1,100

TOTAL ASSETS \$ 5,603,651

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable (Note 1)	\$ 874,495
---------------------------	------------

TOTAL CURRENT LIABILITIES **\$ 874,495**

NET ASSETS (Unrestricted) 4,729,156

TOTAL LIABILITIES AND NET ASSETS \$ 5,603,651

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

FLORIDA TELECOMMUNICATIONS RELAY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 1998

REVENUES

Surcharge Revenue	\$ 13,893,643	
Interest & Miscellaneous Income	<u>158,065</u>	
TOTAL REVENUES		\$ 14,051,708

EXPENSES

Category I - Relay Service

Total - Category I Expenses	\$ 6,411,996	
-----------------------------	--------------	--

Category II - Equipment & Repair

Total - Category II Expenses	2,755,457	
------------------------------	-----------	--

Category III - Equipment Distribution

Total - Category III Expenses	773,534	
-------------------------------	---------	--

Category IV - Outreach

Total - Category IV Expenses	61,555	
------------------------------	--------	--

Category V - General & Administrative

Total - Category V Expenses	<u>549,495</u>	
-----------------------------	----------------	--

TOTAL EXPENSES		<u>\$ 10,552,037</u>
----------------	--	----------------------

EXCESS OF REVENUES OVER EXPENSES		3,499,671
----------------------------------	--	-----------

NET ASSETS, BEGINNING OF YEAR		<u>1,229,485</u>
-------------------------------	--	------------------

NET ASSETS, END OF YEAR		<u>\$ 4,729,156</u>
-------------------------	--	---------------------

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

FLORIDA TELECOMMUNICATIONS RELAY, INC.
STATEMENT OF EXPENSES BY CATEGORY
For the Year Ended June 30, 1998

Category I - Relay Service

DPR Provider \$ 6,411,996

Category II - Equipment & Repair (Note 1)

TDD Equipment	\$ 463,486	
VCP Hearing Impaired Amplifiers	1,634,833	
VCP Speech Impaired	8,633	
VCO Telephone	70,484	
Signaling Equipment	436,302	
Dual Sensory Equipment	8,760	
Less: Capitalized Portion	(8,760)	
Depreciation (Dual Sensory Equipment)	4,242	
Telecommunications Equipment Repair	<u>137,477</u>	
Subtotal - Category II		2,755,457

Category III - Equipment Distribution

Freight / Telecommunications Equipment	\$ 25,166	
Regional Distribution Centers	660,986	
Equipment Training Expense	<u>87,382</u>	
Subtotal - Category III		773,534

Category IV - Outreach

Outreach Expense 61,555

Category V - General & Administrative

Advertising	\$ 2,542	
Accounting/Auditing	10,775	
Legal	45,254	
Consultation	8,769	
Auto Allowance Expense	4,800	
Dues and Subscriptions	1,271	
Furniture & Equip. Purchased	5,703	
Less: Capitalized Portion	(5,703)	
Depreciation	7,480	
Office Equipment Lease	4,205	
Insurance	64,114	
Office Expenses	5,505	
Postage	12,145	
Printing	13,087	
Rent (Note 2)	48,454	
Retirement (Note 3)	23,572	
Employee Compensation	222,244	
Payroll Taxes	20,771	
Temporary Employment	6,264	
Telephone & Fax	28,217	
Travel and Business Expense	12,082	
Equipment Maintenance	4,119	
Employee Training	1,472	
Meeting Expense	2,879	
Miscellaneous Expense	<u>(526)</u>	
Subtotal - Category V		<u>549,495</u>

TOTAL EXPENSES

\$ 10,552,037

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

FLORIDA TELECOMMUNICATIONS RELAY, INC.
STATEMENT OF CASH FLOWS
For The Year Ended June 30, 1998

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash Received from Surcharge Revenue	\$ 13,836,101
Cash Paid for Goods and Services	(10,803,223)
Interest and Miscellaneous Income	<u>158,065</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES (NOTE 4) \$ 3,190,943

CASH FLOWS FROM INVESTING ACTIVITIES:

Cash Paid to Acquire Fixed Assets	<u>\$ (14,464)</u>
-----------------------------------	--------------------

NET CASH USED IN INVESTING ACTIVITIES (14,464)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 3,176,479

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR 1,220,166

CASH AND CASH EQUIVALENTS AT THE END OF YEAR \$ 4,396,645

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

FLORIDA TELECOMMUNICATIONS RELAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General:

The Organization maintains its accounts and prepares financial statements on the accrual basis of accounting. Revenues are recognized in the period earned, whether or not received; expenses are recognized in the period in which the obligation is incurred, whether or not paid.

Purpose:

The Organization is a not-for-profit corporation designated as the Administrator of the Telecommunications Access System Act, pursuant to s.427.704(2), F.S., and is responsible for the distribution of specialized telecommunications devices. The devices for the Deaf, Hard of Hearing and Speech impaired persons are distributed free of charge to clients certified by designated specialists in the speech and hearing field. The Florida Public Service Commission regulates the Organization, which is funded through a surcharge on telephone bills of residents of the State of Florida.

Property and equipment:

Property and equipment are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations.

The Organization has adopted the policy of recording the purchase of the specialized telecommunication equipment, distributed to its clients, as an expense of the period, while the Organization retains certain rights and obligations.

Income taxes:

The Organization, a Florida nonprofit corporation, is tax exempt under Internal Revenue Code Section 501(c)(3). Therefore, no provision for income taxes has been made.

NOTE 2 - LEASE

On June 1, 1995 the Organization entered into an operating lease for office space which this lease was renewed for two years and expires May 31, 2000. Future minimum lease payments are: July 1, 1998 to June 30, 1999 - \$48,125; : July 1, 1999 to May 31, 2000 - \$45,375.

FLORIDA TELECOMMUNICATIONS RELAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 1998

NOTE 3 - RETIREMENT PLAN

The Organization contributes to a multi-employer, non-contributory, defined benefit pension plan, sponsored by the National Telephone Cooperative Association. Employees begin participating in the plan on the January 1'st or July 1'st coincident with their date of employment. Contributions to the plan are paid annually and based on 11.3% of compensation for all full-time employees and part-time employees, who work at least 1,000 hours per calendar year. Benefits will be paid to participants in an amount dependent on years of service and the final average salary as defined in the Plan Document.

**NOTE 4 - RECONCILIATION OF EXCESS OF EXPENSES OVER REVENUES
TO NET CASH USED BY OPERATING ACTIVITIES**

<i>Excess of Revenues over Expenses</i>		\$ 3,499,671
<i>Items not requiring cash</i>		
<i>Increase in Accounts Receivable</i>	\$ (57,542)	
<i>Increase in Prepaid Expenses</i>	(5,112)	
<i>Decrease in Accounts Payable</i>	(257,796)	
<i>Depreciation</i>	<u>11,722</u>	
<i>Net of items not requiring cash</i>		<u>(308,728)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>\$ 3,190,943</u>

Disclosure of Accounting Policy:

For purposes of the Statement of Cash Flows, the cash maintained in a Checking/Investment Account are considered cash equivalents.

Florida Relay Service

Annual Report

**June 1, 1997
Through
May 31, 1998**

**MCI
TRS Miami Center
200 S. Biscayne Blvd.
Suite 600
Miami, FL 33131**

FRS Annual Report

1. Message from the Program Manager
2. Program Statistics and Charts
 - 2.1 Monthly Incoming Calls
 - 2.2 Monthly Incoming Calls by Type
 - 2.3 Monthly Incoming Calls - TTY vs Voice
 - 2.4 Monthly Incoming and Outgoing Calls
 - 2.5 Monthly Outgoing Calls
 - 2.6 Monthly Outgoing Call Types
 - 2.7 Monthly Outgoing Call Types - Local Calls vs Long Distance Calls
 - 2.8 Completed Outgoing Call Distribution
3. Renovated Floor Plan - FRS

MCI/FRS is pleased to submit the following report summarizing the sixth year of operation of Florida Relay Service (FRS).

This report responds to section 2.619(d) of the Florida Relay Service Request for Proposal (RFP) response contract document which specifies that an annual summary report be provided.

THIS REPORT IS INTENDED FOR THE SOLE USE OF THE RECIPIENT AND IS NOT INTENDED TO BE FURTHER COPIED OR DISTRIBUTED.

Message from the Program Manager

MCI is pleased to present this report on a successful sixth year of operation of Florida Relay Service (FRS) and providing Telecommunications Relay Service (TRS) to the residents of the State of Florida. Although the rate of growth and usage during this reporting year does not match the rapid increase of the initial years of FRS, the sixth year of operation does indicate a continued increase in awareness and use by the citizens of Florida.

Overall, the 1997-98 operation year experienced a 6.28% growth over the previous year of operation. Monthly report data reflects normal month to month fluctuation of call volumes with November and December of both 1996 and 1997 showing a dip in monthly usage prior to an upturn in January.

Based on monthly summary data, the largest total incoming call volume during the sixth year of operation was recorded during the month of May 1998 with 175,339 calls. The largest total outgoing call volume occurred during the month of January 1998 with 246,268 calls.

As has been noted in previous years, local relay calls continue to be the leading category in terms of number of calls made by FRS users. INTRALATA calls continue to constitute the majority of toll calls placed by FRS users.

The FRS Center, located in downtown Miami, underwent intensive modification and renovation during the later part of 1997 and early 1998. In addition to a number of software upgrade releases installed on the production floor, CA workstation hardware throughout the FRS Center was completely replaced with more modern equipment.

As would be expected during a major construction project, a number of construction-related incidents resulted in loss of power and call handling capabilities on several occasions. With construction activity completed, operation of the FRS center has been more stable.

With this seventh year of FRS operation comes great optimism and confidence that the Florida ratepayers are not only getting superior service and value but that end users can look forward to even greater service and enhancements in the near future.

Respectfully submitted,

A handwritten signature in black ink that reads "Charles C. Estes". The signature is written in a cursive style with a large initial 'C'.

Charles C. Estes
FRS Interim Program Manager
Florida Relay Service

Program

Statistics

And

Charts

Florida Relay Service - June 1997 thru May 1998 vs. June 1996 thru May 1997

Monthly Incoming Calls

BDR - Report 1

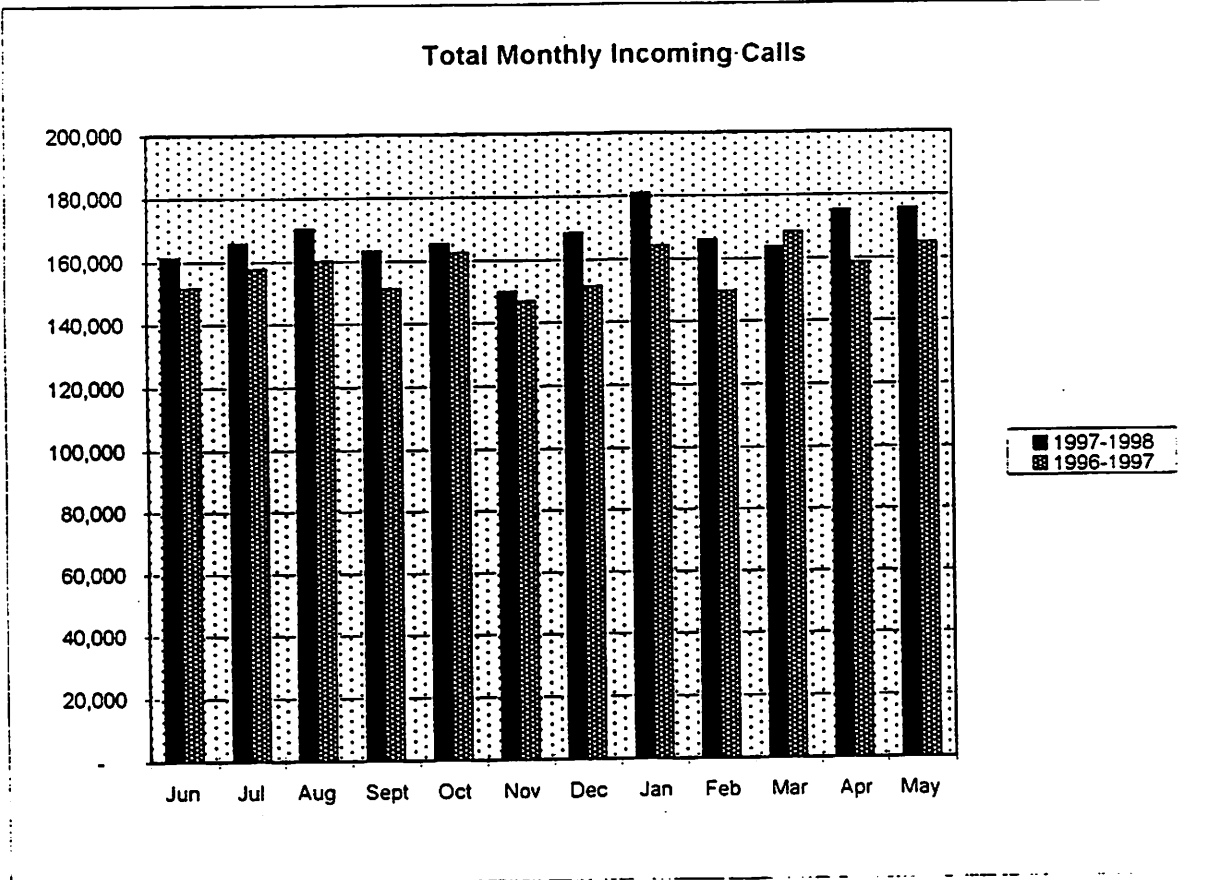
June 1997 - May 1998

Total Incoming Calls	
Jun	161,155
Jul	165,795
Aug	170,206
Sept	163,149
Oct	165,367
Nov	149,940
Dec	168,304
Jan	180,783
Feb	165,918
Mar	163,716
Apr	175,026
May	175,339
Total	2,004,698

June 1996 - May 1997

Total Incoming Calls	
Jun	151,704
Jul	157,641
Aug	160,029
Sept	151,238
Oct	162,319
Nov	146,882
Dec	151,433
Jan	164,014
Feb	149,540
Mar	168,223
Apr	158,504
May	164,692
Total	1,886,219

6.28 % increase in volume over the previous year.

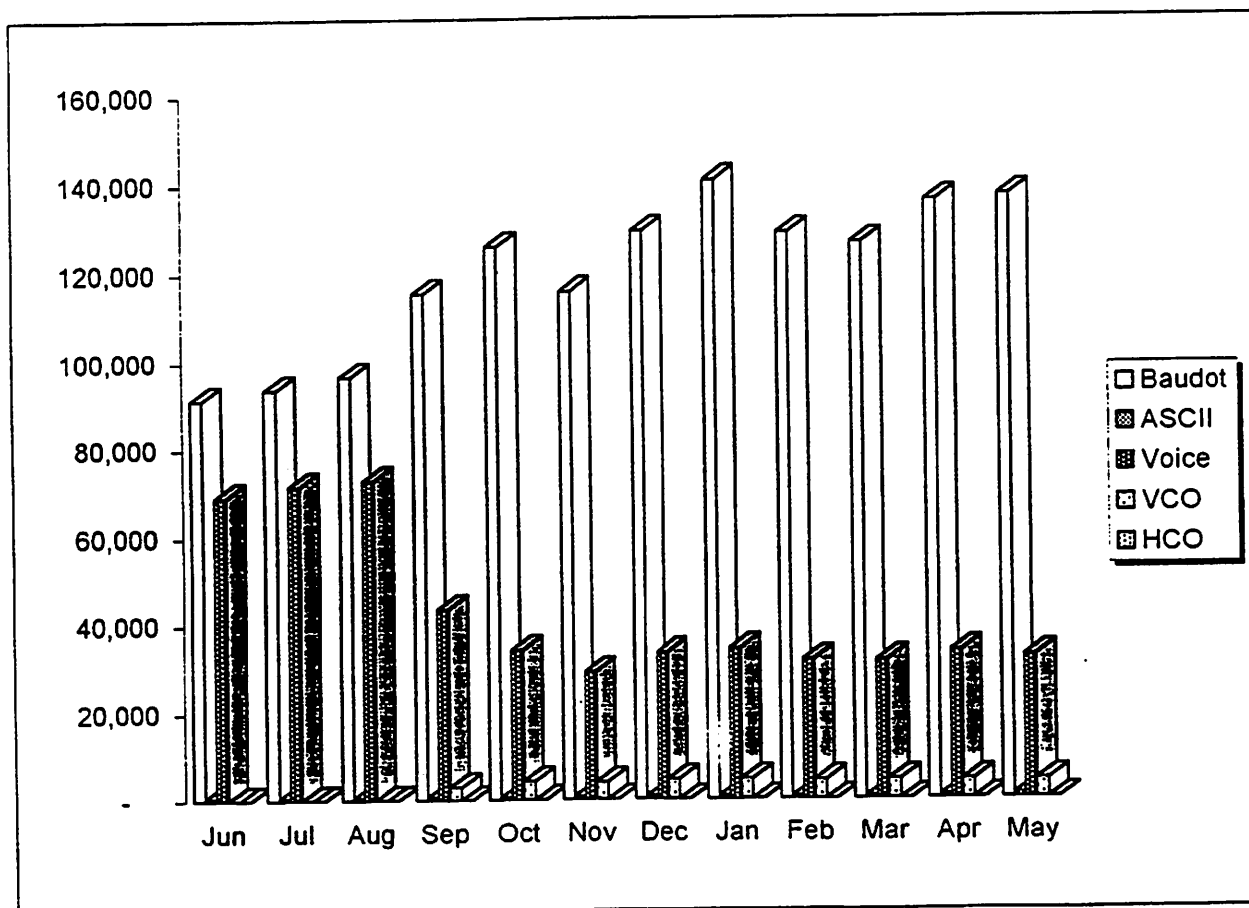


Florida Relay Service - June 1997 thru May 1998

Monthly Incoming Calls by Type.
 (Baudot, ASCII, Voice, VCO and HCO)
 BDR - Report 1

	Incoming Baudot	Incoming ASCII	Incoming Voice	Incoming VCO	Incoming HCO	Total Incoming
Jun	91,311	693	69,151	*	*	161,155
Jul	93,674	571	71,550	*	*	165,795
Aug	96,680	606	72,920	*	*	170,206
Sep	115,616	798	43,721	2,976	38	163,149
Oct	126,016	678	34,357	4,268	48	165,367
Nov	115,932	715	29,271	3,978	44	149,940
Dec	129,408	719	33,596	4,542	39	168,304
Jan	140,873	789	34,486	4,590	45	180,783
Feb	129,025	575	31,901	4,368	49	165,918
Mar	126,743	660	31,811	4,440	62	163,716
Apr	136,173	747	33,791	4,276	39	175,026
May	137,354	892	32,719	4,330	44	175,339
Total	1,438,805	8,443	519,274	37,768	408	2,004,698

* VCO and HCO reporting in separate categories starting August 1997

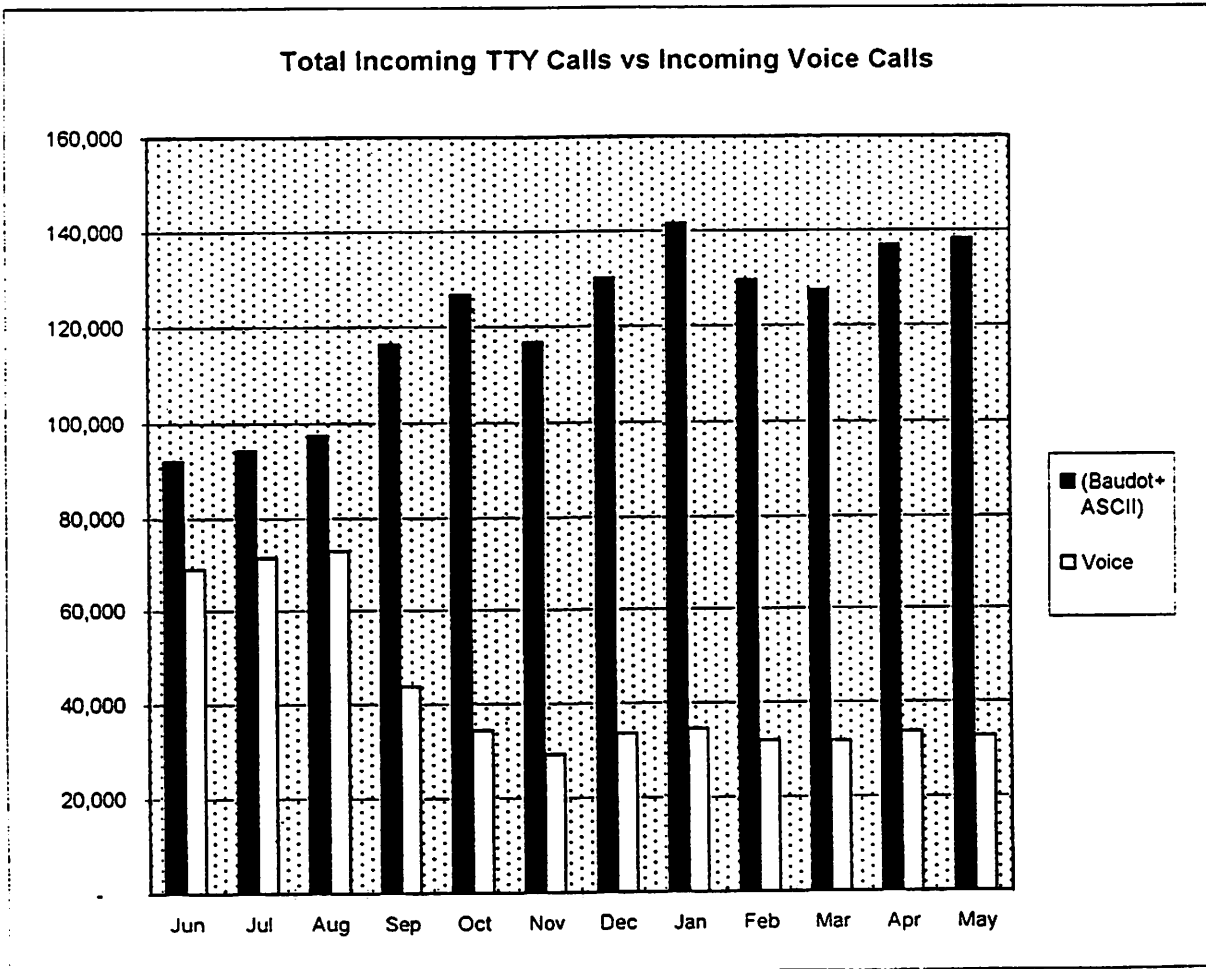


Florida Relay Service - June 1997 thru May 1998

Monthly Incoming Calls - TTY vs Voice

BDR - Report 1

	Incoming TTY (Baudot+ASCII)	Incoming Voice
Jun	92,004	69,151
Jul	94,245	71,550
Aug	97,286	72,920
Sep	116,414	43,721
Oct	126,694	34,357
Nov	116,647	29,271
Dec	130,127	33,596
Jan	141,662	34,486
Feb	129,600	31,901
Mar	127,403	31,811
Apr	136,920	33,791
May	138,246	32,719
Total	1,447,248	519,274



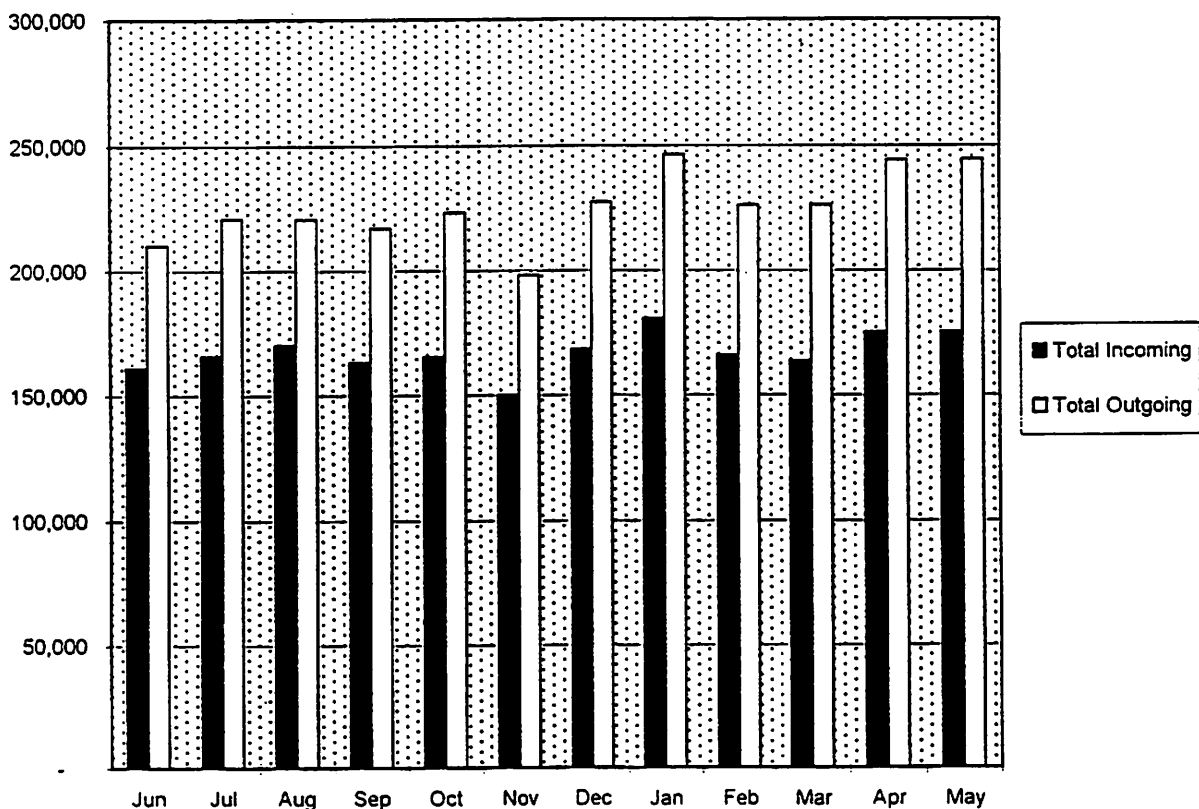
Florida Relay Service - June 1997 thru May 1998

Monthly Incoming and Outgoing Calls

BDR - Report 1

	Total Incoming	Complete Outgoing	Incomplete Outgoing	Total Outgoing
Jun	161,155	146,883	63,316	210,199
Jul	165,796	152,945	67,885	220,830
Aug	170,206	152,928	67,532	220,460
Sep	163,149	149,561	67,410	216,971
Oct	165,367	151,283	71,758	223,041
Nov	149,940	137,334	60,735	198,069
Dec	168,304	156,301	71,067	227,368
Jan	180,783	171,122	75,146	246,268
Feb	165,918	156,594	69,428	226,022
Mar	163,716	158,294	67,719	226,013
Apr	175,026	169,273	74,662	243,935
May	175,339	167,914	76,193	244,107
Total	2,004,699	1,870,432	832,851	2,703,283

Monthly Total Incoming Calls vs Total Outgoing Calls



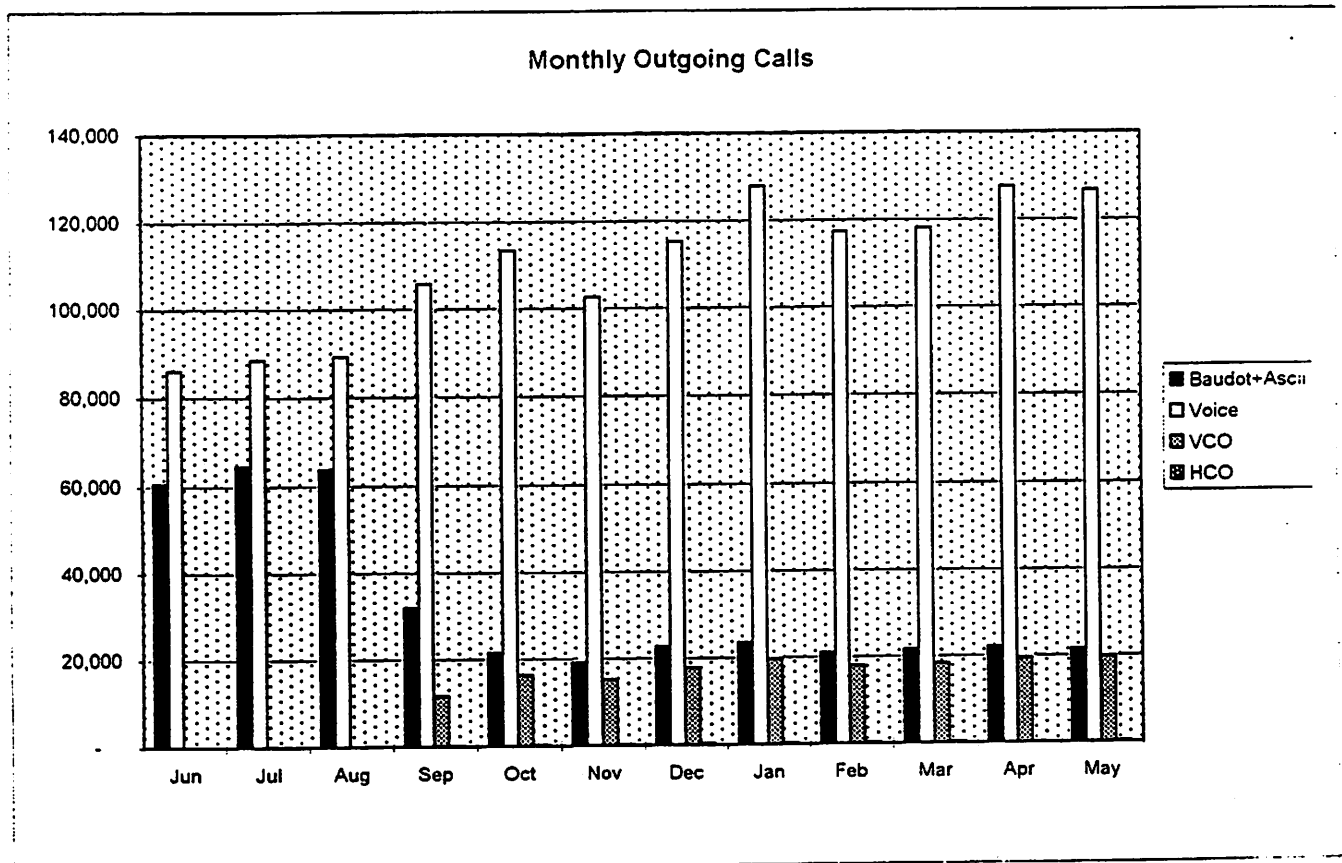
Florida Relay Service - June 1997 thru May 1998

Monthly Outgoing Calls

BDR - Report 1

	Outgoing Baudot	Outgoing ASCII	Total Outgoing Baudot+Asci	Outgoing Voice	Outgoing VCO	Outgoing HCO	Outgoing Complete	Outgoing Incomplete	Total Outgoing
Jun	60,676	17	60,693	86,190	-	-	146,883	63,316	210,199
Jul	64,455	12	64,467	88,478	-	-	152,945	67,885	220,830
Aug	63,743	13	63,756	89,169	3	0	152,928	67,532	220,460
Sep	31,951	23	31,974	105,762	11664	164	149,561	67,410	216,971
Oct	21,387	27	21,414	113,321	16231	317	151,283	71,758	223,041
Nov	19,275	11	19,286	102,540	15150	358	137,334	60,735	198,069
Dec	22,718	19	22,737	115,309	17809	446	156,301	71,067	227,368
Jan	23,408	49	23,457	127,868	19485	312	171,122	75,146	246,268
Feb	20,977	61	21,038	117,288	17947	321	156,594	69,428	226,022
Mar	21,523	64	21,587	118,150	18290	267	158,294	67,719	226,013
Apr	22,025	52	22,077	127,610	19430	156	169,273	74,662	243,935
May	21,402	62	21,464	126,699	19490	261	167,914	76,193	244,107
Total	393,540	410	393,950	1,318,384	155,499	2,602	1,870,432	832,851	2,703,283

* VCO and HCO reporting in separate categories starting August 1997



Florida Relay Service - June 1997 thru May 1998

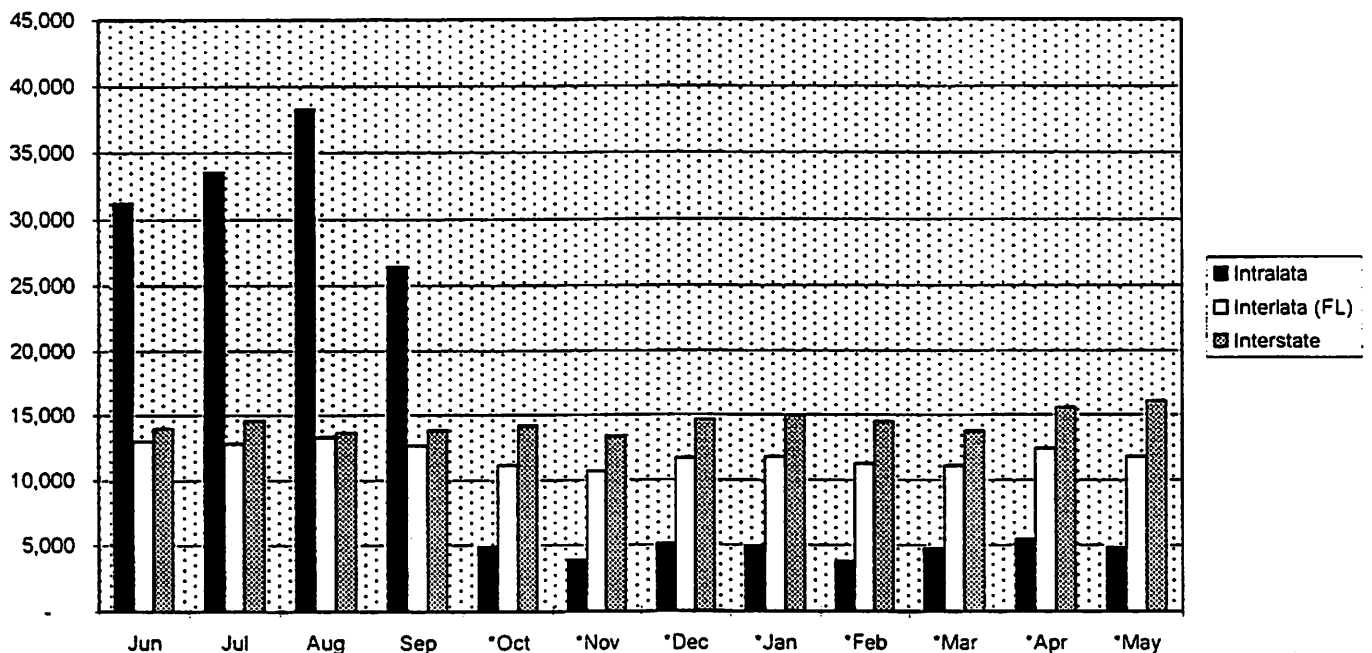
Monthly Outgoing Call Types

BDR - Report 3

	Local	Intralata	Interlata (FL)	Interstate	800 Calls	Misc. (COC, Dir Assistance Internat'l)	Total Outgoing
Jun	134,350	31,234	12,974	13,989	16,954	698	210,199
Jul	139,758	33,551	12,786	14,585	19,091	1,059	220,830
Aug	137,930	38,276	13,269	13,616	16,536	833	220,460
Sep	147,293	26,395	12,638	13,858	16,172	615	216,971
*Oct	174,207	4,929	11,116	14,180	17,952	657	223,041
*Nov	154,526	3,899	10,671	13,339	15,040	594	198,069
*Dec	178,067	5,126	11,653	14,638	17,244	640	227,368
*Jan	192,348	4,973	11,777	14,989	21,438	743	246,268
*Feb	175,783	3,775	11,235	14,489	20,039	701	226,022
*Mar	175,619	4,759	11,059	13,757	20,113	706	226,013
*Apr	187,388	5,464	12,424	15,572	22,336	751	243,935
*May	188,611	4,839	11,766	16,032	21,940	919	244,107
Total	1,985,880	167,220	143,368	173,044	224,855	8,916	2,703,283

* Local and Intralata call distribution changed beginning in October when MCI established the 40 mile radius rule. This rule brands all calls within a 40 mile radius as Local. This has no effect on total Outgoing calls.

Outgoing Long Distance Call Types



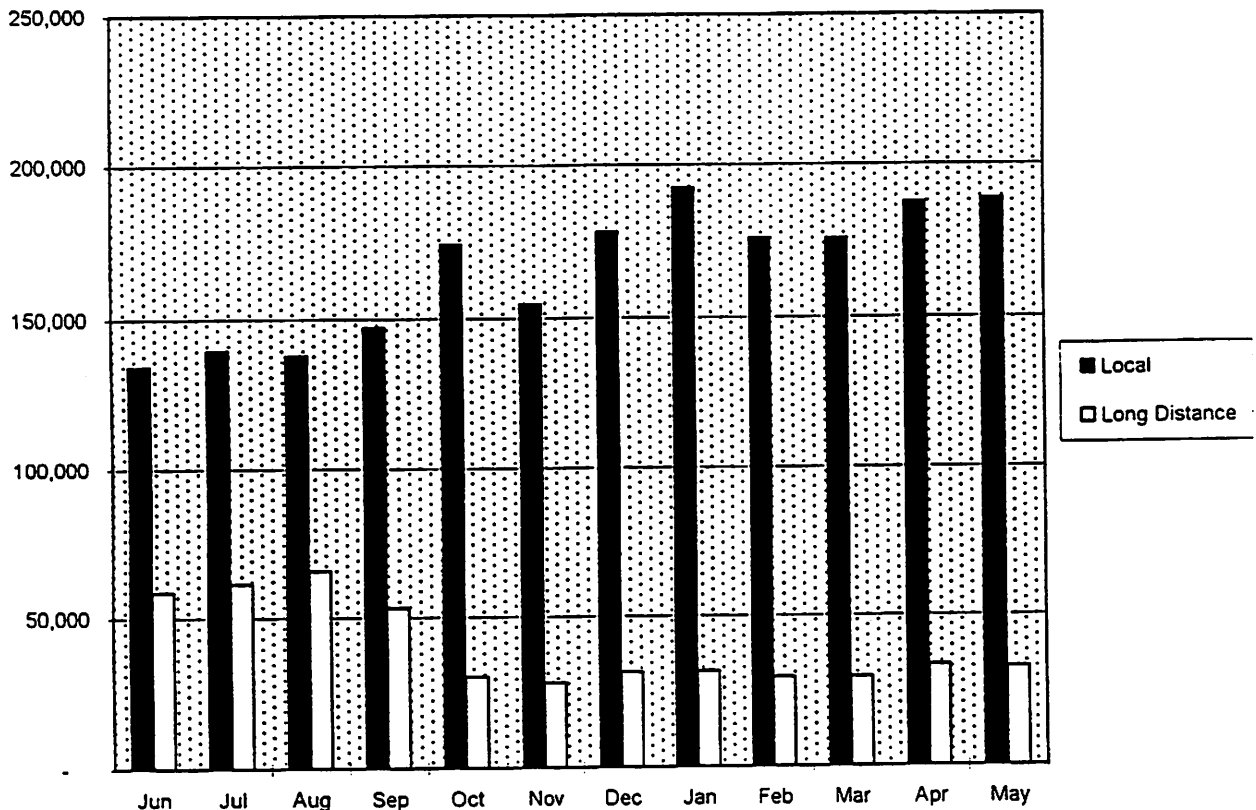
Florida Relay Service - June 1997 thru May 1998

Monthly Outgoing Call Types - Local Calls vs Long Distance Calls

BDR - Report 3

	Local	Intralata	Interlata/ Intrastate	Interstate	International	Total Long Distance
Jun	134,350	31,234	12,974	13,989	175	58,372
Jul	139,758	33,551	12,786	14,585	332	61,254
Aug	137,930	38,276	13,269	13,616	339	65,500
Sep	147,293	26,395	12,638	13,858	189	53,080
Oct	174,207	4,929	11,116	14,180	182	30,407
Nov	154,526	3,899	10,671	13,339	152	28,061
Dec	178,067	5,126	11,653	14,638	106	31,523
Jan	192,348	4,973	11,777	14,989	158	31,897
Feb	175,783	3,775	11,235	14,489	136	29,635
Mar	175,619	4,759	11,059	13,757	158	29,733
Apr	187,388	5,464	12,424	15,572	109	33,569
May	188,611	4,839	11,766	16,032	176	32,813
Total	1,985,880	167,220	143,368	173,044	2,212	485,844

Outgoing Local vs Total Long Distance Calls

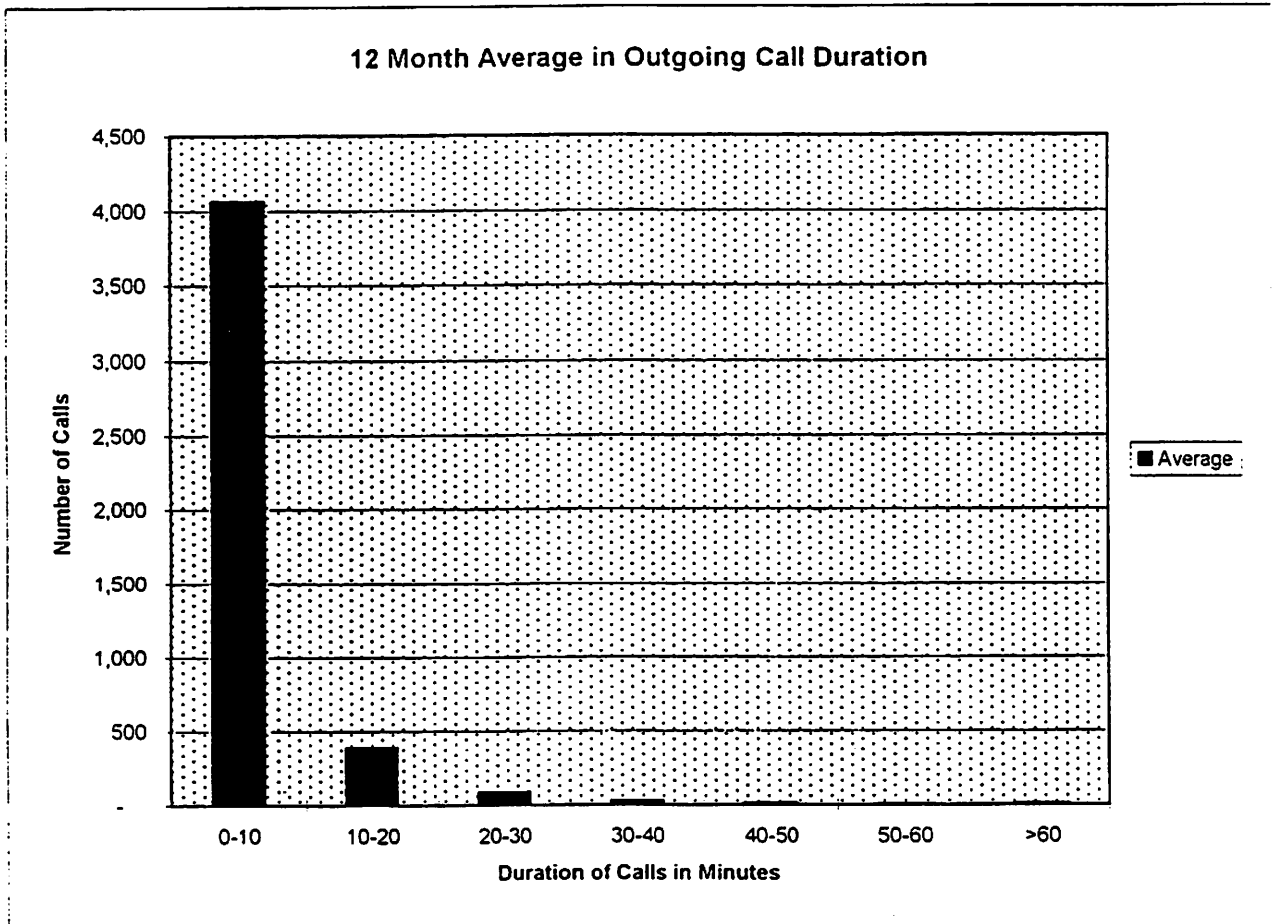


Florida Relay Service - June 1997 thru May 1998

Completed Outgoing Call Distribution - In Daily Average Minutes

BDR - Report 4

	In Minutes						
	0-10	10-20	20-30	30-40	40-50	50-60	>60
Jun	6,381	448	107	37	16	7	11
Jul	4,051	423	100	31	14	7	8
Aug	4,180	430	96	33	13	7	8
Sep	1,454	145	35	12	5	2	3
Oct	4,272	437	106	34	15	7	8
Nov	3,884	397	93	29	12	6	8
Dec	3,053	305	72	24	11	5	5
Jan	4,413	450	106	36	14	7	7
Feb	4,597	453	106	35	15	6	7
Mar	4,490	449	104	35	14	6	7
Apr	4,521	446	101	34	15	5	7
May	3,451	331	77	26	10	4	4
Average	4,062	393	92	31	13	6	7

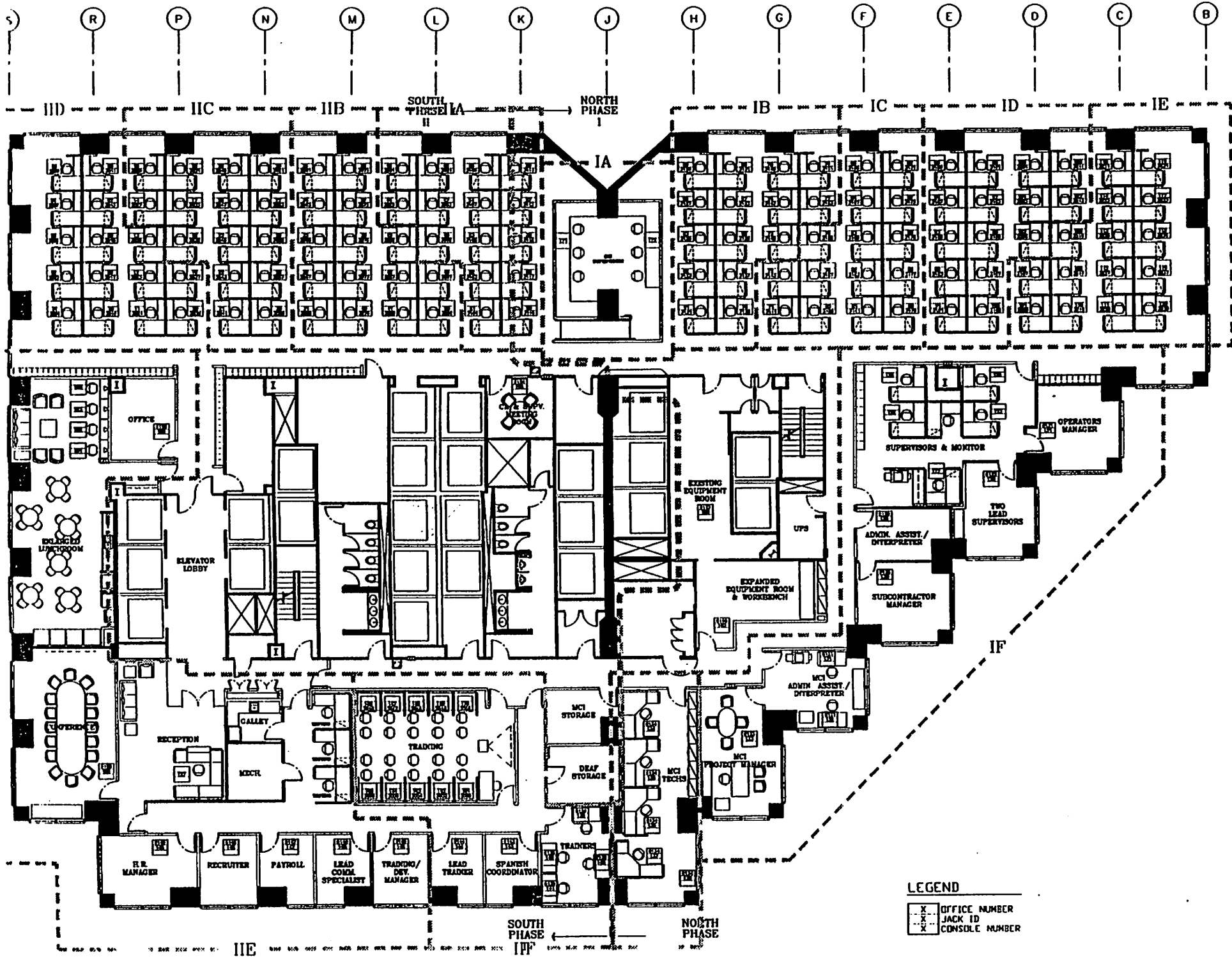


Renovated

Floor

Plan

FRS



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of Florida
Telecommunications Access System
Act of 1991.

DOCKET NO. 960598-TP
ORDER NO. PSC-98-1521-FOF-TP
ISSUED: November 18, 1998

Request for submission of
proposals for provision of relay
service, beginning in June 1997,
for the hearing and speech
impaired, in compliance with the
Florida Telecommunications
Access System Act of 1991.

The following Commissioners participated in the disposition of
this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

NOTICE OF PROPOSED AGENCY ACTION

ORDER DENYING DISTRIBUTION OF ELECTROLARYNX DEVICES BY FLORIDA
TELECOMMUNICATIONS RELAY, INC.

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
substantially 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 provides funding for the
distribution of specialized telecommunications devices and
provision of intrastate relay service. Florida

ORDER NO. PSC-98-1521-FOF-TP
DOCKET NO. 960598-TP
PAGE 2

Telecommunications Relay, Inc. (FTRI), a non-profit corporation formed by the local exchange telephone companies, was named by the Commission to serve as the TASA administrator. Among its other duties, Section 427.705(1(a), Florida Statutes, directs the administrator (FTRI) to "purchase, store, distribute and maintain specialized telecommunications devices. . . ."

At the May 5, 1998, TASA Advisory Committee meeting, Committee Member Mr. Joseph Schad made a presentation regarding the need for an electrolarynx device to be distributed by FTRI. An electrolarynx is a portable mechanical device which sends vibrations to the throat and words are formed by manipulation of the tongue and cheeks. An electrolarynx is generally used by individuals who have had their vocal cords removed (laryngectomy). A motion was made to have the Florida Public Service Commission (FPSC) staff investigate the appropriateness of including an electrolarynx device as part of FTRI's equipment distribution program.

Advisory Committee members were asked to submit comments on the issue for staff to consider in its analysis. Two Committee members (Mr. Schad and Ms. Slater) and FTRI provided comments. Further, as part of staff's investigation, a data request was sent to the Florida Laryngectomee Association.

Mr. Schad's comments supported FTRI distributing an electrolarynx. Ms. Slater's comments suggested that FTRI only distribute an electrolarynx device to those "who cannot get electrolarynxes (the people not under Medicare or Medicaid and with no health insurance or whose health insurance refuses the aid)."

According to information provided by the Florida Laryngectomee Association, Medicare and most insurance companies cover 80% of the cost for an electrolarynx (the cost is between \$495.00 and \$675.00); Medicaid also covers the instrument for those qualified individuals under age 21. Ms. Slater also stated that she believes if FTRI were to supply an electrolarynx to all laryngectomees, Medicare and health insurance providers possibly would encourage laryngectomees to seek the device from FTRI, thus passing the expense over to FTRI.

The comments provided by FTRI oppose the distribution of the electrolarynx. FTRI makes it clear in its comments that it is aware of the value of the electrolarynx and recognizes that the

device has benefitted a number of individuals. However, FTRI does not believe that the electrolarynx falls within the statutory definition of "specialized telecommunications devices" as that definition is currently written. FTRI believes that it would exceed its current statutory authority if it were to offer the electrolarynx as a basic telecommunications device.

At the November 3, 1998, Agenda we addressed whether an electrolarynx device should become part of FTRI's equipment distribution program. We determined that an electrolarynx should not be included as part of the equipment currently distributed by FTRI. However, the FPSC staff should do a further cost analysis of adding the electrolarynxes to the distribution program, which would be provided to the legislature. The Commission can then further consider whether we should recommend adding the electrolarynx device to the distribution program.

The following statutory provisions relate to this issue.

F.S.427.702 Findings, purpose, and legislative intent.

(1) The Legislature finds and declares that

. . .

(e) Persons who do not have a hearing impairment or speech impairment are generally excluded from access to the basic telecommunications system to communicate with persons who have a hearing impairment or speech impairment without the use of specialized telecommunications devices.

(2) It is the declared purpose of this part to establish a system whereby the citizens of Florida who are hearing impaired, speech impaired, or dual sensory impaired have access to basic telecommunications services at a cost no greater than that paid by other telecommunications services customers, and whereby the cost of specialized telecommunications equipment necessary to ensure that citizens who are hearing impaired, speech impaired, or dual sensory impaired have access to basic telecommunications services and the provision of telecommunications relay service is borne by all the telecommunications customers of the state.

(3) It is the intent of the Legislature:

. . .

(d) That the telecommunications access system includes the distribution of specialized telecommunications devices necessary for hearing impaired, speech impaired, or dual sensory impaired persons to access basic telecommunications services. (emphasis added)

(g) That the telecommunications access system uses state-of-the-art technology for specialized telecommunications devices and the telecommunications relay service and encourages the incorporation of new developments in technology, to the extent that it has demonstrated benefits consistent with the intent of this act and is in the best interest of the citizens of the state. (emphasis added)

F.S. 427.703 Definitions

(11) "Specialized telecommunications device" means a TDD, a volume control handset, a ring signaling device, or any other customer premises telecommunications equipment specifically designed or used to provide basic access to telecommunications services for a hearing impaired, speech impaired, or dual sensory impaired person. (emphasis added)

F.S. 427.704 Powers and duties of the commission.

(1) The commission shall establish, implement, promote, and oversee the administration of a statewide telecommunications access system to provide access to telecommunications relay services by persons who are hearing impaired or speech impaired, or others who communicate with them. The telecommunications access system shall provide for the purchase and distribution of specialized telecommunications devices and the establishment of statewide single provider telecommunications relay service system which operates continuously. To provide telecommunications relay services and distribute specialized telecommunication devices to persons who are hearing impaired or speech

impaired, at a reasonable cost the commission shall:
(emphasis added)

(a) Investigate, conduct public hearings, and solicit the advice and counsel of the advisory committee established pursuant to s.427.706 to determine the most cost-effective method for providing telecommunications relay service and distributing specialized telecommunications devices. (emphasis added)

F.S. 427.705 Administration of the telecommunications access system.

(1) Consistent with the provisions of this act and rules and regulations established by the commission, the administrator shall:

(a) Purchase store, distribute, and maintain specialized telecommunications devices either directly or through contract with third parties, or a combination thereof.

. . . .

(5) The administrator shall provide for the distribution of specialized telecommunications devices to persons qualified to receive such equipment in accordance with the provisions of this act. The administrator shall establish procedures for the distribution of specialized telecommunications devices and shall solicit the advice and counsel and consider the recommendations of the advisory committee in establishing such procedures. The procedures shall:

(b) Establish characteristics and performance standards for specialized telecommunications devices determined to be necessary, and for the selection of equipment to be purchased for distribution to qualified recipients. The characteristics and standards shall be modified as advances in equipment technology render such standards inapplicable.

Resolution of this issue revolves largely around the definition of "Specialized Telecommunications Device." Traditionally, in Florida, an electrolarynx has not been

considered customer premises equipment. It has not been used principally for telecommunications. Also, we do not know what the legislature meant when it included the phrase: "specifically designed or used to provide basic access to telecommunications services." The phrase includes a modifier, the meaning of which is unclear. Grammatically, the modifier, "specifically," can be correctly used once and still apply to both the term "designed" and the term "used".

Starting with the issues of the meaning of the term "specifically," the dictionary definition of "specific" is "something peculiarly adapted to a purpose or use". An electrolarynx is not "specifically designed" for telecommunications purposes. It is for all kinds of verbal communications including face to face communications as well as telephone communications. Thus, since an electrolarynx's design is not specifically for telecommunications access, it does not meet this part of the definition.

The next issue is whether the adjective "specifically" applies to the word "used". If it does, then the same argument as applies to "specifically designed for" would likewise apply to "specifically used for", i.e., telecommunications use is not the specific use of an electrolarynx. However, if "specifically" only modifies the term "designed", then the question would be whether an electrolarynx is simply "used to provide basic access to telecommunications" and the answer would be affirmative because an electrolarynx is certainly used to talk on the telephone. We do not know what the legislature intended when it established the definition of "specialized telecommunications device." Certainly the legislature could have repeated the word "specifically" if it had intended it to apply to the word "used" and eliminated the question. However, grammatically, the modifier can be correctly used once and still apply to both terms "designed" and "used". We see no reason why the legislature would have used the word "specifically" when referencing the term "designed" but then intended that anything that is "used" in any general way for access to telecommunications would also qualify for funding and distribution by the administrator FTRI. If an electrolarynx were considered to be "specialized telecommunications equipment" and thus should be funded by the TASA fund, then a similar argument could be made for funding hearing aids for hearing impaired individuals because hearing aids allow a hearing impaired person to use a telephone. The recommended interpretation of the definition is in keeping with a

straight-forward reading of the definition. We believe that an electrolarynx does not fall within the definition of a specialized telecommunications device.

We do not think that the 1991 legislation was aimed at requiring telecommunications customers to pay for persons to obtain electrolarynxes through TASA. However, we have found no legislative history that addresses this issue. There could be policy reasons for the legislature to consider inclusion of the electrolarynx in the FTRI distribution program. A person who has had a laryngectomy cannot use the telephone without the device (other than the less efficient way of obtaining a TDD and making calls through an intermediary communications assistant over the relay system).

While an electrolarynx is more expensive than a TDD, it does allow the user more natural conversation and easier call set-up since a relay Communications Assistant is not involved. However, it is not likely that a person would settle for just using a TDD and only communicate via telephone calls rather than obtain an electrolarynx if the electrolarynx were not distributed by FTRI. In most cases a person would obtain an electrolarynx anyway for everyday life uses since the electrolarynx can be used for multiple purposes. For a person who is unable to hear, the current technology for using the telecommunications system is a TDD. However, for a person who cannot speak because of a laryngectomy, an electrolarynx is the best method for using telecommunications services and there is no specific piece of telecommunications equipment that meets the need. However, an electrolarynx does not appear to fit the definition of "specialized telecommunications devices". Distribution of the device would make it possible for a person who has had a laryngectomy to make the best possible use of the telecommunications system and receive support from all other ratepayers to pay for the cost of the electrolarynx.

We are asking our staff to do a further cost analysis for presentation to the legislature. If further cost analysis indicates provision of the electrolarynx is cost efficient, the FPSC could recommend it to the legislature for inclusion in the statute.

Based on the foregoing, it is

ORDER NO. PSC-98-1521-FOF-TP
DOCKET NO. 960598-TP
PAGE 8

ORDERED by the Florida Public Service Commission that the Florida Telecommunications Relay, Inc., not be currently required to distribute electrolarynxes. It is further

ORDERED that the staff will prepare a cost analysis on the issue. It is further

ORDERED that Docket No. 960598-TP shall remain open for the duration of the current contract with MCI.

By ORDER of the Florida Public Service Commission, this 18th day of November, 1998.

/s/ Blanca S. Bayó

BLANCA S. BAYÓ, Director
Division of Records and Reporting

This is a facsimile copy. A signed copy of the order may be obtained by calling 1-850-413-6770.

(S E A L)

CBM

DISSENT BY CHAIRMAN JOHNSON AND COMMISSIONER GARCIA

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.

ORDER NO. PSC-98-1521-FOF-TP
DOCKET NO. 960598-TP
PAGE 9

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.

ORDER NO. PSC-98-1521-FOF-TP
DOCKET NO. 960598-TP
PAGE 10

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 December 9, 1998.

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.

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.