

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

**Recalculation of the Pennsylvania
Telecommunications Relay Service
Surcharge**

**Public Meeting held June 18, 2020
3015209-TUS
Docket No. M-2020-3015209**

STATEMENT OF VICE CHAIRMAN DAVID W. SWEET

The Telecommunications Relay Service (TRS) Program has three components: relay, device, and print. Codified in state law, it assists Pennsylvania residents at or below 200% of the federal poverty level who, through a certified disability, cannot communicate independently. Assistance may be provided by wire or radio through adaptive equipment or other intervention. Program participants must purchase the underlying communications service. The Federal Communications Commission (FCC) certifies our state program, and it complies with the federal Americans with Disabilities Act and Telecommunications Act of 1996. State policy is to provide qualified individuals functionally equivalent access to communications services that the rest of society enjoys.

My colleagues assert, as they have previously, that we are fiscally irresponsible not to reduce the surcharge. They contend we should not only eliminate the \$0.96/year surcharge but also refund some amount to customers because the surplus has grown over the past three years. My colleagues reference refunds we ordered following our investigation of revenue implications associated with the federal Tax Cuts and Jobs Act of 2017 as an example of fiscal responsibility. I fully supported the scope of our tax investigation into telecommunications carriers, over the dissent of my colleagues. We have yet to order refunds to any telecommunications customers.

For three years we have had specific reasons not to reduce the \$0.08. Those reasons continue to prevail. On the federal side, in November 2019 the FCC shifted more than half of its federal funding obligation for Internet Protocol Captioned Telephone Relay Service (IP CTS) from the INTERstate to INTRAsate jurisdiction. As a result, \$539 million of the current \$913 million expense funded by the FCC TRS assessments for IP CTS will now be based on an assessment of INTRAsate revenues. Carriers whose intrastate revenues were not assessed for IP CTS under the federal TRS mechanism will now have those revenues assessed by the FCC. It is premature, if not irresponsible, to conclude that this new assessment on INTRAsate revenues will not have a deleterious effect on our own state program.

As to our state program, a matter more directly within our control, if there is any fiscal irresponsibility associated with a growing surplus, I suggest it is not in continuing the surcharge at \$0.08. Rather, it is in failing to invest those funds in a stagnant TRS Program that increasingly fails to fulfill its mission.

Year-over-year the TRS Program has served an increasingly smaller pool of recipients through an increasingly smaller distribution of devices, and it has provided increasingly fewer relay minutes of use. In just the last three reported years, the numbers of traditional devices distributed and eligible recipients both declined substantially, with only 180 eligible recipients receiving devices in the most

recent reported year, a decrease of over 50% in 3 years.¹ Is it a surprise that the surplus grows when the TRS programs provide fewer services? By any measure, participation is waning. If left to its current designs, the surcharge level will be moot as no one will be left using or benefitting from the program.

The anemic state of the TRS is not because the program is not needed. It is. For that reason, in 2015 we authorized a pilot Wireless Expansion Initiative (WEI) expected to include 60 participants, 30 each in two separate phases. In 2019 we approved the WEI as a permanent device component. We also approved a Department of Labor and Industry Office of Vocational Rehabilitation (OVR) projected budget, the only budget before us. It was estimated to fund the distribution of 114 devices, which, as estimated then, potentially could reach 0.08% of a limited pool of hearing- and income-eligible recipients.²

In this year's WEI budget, OVR proposed an increase designed to fund 505 devices.³ I commend OVR for presenting an improved budget and our staff for considering OVR's increase in its calculation. However, the program remains inchoate and anemic, programmatically and financially.

In general, TRS historic budgeting and spending numbers are inconsistent, but by any standard they are not encouraging. Even with this year's modest budget increase, the percentage of potential individuals that could be served through the WEI remains less than ½ of 1%.⁴ To be an effective communications tool, there has to be substantial improvement in the reach of the WEI. And we as a Commission need to acknowledge that as long as the WEI remains underfunded and underutilized, the TRS surplus will grow in indirect proportion to the overall efficacy of the TRS program itself.

I believe the OVR, with input from the TRS Board and support of our staff, has the means to responsibly improve utilization of the surcharge to fund the WEI. I again ask OVR to improve the reach and efficacy of the WEI to facilitate the overall improvement of the currently underperforming TRS Program. With a reasonable budget, we can quell the growth of the surplus, responsibly use the surcharge for its intended purposes, and return the TRS to a meaningful status. To this end, I also commend our current relay service provider for requesting approval to implement a Real Time Text (RTT) pilot for 50 qualified individuals to test new digital technology for use in existing TRS service. A matter on today's agenda, the RTT pilot would replace outdated analog equipment developed 50 years ago that no longer functions well with modern telecommunications technology.

We have tools in place to reinvigorate the TRS programs. All we have to do is use them. Can we serve the entire eligible population? Of course not. But all assistance programs operate within budgets capped by limited resources. This is no different.

The TRS surplus should be directed towards resuscitating the program rather than used as an excuse to witness its expiration from disuse.



David W. Sweet, Vice Chairman

Date: June 18, 2020

¹ Source: Commission Annual TRS Reports to the Governor and General Assembly; OVR Budgets.

² Source: 2019 WEI Order at 4-5; 114 devices/141,847 hearing- and income-eligible population only.

³ Source: OVR July 1, 2020-June 30, 2021 proposed budget.

⁴ 505 devices/141,847 could provide service to 0.36% of that limited pool of hearing- and income-eligible population.