

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held May 19, 2015

Commissioners Present:

Gladys M. Brown, Chairman
John F. Coleman, Jr., Vice Chairman
James H. Cawley, Commissioner
Pamela A. Witmer, Commissioner
Robert F. Powelson, Commissioner

Recalculation of the Pennsylvania
Telecommunications Relay Service Surcharge

M-2015-2460700
M-00900239

ORDER

BY THE COMMISSION:

Pursuant to our May 29, 1990 Order, at Docket No. M-00900239 establishing the Pennsylvania Telephone Relay Service (Relay)¹ and surcharge funding mechanism (TRS surcharge) and subsequent Commission orders and legislation,² we have completed the annual recalculation of the TRS surcharge as it will apply to residence and business wireline access lines for July 1, 2015, through June 30, 2016. The monthly residential and business monthly access line surcharge will remain set at \$0.08.

¹ Additional information on TRS may be found at http://www.puc.pa.gov/utility_industry/telecommunications/telecommunications_relay_service.aspx

² See Act 34 of 1995, 35 P.S. §§ 6701.1 – 6701.4 (the statutory provisions were amended by Act 181 of 2002 to be more inclusive of persons with disabilities), establishing the Telephone Device Distribution Program (TDDP) to be funded by the TRS surcharge and which codified Relay and use of the TRS surcharge funding mechanism; and Act 174 of 2004, 35 P.S. §6701.3a, which established the Print Media Access System Program (PMASP) to be funded in part by the TRS surcharge. PMASP is a reading service for persons with certain vision and physical disabilities. The law is now called the “Universal Telecommunications and Print Media Access Act.”

Background

The annual TRS recalculation is dependent on data from several sources. Local Exchange Carriers (LECs)³ submit annual wireline access line counts pursuant to 52 Pa. Code § 63.37. The traditional relay provider, Hamilton Relay Inc.,⁴ submitted the estimated minutes of use and charges for July 1, 2015, through June 30, 2016. Hamilton Telecommunications Company submitted the estimated minutes-of-use report for the Captioned Telephone Relay Service (CTRS). The Office of Vocational Rehabilitation (OVR), Department of Labor and Industry, submitted the 2015-2016 TDDP budget and the 2015-2016 PMASP budget. The surcharge also funds the TRS Advisory Board activities and Fund administration costs. U.S. Bank,⁵ the Fund Administrator, provided a statement of the financial status of the Fund.⁶

Calculation for 2015 – 2016

Wireline access lines reported by LECs for 2014 and adjusted for Centrex lines are 5,233,801 (3,393,004 Residence and 1,840,797 Business). Based upon the number of access lines, projected program costs (Relay, CTRS, TDDP, and PMASP), anticipated Relay Advisory Board expenses, TRS Fund administration costs, and the financial status of the TRS Fund, the 2015-2016 monthly TRS surcharge rate for both residence and business access lines will continue to be set at \$0.08 per month. All LECs

³ LECs include both incumbent and competitive local exchange carriers.

⁴ Hamilton Relay Inc., (Hamilton) holds the TRS Certificate of Public Convenience to provide TRS throughout the Commonwealth of Pennsylvania. The Commission approved Hamilton's Application filed at A-2014-2447601 by order entered December 4, 2014.

⁵ As a result of mergers, acquisitions, and name changes, Fund administration has been handled by Hamilton Bank (1990), CoreStates Bank N.A. (1995), First Union National Bank (1999), Wachovia Bank, N.A. (2002), and U.S. Bank Institutional Trust & Custody (2006).

⁶ Separate accounts are maintained for the portions of the surcharge allocated to Relay, TDDP, and PMASP. Relay Advisory Board, CTRS, and outreach activities are funded from the Relay account; Fund administration draws from each respective account.

shall continue to remit TRS surcharge revenues to the Fund Administrator.⁷ Since the 2015-2016 surcharge remains the same as the 2014-2015 rate of \$0.08, the filing of tariff supplements are not required.

Effective July 1, 2015, the monthly surcharge allocation for each fund account is as follows:⁸

	2015-2016	
	Residence %	Business %
Relay	90.0	90.0
TDDP	5.0	5.0
PMASP	<u>5.0</u>	<u>5.0</u>
Total Percentage	100.0	100.0

Operations for 2015 – 2016

We shall continue our active oversight of the operations of the Pennsylvania Telecommunications Relay Service. Further, in accordance with 35 P.S. §§ 6701.3a & 4, we shall continue to collaborate with OVR and its TDDP administrator⁹ to ensure adequate funding for distribution of TDDP equipment to qualified Pennsylvanians. Further, we shall continue to assist OVR in its mission to ensure adequate funding for PMASP.

⁷ U.S. Bank Institutional Trust & Custody, Attn: Amanda Brown-Poe, 300 Delaware Ave, Ste 900, Wilmington, DE 19801. The remittance is payable to the “PA Relay Service Fund” and designated for Relay. Wire instructions can be found on the remittance form. LECs will be notified by Commission Secretarial letter that US Bank’s contact person and address is changing effective July 1, 2015.

⁸ The TRS surcharge appears as a single line item on customers’ bills but actually has three components (Relay TDDP and PMASP).

⁹ As of January 1, 2007, the TDD program is administered by Pennsylvania’s Initiative on Assistive Technology (PIAT), Institute on Disabilities, Temple University (IDT).

Audits

The Commission's Bureau of Audits (Audits) is in the process of finalizing a TRS related audit report, at Docket No. D-2014-2406981, on the TDDP and PMASP for the twelve-month periods ended June 30, 2013, and June 30, 2012.

The audit of the TRS Program (collection and disbursement of the TRS funds), for the twelve-month periods ended February 28, 2015, February 28, 2014, and February 28, 2013, is currently in the planning stages.

Service of Paper Copies

In the past, our practice has been to serve the annual TRS surcharge recalculation order on every LEC in the Commonwealth, in addition to the service providers, Office of Vocational Rehabilitation, Office of Consumer Advocate, Office of Small Business Advocate, Pennsylvania Telephone Association, and the Fund Administrator. As proposed in the TRS Surcharge Recalculation order at Docket No M 2013-2341301, entered May 23, 2013, service of paper copies of the recalculation orders on the LECs will only henceforth be served if there is a change in the TRS surcharge or other provision in the order requiring that the LECs file a tariff change or take other action. As this order does not change the set surcharge rate or require any other tariff changes in response to this order, paper copies will not be served. Additionally, we will continue to publish the recalculation orders in the *Pennsylvania Bulletin* and on the Commission's website.

Conclusion

The Commission has completed the annual recalculation of the TRS Surcharge. The surcharge to be applied beginning July 1, 2015, through June 30, 2016, will remain at \$0.08 for residential and business access lines. We also note that paper

copies of this order will not be served on the LECs as there is no change in the set surcharge rate or to impose new requirements on the LECs requiring tariff changes in response to this Order; **THEREFORE**,

IT IS ORDERED:

1. That for the period of July 1, 2015, through June 30, 2016, the monthly TRS surcharge rate shall be \$0.08 for residence and business, unless we take further action to revise the TRS surcharge prior to June 30, 2016.
2. That all local exchange carriers are directed to use the attached form, which contains the new mailing address, to remit the monthly TRS surcharge collections to U.S. Bank, Institutional Trust & Custody. The remittance sheet shall be posted to the PUC web site <http://www.puc.pa.gov>. All local exchange carriers are required to collect and remit the TRS surcharge revenue monthly by the 20th of each month.
3. That a copy of this Order be published in the *Pennsylvania Bulletin*.
4. That a copy of this Order be posted to the Commission's website.

BY THE COMMISSION



Rosemary Chiavetta
Secretary

(SEAL)

ORDER ADOPTED: May 19, 2015

ORDER ENTERED: May 19, 2015

REMITTANCE FORM FOR MONTHLY TRS SURCHARGE COLLECTIONS

Effective July 1, 2015 through June 30, 2016

M-2015-2460700

All local exchange carriers are required to collect and remit the TRS surcharge revenue monthly, by the 20th of each month using the following format for the monthly remittance:

Pennsylvania TRS Surcharge

For the Month Ending _____

Number of **Residential** access lines _____
X \$0.08 per line _____

Allocated:
TRs Relay 90.0 percent _____
TDDP 5.0 percent _____
PMASP 5.0 percent _____

Number of **Business** access lines _____
X \$0.08 per line _____

Allocated:
TRs Relay 90.0 percent _____
TDDP 5.0 percent _____
PMASP 5.0 percent _____

Total Remittance _____

Make check payable to: Pennsylvania TRS Fund

Mail Report and payment to:	Wire Instructions:
U.S. Bank Institutional Trust & Custody Amanda Brown-Poe 300 Delaware Avenue, Suite 900 Wilmington DE 19801	BANK U.S. Bank N.A ADDRESS 60 Livingston Avenue, St Paul MN 55107-2292 ABA 091 000 022 BNF ITC Depository South & East ACCOUNT 173 103 781 832 OBI PA Relay ATTN: Amanda Brown-Poe

Remittance for:
Company Name: _____
Utility Code: _____
Contact Person: _____
Voice Phone Number: (____)_____ FAX: (____)_____
E-mail address _____

Authorized Signature: _____ *Date:* _____

Please direct any questions regarding the TRS Surcharge remittance to Mr. Eric Jeschke at (717) 783-3850 or ejeschke@pa.gov.