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

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|  | Public Meeting held May 19, 2016 |
| Commissioners Present: |  |

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| |  | | --- | | Gladys M. Brown, Chairman | | Andrew G. Place, Vice Chairman  John F. Coleman, Jr., Commissioner  Robert F. Powelson, Commissioner | |
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| Recalculation of the Pennsylvania  Telecommunications Relay Service Surcharge | M-2016-2522493  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]](#footnote-1) and surcharge funding mechanism (TRS surcharge) and subsequent Commission orders and legislation,[[2]](#footnote-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, 2016, through June 30, 2017. The monthly residential and business monthly access line surcharge will remain set at $0.08.

**Background**

The annual TRS recalculation is dependent on data from several sources. Local Exchange Carriers (LECs)[[3]](#footnote-3) submit annual wireline access line counts pursuant to 52 Pa. Code § 63.37. The traditional relay provider, Hamilton Relay Inc.,[[4]](#footnote-4) submitted the estimated minutes of use and charges for July 1, 2016, through June 30, 2017. 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 2016-2017 TDDP budget and the 2016-2017 PMASP budget. The surcharge also funds the TRS Advisory Board activities and Fund administration costs. U.S. Bank,[[5]](#footnote-5) the Fund Administrator, provided a statement of the financial status of the Fund.[[6]](#footnote-6)

**Calculation for 2016 – 2017**

Wireline access lines reported by LECs for 2015 and adjusted for Centrex lines are 4,934,709 (3,139,557 Residence and 1,795,152 Business). Based upon the number of access lines, projected program costs (Relay, CTRS, TDDP, and PMASP), anticipated Pennsylvania Telecommunications Relay Service Advisory Board[[7]](#footnote-7) expenses, TRS Fund administration costs, and the financial status of the TRS Fund, the 2016-2017 monthly TRS surcharge rate for both residence and business access lines will continue to be set at $0.08 per month. All LECs shall continue to remit TRS surcharge revenues to the Fund Administrator.[[8]](#footnote-8) Since the 2016-2017 surcharge remains the same as the 2015-2016 rate of $0.08, the filing of tariff supplements are not required.

Effective July 1, 2016, the monthly surcharge allocation for each fund account is as follows:[[9]](#footnote-9)

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| --- | --- | --- |
|  | 2016-2017  Monthly Surcharge Percentage | |
|  | Residence % | Business % |
| Relay | 90.0 | 90.0 |
| TDDP | 5.0 | 5.0 |
| PMASP | 5.0 | 5.0 |
| Total Percentage | 100.0 | 100.0 |

**Operations for 2016 – 2017**

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 administrator[[10]](#footnote-10) 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*.*

**Audits**

The Commission’s Bureau of Audits (Audits) has finalized and issued on July 7, 2015, the audit report at Docket No. D-2014-2406981, for the TDDP and PMASP 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 expected to begin in the next month.

**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, 2016, through June 30, 2017, 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, 2016, through June 30, 2017, 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, 2017.

2. That all local exchange carriers are directed to use the attached blank form, which contains the new mailing address, to remit the monthly TRS surcharge collections to U.S. Bank, Institutional Trust & Custody. The entered Order and blank remittance form 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 with the completed remittance form 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.

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**BY THE COMMISSION**

Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: May 19, 2016

ORDER ENTERED: May 19, 2016

**REMITTANCE FORM FOR MONTHLY TRS SURCHARGE COLLECTIONS**

Effective July 1, 2016 through June 30, 2017 M-2016-2522493

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**

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| --- | --- |
| **Mail Report and payment to**: | ***Wire Instructions:*** |
| U.S. Bank Institutional Trust & Custody  Amanda Brown-Poe  300 Delaware Avenue, Suite 901  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.

1. Additional information on TRS may be found at <http://www.puc.pa.gov/utility_industry/telecommunications/telecommunications_relay_service.aspx> [↑](#footnote-ref-1)
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.” [↑](#footnote-ref-2)
3. LECs include both incumbent and competitive local exchange carriers. [↑](#footnote-ref-3)
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. [↑](#footnote-ref-4)
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). [↑](#footnote-ref-5)
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. [↑](#footnote-ref-6)
7. The Pennsylvania Telecommunications Relay Service Advisory Board was established pursuant to Commission Order May 29, 1990. By Laws and quarterly meeting schedule can be found at: <http://www.puc.pa.gov/utility_industry/telecommunications/telecommunications_relay_service/trs_advisory_board_.aspx> [↑](#footnote-ref-7)
8. U.S. Bank Institutional Trust & Custody, Attn: Amanda Brown-Poe, 300 Delaware Ave, Ste 901, 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. [↑](#footnote-ref-8)
9. The TRS surcharge appears as a single line item on customers’ bills but actually has three components (Relay, TDDP and PMASP). [↑](#footnote-ref-9)
10. As of January 1, 2007, the TDD program is administered by Pennsylvania’s Initiative on Assistive Technology (PIAT), Institute on Disabilities, Temple University (IDT). [↑](#footnote-ref-10)