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|  | **BEFORE THE**  **PENNSYLVANIA PUBLIC UTILITY COMMISSION** |  |

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|  | Public Meeting held May 23, 2019 |
| Commissioners Present: |  |

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| |  | | --- | | Gladys Brown Dutrieuille, Chairman | | David W. Sweet, Vice Chairman  Norman J. Kennard, Dissenting, Statement  Andrew G. Place  John F. Coleman, Jr. Dissenting, Statement | |
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| Recalculation of the Pennsylvania  Telecommunications Relay Service Surcharge | M-2019-3006851  M-00900239 |

**ERRATA NOTICE**

This is to advise all parties of record that the Order entered on May 23, 2019, in the above-captioned proceeding contains an error on page three.

In the Order, footnote nine was omitted. Please find the corrected Order attached for your records.

The Order on the PA PUC website will be corrected as indicated above.

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

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| Recalculation of the Pennsylvania  Telecommunications Relay Service Surcharge | M-2019-3006851  M-00900239 |

**ORDER**

**BY THE COMMISSION:**

In accordance with our May 29, 1990 Order at Docket No. M‑00900239 establishing the Pennsylvania Telecommunications Relay Service (TRS or 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 only to residential and business wireline access lines for July 1, 2019, through June 30, 2020. The TRS surcharge rate for residential and business access lines shall be set at $0.08 per month.

**Background**

The annual TRS surcharge 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, 2019, through June 30, 2020. Hamilton Telephone Company d/b/a Hamilton Telecommunications submitted the estimated minutes-of-use report for the Captioned Telephone Relay Service[[5]](#footnote-5) (CTRS). The Office of Vocational Rehabilitation (OVR), Department of Labor and Industry, submitted the 2019-2020 TDDP budget and the 2019-2020 PMASP budget. The surcharge also funds TRS Advisory Board activities and Fund administration costs. U.S. Bank,[[6]](#footnote-6) the Fund Administrator, provided a statement of the financial status of the Fund.[[7]](#footnote-7)

**Calculation for 2019 – 2020**

Combined residential and business wireline access lines reported by LECs for 2018 and adjusted for Centrex lines are estimated to be 4,240,000. Based upon the number of access lines, projected program costs (Relay, CTRS, TDDP, and PMASP), anticipated Pennsylvania TRS Advisory Board[[8]](#footnote-8) expenses, TRS Fund administration costs, and the financial status of the TRS Fund, the 2019-2020 TRS surcharge rate for residential and business access lines will remain at the current rate of $0.08 per month.

This rate is the same as the current rate and will not require the LECs to file tariff supplements. Despite a net positive position in the TRS fund, the Commission has retained this rate over the past several years to provide for a cautious approach to uncertainty related to potential federal funding changes.[[9]](#footnote-9) That rate also ensures that the program has adequate resources to support the Wireless Expansion Initiative (WEI). All TRS surcharge revenues shall continue to be remitted to the Fund Administrator.[[10]](#footnote-10)

Effective July 1, 2019, the monthly surcharge allocation for each fund account will be as follows:[[11]](#footnote-11)

|  |  |  |
| --- | --- | --- |
|  | 2019-2020  Monthly Surcharge Percentage | |
|  | Residence % | Business % |
| Relay | 85.0 | 85.0 |
| TDDP | 10.0 | 10.0 |
| PMASP | 5.0 | 5.0 |
| Total Percentage | 100.0 | 100.0 |

**Operations for 2019 – 2020**

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[[12]](#footnote-12) 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 Bureau of Audits (Audits) released its most recent TRS Audit Report on June 14, 2017 at Docket No. D-2016-2556222 for the twelve-month periods ended February 29, 2016, February 28, 2015, February 28, 2014, and February 28, 2013.  Audits has finished an audit of the TDDP and the PMASP for the twelve-month periods ended June 30, 2016, June 30, 2015, and June 30, 2014, at Docket No. D-2018-3001207 and expects to release the audit report in May 2019.

**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 each Relay service provider, the Office of Vocational Rehabilitation, the Office of Consumer Advocate, the Office of Small Business Advocate, the Pennsylvania Telephone Association, and the Fund Administrator. Consistent with the TRS surcharge recalculation order entered May 23, 2013, at Docket No. M‑2013‑2341301, we now serve paper copies of the annual TRS surcharge recalculation order only when there is a change in the TRS surcharge rate or other provision in the order requiring that the LECs file a tariff supplement or take other action. As this order does not change the TRS surcharge rate, paper copies of the order will not be served. Additionally, we will continue to publish the order in the *Pennsylvania Bulletin* and on the Commission’s website.

**Conclusion**

The Commission has completed the annual recalculation of the TRS surcharge rate. Consistent with our prior determinations regarding the fund, the TRS surcharge rate for residential and business access lines to be applied beginning July 1, 2019, through June 30, 2020, will remain at $0.08 per month. 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, 2019, through June 30, 2020, the TRS surcharge rate for residential and business access lines shall be set at $0.08 per month, unless the Commission takes further action to revise the TRS surcharge rate prior to June 30, 2020.

2. That all local exchange carriers are directed to use the attached blank remittance form to remit the monthly TRS surcharge collections to the Fund Administrator. The blank remittance form shall be posted to the Commission’s web site. 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.

4. That a copy of this Order be published in the *Pennsylvania Bulletin.*

5. That a copy of this Order be posted to the Commission’s website

  **BY THE COMMISSION**

Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: May 23, 2019

ORDER ENTERED: May 23, 2019

**REMITTANCE FORM FOR MONTHLY TRS SURCHARGE COLLECTIONS**

Effective July 1, 2019 through June 30, 2020 M-2019-3006851

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 85.0 percent

TDDP 10.0 percent

PMASP 5.0 percent

Number of **Business** access lines

X $0.08 per line

Allocated:

TRS Relay 85.0 percent

TDDP 10.0 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  Attn: Dina Buccieri  50 S. 16th Street, Suite 2000  Philadelphia, PA 19102 | **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**: Dina Buccieri |

**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 Telecommunication 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) which may be funded in part or in whole by the TRS surcharge. PMASP is a reading service for persons with certain vision-related 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 by order entered December 4, 2014 at Docket No. A-2014-2447601. [↑](#footnote-ref-4)
5. Hamilton Telecommunications, an affiliate of Hamilton Relay, provides CTRS pursuant to contract which ends June 30, 2019. The Commission is currently conducting RFP-2019-1 for CTRS services in Pennsylvania. [↑](#footnote-ref-5)
6. 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-6)
7. Separate accounts are maintained for the portions of the surcharge allocated to Relay, TDDP, and PMASP. TRS Advisory Board expenses, CTRS, and outreach activities are funded from the Relay account; TRS Fund administration costs are drawn from each respective account. [↑](#footnote-ref-7)
8. The Pennsylvania TRS Advisory Board was established pursuant to Commission Order entered May 29, 1990. The TRS Advisory Board’s 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-8)
9. *See, e.g., Recalculation of the Pennsylvania Telecommunications Relay Service Surcharge*, Docket Nos. M‑2018‑2640814, M-00900239 (Order entered June 13, 2018); *Recalculation of the Pennsylvania Telecommuni­cations Relay Service Surcharge*, Docket Nos. M‑2017‑2582552, M-00900239 (Order entered June 27, 2017). *See also In re Misuse of Internet Protocol (IP) Captioned Telephone Service, et al.*, CG Docket Nos. 13-24 and 03-123 (FCC, Rel. June 8, 2018), Report and Order, Declaratory Ruling, Further Notice of Proposed Rulemaking, and Notice of Inquiry, *slip op.* FCC 18-79. [↑](#footnote-ref-9)
10. U.S. Bank Institutional Trust & Custody, Attn: Dina Buccieri, 50 S. 16th Street, Suite 2000, Philadelphia, PA 19102. Remittances are payable to the “PA Relay Service Fund” and designated for Relay. Bank wire instructions can be found on the remittance form. [↑](#footnote-ref-10)
11. The TRS surcharge appears as a single line item on customers’ bills but actually has three components (Relay, TDDP traditional and WEI, and PMASP). [↑](#footnote-ref-11)
12. As of January 1, 2007, the TDDP is administered by Pennsylvania’s Initiative on Assistive Technology, Institute on Disabilities, Temple University. [↑](#footnote-ref-12)