

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120**

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

**Public Meeting May 23, 2019
3006851-TUS
Docket No. M-2019-3006851**

STATEMENT OF COMMISSIONER JOHN F. COLEMAN, JR.

Before the Commission is the establishment the Pennsylvania Telecommunications Relay Service surcharge funding mechanism¹ (TRS surcharge) for the period July 1, 2019 through June 30, 2020. The past two years, our annual TRS surcharge recalculation has been the source of some considerable debate among the Commissioners.

The current recommendation is to keep the TRS surcharge rate for residential and business access lines at \$.08 per line per month, despite a TRS fund balance that keeps growing and will continue to grow. The bottom line is that the \$.08 rate is producing a year-after-year surplus that is resulting in a large over collection of the TRS fund. As of April 30, 2019, the \$.08 surcharge rate has produced a total consolidated cash balance of over \$12 million, an increase of approximately \$1.8 million from last year's fund balance. And, based on the projected revenues and expenses for this surcharge year, the TRS fund balance is projected to grow by over \$1.3 million by this time next year.

As I have advocated the last two surcharge years, I would lower the TRS surcharge rate to \$.04 per line per month to gradually reduce the fund balance over time.

I note that a reduction in the TRS surcharge rate to \$.04 would not result in an immediate reduction of the fund surplus to zero. Rather, the surplus would be reduced gradually over time by approximately \$700,000 annually. This gradual reduction would leave plenty of flexibility to address any future changes in the TRS landscape,² including any changes that may occur at the federal level. In addition, the TRS surcharge is set on an annual basis, which means that the surcharge rate can be adjusted in future surcharge years to address the need for any additional TRS funding that may arise.

DATE: May 23, 2019


**JOHN F. COLEMAN, JR.
COMMISSIONER**

¹ The TRS surcharge funds three individual programs that make up the TRS fund.

² I note that since our approval of the TRS surcharge last year, the Commission has approved a permanent wireless distribution program as part of the Telecommunications Device Distribution Program (TDDP), which is reflected in the 2019-2020 proposed TDDP budget.