

PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17105-3265

07 JUN -5 PM 3:11

Public Meeting held May 30, 2007

Commissioners Present:

Wendell F. Holland, Chairman  
James H. Cawley, Vice Chairman  
Kim Pizzingrilli  
Terrance J. Fitzpatrick

Recalculation of the Pennsylvania  
Telecommunications Relay Service Surcharge

M-00900239F0015

**ORDER**

**BY THE COMMISSION:**

In accordance with our May 29, 1990 Order at Docket No. M-00900239, which established the Pennsylvania Telephone Relay Service (Relay) and a surcharge funding mechanism (TRS surcharge); and with Act 34 of 1995, 35 P.S. §§ 6701.1, *et seq.*,<sup>1</sup> which established 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 with 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,<sup>2</sup> we have completed the 17<sup>th</sup> annual recalculation of the TRS surcharge as it applies to residence and business wireline access lines for July 1, 2007, through June 30, 2008. The monthly residential and business monthly wireline access line surcharge will remain set at \$0.08 and \$0.09, respectively.

---

<sup>1</sup> The statutory provisions were also amended by Act 181 of 2002 to be more inclusive of persons with disabilities.

<sup>2</sup> 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."

As part of their continuing obligations under the TRS surcharge recalculation process, the local exchange carriers (LECs)<sup>3</sup> have submitted their wireline access line counts. The total number of wireline access lines, adjusted for Centrex lines, is 7,584,143 which include 4,701,674 residence wireline access lines and 2,882,469 business wireline access lines. The Relay Provider, AT&T Communications of Pennsylvania, LLC, has submitted the estimated minutes of use and charges for July 1, 2007, through June 30, 2008. U.S. Bank,<sup>4</sup> the Fund Administrator, has provided a statement of the financial status of the Fund.<sup>5</sup> The executive director of the Office of Vocational Rehabilitation (OVR) in the Department of Labor and Industry has submitted the 2007-2008 TDDP budget and the 2007-2008 PMASP budget. Additionally, the surcharge will fund the Captioned Telephone Voice-Carry-Over Relay Service (CTVRS), TRS Advisory Board activities, and Fund administration costs.

Based upon the number of wireline access lines; the estimated cost of the CTVRS; the projected costs of Relay, TDDP, and PMASP; anticipated Relay Advisory Board expenses; and TRS Fund administration costs, coupled with the financial status of the TRS Fund,<sup>6</sup> the 2007-2008 residential and business monthly wireline access line will remain set at the surcharge rates of \$0.08 and \$0.09, respectively.<sup>7</sup> Since the 2007-2008

---

<sup>3</sup> Including both incumbent local exchange carriers (ILECs) and competitive local exchange carriers (CLECs). This total is further adjusted under a Centrex equivalency formula. As of May 15, 2007, fourteen LECs (ARC Networks, BCN Telecom, Broadwing Communications, Claricom Networks, CTSI, Full Service Computing, Global Crossing Local Service, Lightyear Networks, McGraw Communications, Penn Telecom, Remi Retail Communications, Shared Network User Group, US LEC of PA, PaeTec Communications) have not filed their access line data. Staff is currently investigating this noncompliance issue.

<sup>4</sup> As a result of mergers, acquisitions, and name changes, Fund administration has been handled by Hamilton Bank, CoreStates Bank N.A. (1995), First Union National Bank (1999); Wachovia Bank, N.A. (2002), and U.S. Bank Institutional Trust & Custody (2006).

<sup>5</sup> Separate accounts are maintained for the portion of the surcharge allocated to Relay, the portion allocated to TDDP, and the portion allocated to PMASP. Relay Advisory Board, CTVRS, and outreach activities draw from the Relay account; Fund administration draws from each respective account.

<sup>6</sup> The TRS Funds consists of three separate accounts: one for Relay; one for TDDP and one for PMASP. The separation of account activity is accomplished by individual bank accounts increasing accountability.

<sup>7</sup> The annual expense is based on the estimated annual charges submitted by AT&T Relay, estimated annual TRS Advisory Board expenses, estimated annual compensation to the Fund Administrator, contracted cost of Relay outreach campaign, staff estimated annual charges for CTVRS use; and the estimated annual budget for the TDDP and PMASP submitted by OVR.

surcharge has not changed from the 2006-2007 surcharge, no tariff supplements are required at this time.

Effective July 1, 2007, the monthly surcharge collected shall be remitted and allocated to each fund account on a percentage basis as follows:<sup>8</sup>

	2007-2008 Monthly Surcharge Percentage	
	<u>Residence %</u>	<u>Business %</u>
Relay	98.0	98.0
TDDP	0.0	0.0
PMASP	<u>2.0</u>	<u>2.0</u>
Total Percentage	100.0	100.0

All TRS surcharge revenues shall continue to be remitted to the Fund Administrator.<sup>9</sup>

We shall continue our active oversight of the operations of the Pennsylvania Relay and continue to collaborate with OVR and its TDDP administrator<sup>10</sup> to ensure adequate funding for distribution of TDDP equipment to low-income households in accordance with 35 P.S. §§ 6791.3 & 4. We shall also work with OVR to ensure adequate funding for PMASP in accordance with 35 P.S. §§ 6791.3a & 4.

Additionally, it should be noted that the Commission's Bureau of Audits On August 7, 2003, Commission Secretarial letter required AT&T to file on or before May 1st of each year a Statement of Actual Underlying Costs of the PA TRS for the period of July 1 of the previous year through June 30 of the current year. The Commission's Bureau of Audits has completed its Audit of the Underlying Costs of the

---

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

<sup>9</sup> LECS shall remit surcharge revenues to U.S. Bank Institutional Trust & Custody, Attn: Sue Massey, EX-PA-WBSP, 50 South 16<sup>th</sup> Street, 20<sup>th</sup> Floor, Philadelphia, PA 19102, payable to the "PA Relay Service Fund" and designated for Relay. Wire instructions effective September 11, 2006 can be found on the remittance form.

<sup>10</sup> As of January 1, 2007, the TDD program is administered by Pennsylvania's Initiative on Assistive Technology (PIAT), Institute on Disabilities, Temple University (IDT).

PA TRS for the Fiscal year ended June 30, 2004 and June 30, 2005. The Bureau of Audits has issued a Report dated February 15, 2007, at Docket No. D-040SPA050.

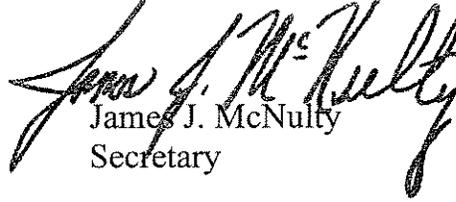
On May 29, 2003, the Commission authorized an audit of the TRS fund. The scope of this audit has expanded to include the fiscal period ending June 30, 2006. The audit currently includes the 36 months of July 1, 2003 through June 30, 2006. The Commission's Bureau of Audits has completed the field work of the TDDP for the twelve months ended June 30, 2006. The Commission is generally satisfied that ratepayer funds are appropriately used for the TDDP during the audit periods; **THEREFORE,**

**IT IS ORDERED:**

1. That for the period of July 1, 2007, through June 30, 2008, the residence surcharge per wireline access line per month shall be \$0.08 and the business surcharge per wireline access line per month shall be \$0.09, unless we take further action to revise the TRS surcharge prior to June 30, 2008.
2. That all local exchange carriers are directed to use the attached form to remit the monthly TRS surcharge collections to U.S. Bank, Institutional Trust & Custody.
3. That a copy of this Order be served upon all local exchange carriers, AT&T Communications Company of Pennsylvania, LLC, U.S. Bank Institutional Trust & Custody, the Office of Vocational Rehabilitation in the Department of Labor and Industry, the Office of Consumer Advocate, the Office of Small Business Advocate, and the Pennsylvania Telephone Association.
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

  
James J. McNulty  
Secretary

(SEAL)

ORDER ADOPTED: May 30, 2007

ORDER ENTERED: **MAY 30 2007**

**REMITTANCE FORM FOR MONTHLY TRS SURCHARGE COLLECTIONS**

Effective July 1, 2007 through June 30, 2008

M-00900239F0015

All local service providers are required to collect and remit the TRS surcharge revenue monthly, by the 20<sup>th</sup> of each month. It is advisable to use 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 98.0 percent \_\_\_\_\_  
TDDP 0.0 percent \_\_\_\_\_  
PMASP 2.0 percent \_\_\_\_\_

Number of **Business** access lines \_\_\_\_\_  
X \$0.09 per line \_\_\_\_\_

Allocated:  
TRS 98.0 percent \_\_\_\_\_  
TDDP 0.0 percent \_\_\_\_\_  
PMASP 2.0 percent \_\_\_\_\_

**Total Remittance** \_\_\_\_\_

**Make check payable to:** Pennsylvania TRS Fund

<b>Mail Report and payment to:</b>	<b>Wire Instructions:</b>
U.S. Bank Institutional Trust & Custody Sue Massey EX-PA-WBSP 50 South 16 <sup>th</sup> Street, 20 <sup>th</sup> Floor Philadelphia, PA 19102	<b>BANK</b> U.S. Bank N.A. <b>ADDRESS</b> 60 Livingston Avenue, St Paul MN 55107-2292 <b>ABA</b> 091 000 022 <b>BNF</b> ITC Depository South & East <b>ACCOUNT</b> 173 103 781 832 <b>OBI</b> PA Relay <b>ATTN:</b> Sue Massey

**Remittance for:** Company Name(s): \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Voice Phone Number: (\_\_\_\_) \_\_\_\_\_ FAX: (\_\_\_\_) \_\_\_\_\_  
E-mail address \_\_\_\_\_

*Authorized Signature:* \_\_\_\_\_ *Date:* \_\_\_\_\_

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