

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

Public Meeting held May 28, 2009

Commissioners Present:

James H. Cawley, Chairman
Tyrone J. Christy, Vice Chairman
Kim Pizzingrilli
Wayne E. Gardner
Robert F. Powelson

Recalculation of the Pennsylvania
Telecommunications Relay Service Surcharge

M-2009-2092963

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 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, 2009, through June 30, 2010. The monthly residential and business monthly wireline access line surcharge will remain set at \$0.08 and \$0.08, respectively.

¹ Additional information on TRS may be found at http://www.puc.state.pa.us/telecom/telecom_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 submitted annual wireline access line counts per 52 Pa Code § 63.37. The Relay Provider, AT&T Communications of Pennsylvania, LLC, submitted the estimated minutes of use and charges for July 1, 2009, through June 30, 2010. Hamilton Telecommunications submitted the estimated minutes of use report for the captioned telephone relay service (CTRS). The Executive Director of the Office of Vocational Rehabilitation (OVR) in the Department of Labor and Industry submitted the 2009-2010 TDDP budget and the 2009-2010 PMASP budget. The surcharge also funds the TRS Advisory Board activities and Fund administration costs. U.S. Bank,⁴ the Fund Administrator, provided a statement of the financial status of the Fund.⁵

Calculation for 2009 – 2010

Wireline access lines reported by LECs for 2008 and adjusted for Centrex lines are 6,841,340, (3,758,229 residence and 3,083,111 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 2009-2010 residential and business monthly wireline access line will continue to be set at the surcharge rates of \$0.08 and \$0.08, respectively. All LECs shall continue to remit TRS surcharge revenues to the Fund

³ LEC includes both incumbent local exchange carriers and competitive local exchange carriers. Fifty-five (55) LECs had not submitted access line counts as of the date of preparation of this order; therefore, access line counts are estimated for surcharge calculation purposes. Noncompliant LECs are referred to the Commission's Law Bureau prosecutory staff.

⁴ 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).

⁵ 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.

Administrator.⁶ Since the 2009-2010 surcharge remains the same as the 2008-2009 rate \$0.08, tariff supplements are not required.

Effective July 1, 2009, the monthly surcharge collected shall be remitted and allocated to each fund account on a percentage basis as follows:⁷

	2008-2009 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

Operations for 2009 – 2010

We shall continue our active oversight of the operations of the Pennsylvania Relay, (traditional, speech-to-speech, and captioned telephone). Further, in accordance with 35 P.S. §§ 6701.3a & 4, we shall continue to collaborate with OVR and its TDDP administrator⁸ to ensure adequate funding for distribution of TDDP equipment to low-income households. Further, we shall continue to assist OVR in its mission to ensure adequate funding for PMASP.

⁶ U.S. Bank Institutional Trust & Custody, Attn: Sue Massey, EX-PA-WBSP, 50 South 16th Street, 20th 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.

⁷ The TRS surcharge appears as a single line item on customers’ bills but actually has three components (Relay, TDDP and PMASP).

⁸ 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

On May 29, 2003, the Commission authorized an audit of the TRS fund. The scope of this audit has expanded to include the fiscal periods 2006-2007 and 2007-2008. On August 7, 2003, a 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 prior completed period of July 1 through June 30. The Bureau of Audits is currently auditing the PA TRS underlying costs for the 12 months ended June 30, 2007. The Bureau of Audits anticipates the start of the fiscal year 2007-2008 TDDP audit activity shortly. When finished, the results of the audits will be reported by Audits under a separate report.

Conclusion

The Commission has completed the annual recalculation of the TRS Surcharge. The surcharge to be applied beginning July 1, 2009, through June 30, 2010, will remain at \$0.08 for residential and business wireline access lines; **THEREFORE,**

IT IS ORDERED:

1. That for the period of July 1, 2009, through June 30, 2010, 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 \$0.08, unless we take further action to revise the TRS surcharge prior to June 30, 2010.

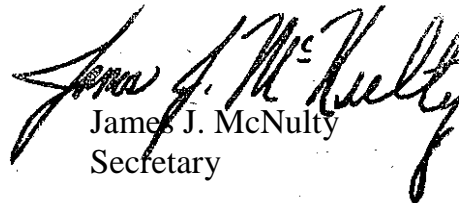
2. That all local exchange carriers are directed to use the attached form to remit the monthly TRS surcharge collections to U.S. Bank, Institutional Trust & Custody.

3. That a copy of this Order be served upon all local exchange carriers, AT&T Communications Company of Pennsylvania, LLC, Hamilton Telecommunications, 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 28, 2009

ORDER ENTERED: May 28, 2009

REMITTANCE FORM FOR MONTHLY TRS SURCHARGE COLLECTIONS

Effective July 1, 2009 through June 30, 2010 M-2009-2092963 Bp8 Case ID 2092963

All local service providers 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 98.0 percent _____
TDDP 0.0 percent _____
PMASP 2.0 percent _____

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

Allocated:
TRs Relay 98.0 percent _____
TDDP 0.0 percent _____
PMASP 2.0 percent _____

Total Remittance _____

Make check payable to: Pennsylvania TRS Fund

Mail Report and payment to:	Wire Instructions:
U.S. Bank Institutional Trust & Custody Sue Massey EX-PA-WBSP 50 South 16 th Street, 20 th Floor 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: 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.