

Decision 88 07 033 JUL 8 1988

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own )  
Motion to Determine the Feasibility )  
of Implementing New Funding Sources )  
and Program Reductions in the Deaf )  
and Disabled Program Pursuant to )  
Section 2881 of the Public Utilities )  
Code. )

I.87-11-031  
(Filed November 25, 1987)

ORDER EXPANDING SCOPE OF INVESTIGATION

In Resolution T-12056, approved November 25, 1987, the Commission directed a proceeding to be opened to address expense reductions or expanded revenue sources recommended by the Commission Advisory and Compliance Division (CACD) in its "Report on the Funding Problems involving Deaf and Disabled Telecommunication Services," dated November 13, 1987. In I.87-11-031 dated November 25, 1987 the Commission issued an Order Instituting Investigation to determine the feasibility of implementing new funding sources and program reductions in the Deaf and Disabled Program pursuant to Public Utilities (PU) Code § 2881.

All parties named in I.87-11-031 were asked to address 13 questions contained in the OII.

Subsequent to the issuance of I.87-11-031 formal hearings, workshops, and public participation hearings were held. As a result of issues brought up by the reporting requirements of Senate Bill (S.B.) 2268 (recently signed into law by the Governor) and other issues which have been brought up in public hearings or in previously held workshops, the Division of Ratepayer Advocates

(DRA) has filed a motion to expand the scope of investigation in I.87-11-031 by adding nine additional issues to those initially ordered to be investigated in OII 87-11-031. DRA's motion was served on all parties. Responses to the motion were received from California Association for the Deaf (CAD), Self Help for Hard of Hearing People (SHHH), Pacific Bell (PacBell), and from AT&T.

CAD and SHHH generally support DRA's motion to expand the scope of investigation but CAD would change DRA's wording of several issues and add several additional issues while SHHH would reconfigure DRA's issues into a more appropriate framework and also add several new issues to the investigation.

CAD recommends that issues dealing with affirmative action policies in connection with programs funded by the D.E.A.F. Trust be included in the investigation. The Commission's strong support of affirmative action programs by regulated utilities has been voiced in prior decisions. Additionally, we see no need at this time to revisit issues most recently addressed on a generic basis in R.87-02-026. CAD also proposes to add the issue of placing the California Relay Service (CRS) operation out to competitive bidding into this investigation. This investigation was engendered by a funding crisis in the DEAF Trust. CAD's proposal goes beyond the scope intended in this investigation and amounts to a restructuring of deaf and disabled telecommunications services. We are not persuaded that we should change our decision in D.86-02-042 and D.86-05-023 authorizing AT&T to operate CRS.

Good cause appearing, DRA's motion to expand the scope of investigation in I.87-11-031 should be granted. Although this OII identifies the responsibilities of the Equipment Standardization Committee as an issue, we are not signalling a change in course from our prior order in I.86-07-031, i.e. D.87-10-077. We continue to believe that consumers should provide policy guidance to the Trust committee. We have previously expanded the role of the equipment standardization advisory committee to assess the

feasibility of new program initiatives and improvements, and to provide policy recommendations to the DEAF Trust. However, if the DRA feels that a separate advisory committee is necessary, we will entertain such proposals in the OII. Accordingly, the scope of investigation should be expanded to include the following issues:

I. A Trust Fund Administration and Staffing

- 1.a. What are the functions of the trust administration (TA)?
- b. Is the structure and makeup of the TA appropriate?
2. Has there been fiscal or program mismanagement or abuse of the trust fund by the TA?
3. What safeguards can and should be developed to eliminate any real or perceived mismanagement of the trust?
4. What is the most effective management and staffing structure for the D.E.A.F. trust?
- 5.a. Define the responsibilities of the Equipment Standardization Committee?
- b. How should this committee interrelate with D.E.A.F. trust activities and with the TA?
6. Should an Advisory Committee consisting of consumers and utility members be established to make recommendations to the Commission regarding changes in telecommunications equipment or services for the deaf/hearing-impaired/disabled telecommunications consumer?
- 7.a. What is the appropriate process for review of the trust's annual budgets for the program (equipment and CRS) submitted to the Commission for approval?
- b. What is the appropriate process for the review of monthly expense reports submitted to the trust for reimbursement?

## II. Operational Considerations

### A. Equipment

1. Are there more efficient ways of obtaining and distributing equipment to eligible subscribers within the current utility-run program?

2. Should subscriber eligibility for free or subsidized equipment be limited or graduated based on income or some other measure of ability to pay? If so, how should such standards be established and administered?

3. Are there more cost-effective and efficient ways of obtaining and distributing equipment other than through a utility-run program?

4. Should distribution of equipment and related activities be awarded to contractors by competitive bid?

### B. California Relay Service

1. Should limitations be imposed on the use of the CRS to reduce costs to the trust fund and, if so, what types and to what extent?

2. Should limitations on the free or subsidized use of the CRS be based on the ability of subscribers to help pay its costs? If so, how should such limitations be established and administered?

3. What can be done to increase the efficiency of the CRS?

4. Is it economically feasible and would it be efficient to establish a northern CRS?

5. Should both intraLATA and interLATA operator services be provided through the CRS?

6. Can and should "multiple-mode" (voice/hearing through, ASCII) be made available through CRS?

III. A General Order

1. Should a General Order to impact utilities only be developed to address the following:

- a. Standards and quality of service of CRS or other Operator Services for the Deaf (OSD)?
- b. Equipment standards?
- c. Types of equipment approved for purchase and distribution under the deaf and disabled program?
- d. Other matters deemed appropriate for inclusion in a general order?

**IT IS HEREBY ORDERED that:**

1. The scope of investigation ordered in I.87-11-031 is expanded to include the issues stated above.

2. A prehearing conference will be held on a date to be announced by the presiding ALJ, in the Commission Courtroom at 505 Van Ness Avenue, San Francisco, to discuss hearing dates on these issues as well as on all previously identified unresolved issues, and procedural matters.


This order is effective today.

Dated July 8, 1988, at San Francisco, California.

STANLEY W. HULETT  
President  
DONALD VIAL  
G. MITCHELL WILK  
JOHN B. OHANIAN  
Commissioners

Commissioner Frederick R. Duda,  
being necessarily absent, did not  
participate.

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY.

  
Victor Weissert, Executive Director

Decision \_\_\_\_\_

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All parties named in I.87-11-031 were asked to address 13 questions contained in the OII.

Subsequent to the issuance of I.87-11-031 formal hearings, workshops, and public participation hearings were held. In addition legislation has been introduced in the State Senate which would address the fiscal crisis confronting the Deaf Equipment Acquisition Fund Trust (D.E.A.F. Trust). As a result of issues brought up by the reporting requirements of Senate Bill (S.B.) 2268 and other issues which have been brought up in public hearings or in previously held workshops, the Division of Ratepayer

Advocates (DRA) has filed a motion to expand the scope of investigation in I.87-11-031 by adding nine additional issues to those initially ordered to be investigated in OII 87-11-031. DRA's motion was served on all parties. Responses to the motion were received from California Association for the Deaf (CAD), Self Help for Hard of Hearing People (SHHH), Pacific Bell (PacBell), and from AT&T.

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Dated \_\_\_\_\_, at San Francisco, California.

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DONALD VIAL  
G. MITCHELL WILK  
JOHN B. OHANIAN  
Commissioners

Commissioner Frederick R. Duda,  
being necessarily absent, did not  
participate.