

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Commission Advisory and Compliance Division  
Telecommunications Branch

RESOLUTION T-14232  
December 19, 1990

R E S O L U T I O N

RESOLUTION T-14232. RESOLUTION ADDRESSING THE REQUEST FOR PROPOSAL FOR PROVISION OF THE CALIFORNIA RELAY SERVICE, PREPARED AND SUBMITTED BY THE DEAF AND DISABLED TELECOMMUNICATIONS PROGRAM ADMINISTRATIVE COMMITTEE.

BY COMPLIANCE FILING WITH THE COMMISSION'S EXECUTIVE DIRECTOR MADE BY THE DEAF AND DISABLED TELECOMMUNICATIONS PROGRAM ADMINISTRATIVE COMMITTEE ON NOVEMBER 5, 1990, PURSUANT TO ORDERING PARAGRAPH 19 OF DECISION 89-05-060 AS MODIFIED BY DECISION 90-10-040.

SUMMARY

This Resolution approves the Request for Proposal (RFP) for provision of the California Relay Service, as submitted on November 5, 1990 and revised on December 6, 1990 by the Deaf and Disabled Telecommunications Program Administrative Committee (DDTPAC). The submittal was made under seal of confidentiality and in compliance with Decision 89-05-060, as modified by Decision 90-10-040 (I.87-11-031, 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). Currently, the service is being provided by AT&T Communications of California on a dollar-for-dollar reimbursement basis. The Commission in Decision 89-05-060, as modified, authorizes the DDTPAC to put the California Relay Service out for competitive bid as a means for reducing the costs of the Deaf and Disabled Telecommunications Program. The DDTPAC would issue the RFP subsequent to receiving the Commission's approval of the RFP by this resolution.

BACKGROUND

To improve communications potential for the deaf and severely hearing-impaired, Senate Bill 244 (Chapter 741, 1983) required the Commission to implement a program to allow direct access to California's public switched telephone network by the deaf and severely hearing-impaired in California. A Commission investigation resulted in the establishment of the California Relay Service (CRS). The Commission designated AT&T Communications of California (AT&T) as the relay service provider and, CRS began operating on January 1, 1987. It enables the deaf and hard-of-hearing to have 24-hour contact with other telephone users in California. The CRS operators relay messages between a TDD user and a hearing person.

The relay service, as part of the Deaf and Disabled Telecommunications Program, is being funded by revenues obtained from a surcharge, currently at 0.3%, applied on each telecommunication utility's subscriber's intrastate telephone service (Public Utilities Code Section 2881). The Deaf and Disabled Telecommunications Program Administrative Committee (DDTPAC) is responsible for the day-to-day administration of the Deaf and Disabled Telecommunications Program, including reviewing and approving requests for reimbursement by utilities such as AT&T and Pacific Bell for services provided for the Program.

The Commission on May 30, 1989 issued Decision (D.) 89-05-060 on its Investigation on the Commission's own motion to determine the feasibility of implementing New Funding Sources and Program Reduction in the Deaf and Disabled Program Pursuant to Section 2881 of the Public Utilities Code (I.89-05-060). That decision required the DDTPAC to negotiate a contract with AT&T for the provision of relay services. Such contract with AT&T would change the treatment of these relay services from a dollar-for-dollar reimbursement to a fixed price arrangement, with correspondingly increased incentives for efficiency.

Efforts by AT&T and the DDTPAC to negotiate a contract for the provision of CRS were unsuccessful. On August 30, 1990, the Division of Ratepayer Advocates (DRA) filed a petition for modification of D.89-05-060. DRA stated that the DDTPAC has started developing a request for proposal for providing CRS. However, because D.89-05-060 did not specifically state that the DDTPAC could put the relay service out for competitive bid, DRA believed that the Commission should modify the decision to authorize the DDTPAC to pursue the competitive bidding option. DRA pointed out that the Commission generally favors competitive bidding as a means for reducing costs, and that it was the Commission's intent in D.89-05-060 to eventually allow the DDTPAC to put CRS out for competitive bid.

AT&T on October 5, 1990 filed a reply to DRA's petition. AT&T requested the Commission to develop a clearly defined procedure for selecting the contractor for CRS. Moreover, AT&T recommended that the RFP be made public and subject to comments and replies by interested parties prior to Commission approval.

The Commission on October 12, 1990 issued D.90-10-040 granting DRA's petition. The Commission denied AT&T's recommendation to include a period for comments and replies on the RFP, stating that it would be unfair to allow some potential competitors up to an additional 40 days to work on a proposal and, consequently, leave other potential competitors at a disadvantage. The Commission Advisory and Compliance Division (CACD) is charged with providing expert advice if the RFP needs amendment before the Commission approves the RFP by resolution. Ordering Paragraph 19 of D.89-05-060 as modified by D.90-10-40 states:

"DDTPAC is authorized to prepare and submit to the Executive Director a request for proposal for

competitive bids for providing California Relay Service, which the Commission will approve, disapprove or modify by resolution before it is issued by the DDTPAC. DDTPAC will receive and review the proposals and prepare a summary of the proposals along with its recommendations. The summary and recommendations will be submitted to the Executive Director. The Commission will approve, disapprove or modify the DDTPAC's recommendation by resolution."

The Commission did not place a time limit on the DDTPAC's submission of the RFP, nor a limit on the amount of time within which the DDTPAC must submit its recommendations.

#### DISCUSSION

In compliance with Ordering Paragraph 19 of D.89-05-060, as modified by D.90-10-040, the DDTPAC by letter dated November 5, 1990 to the Commission's Executive Director submitted its proposed RFP under seal of confidentiality. According to the letter, the RFP was prepared by the DDTPAC's RFP Subcommittee and approved by the DDTPAC members at their regular meeting on October 16, 1990.

CACD, in its review of the RFP, suggested to the RFP Subcommittee several changes to the RFP. These modifications were minor in nature; they included changes in wording to clarify the RFP's requirements and changes in certain requirements to bring them in conformance with Commission regulations and the Deaf and Disabled Telecommunications Program's requirements.

The DDTPAC by letter dated December 6, 1990 to the Commission's Executive Director submitted a revised RFP which incorporated CACD's suggested changes. CACD believes the revised RFP is reasonable and recommends that it be approved for issuance by the DDTPAC. We will adopt CACD's recommendation and approve the revised RFP.

Consistent with our determination in D.90-10-040 that it is not appropriate to make the information in the RFP public prior to it being issued by the DDTPAC, we will refrain from discussing the RFP in greater detail. However, we would like to take this opportunity to commend the DDTPAC, the DDTPAC's RFP Subcommittee and the California Relay Service Advisory Committee for developing this comprehensive RFP.

Lastly, we recognize that minor changes to the RFP may be required subsequent to the issuance of the RFP. The DDTPAC appropriately included in the RFP a procedure to notify the bidders of any changes to the RFP and to allow time for the bidders to respond. We find such procedure reasonable, but will require that the DDTPAC consult with CACD prior to issuing any addenda or supplement to the RFP. We will also remind the DDTPAC that D.89-05-060, as modified, requires the DDTPAC to submit to the Executive Director a summary of the proposals received and its recommendations. At that point, we will address the DDTPAC's recommendations by resolution.

December 19, 1990

FINDINGS OF FACT

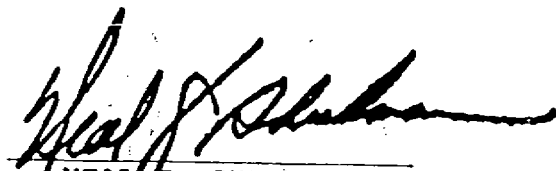
1. On November 5, 1990, the Deaf and Disabled Telecommunications Program Administrative Committee (DDTPAC), in compliance with Ordering Paragraph 19 of D.89-05-060 as modified by D.90-10-040, submitted to the Commission's Executive Director a Request for Proposal (RFP) for provision of the California Relay Service (CRS) under seal of confidentiality.
2. On December 6, 1990, the DDTPAC submitted a revised RFP incorporating changes suggested by the Commission Advisory and Compliance Division (CACD).
3. CACD believes the RFP for provision of the CRS as revised reasonable and recommends that the Commission approve it for issuance by the DDTPAC.
4. For reasons stated in D.90-10-040, information contained in the RFP will not be made public until the DDTPAC issues the RFP for provision of the CRS.

THEREFORE IT IS ORDERED that:

1. The Deaf and Disabled Telecommunications Program Administrative Committee is authorized to issue the Request for Proposal for provision of the California Relay Service, as submitted to the Commission's Executive Director on November 5, 1990 and revised on December 6, 1990.
2. Information contained in the Request for Proposal for provision of the California Relay Service will not be released prior to its issuance by the Deaf and Disabled Telecommunications Program Administrative Committee.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on December 19, 1990. The following Commissioners approved it:

**G. MITCHELL WILK**  
President  
**FREDERICK R. DUDA**  
**STANLEY W. HULETT**  
**JOHN B. CHANIAN**  
**PATRICIA M. ECKERT**  
Commissioners

  
NEAL J. SHULMAN  
Executive Director