

Date of Hearing: April 10, 2019

ASSEMBLY COMMITTEE ON COMMUNICATIONS AND CONVEYANCE
Miguel Santiago, Chair
AB 497 (Santiago) – As Introduced February 12, 2019

SUBJECT: Deaf and Disabled Telecommunications Program

SUMMARY: Extends the sunset date on the California Public Utilities Commission’s (CPUC) authority to collect a surcharge on intrastate telecommunications services to fund the California Deaf and Disabled Telecommunications Program (DDTP) until January 1, 2025.

EXISTING LAW:

- 1) Requires the CPUC to design and implement a program to provide a telecommunications device capable of serving the needs of individuals who are deaf or hard of hearing, together with a single party line, at no charge additional to the basic exchange rate, to a subscriber who is certified as an individual who is deaf or hard of hearing by a licensed physician and surgeon, audiologist, or a qualified state or federal agency, as determined by the CPUC, and to a subscriber that is an organization representing individuals who are deaf or hard of hearing, as specified. (Public Utilities Code (PUC) Section 2881(a))
- 2) Requires the CPUC to design and implement a program to provide a dual-party relay system, using third-party intervention to connect individuals who are deaf or hard of hearing and offices of organizations representing individuals who are deaf or hard of hearing, as specified. (PUC Section 2881 (b))
- 3) Requires the CPUC to design and implement a program whereby specialized or supplemental telephone communications equipment may be provided to subscribers who are certified to be disabled at no charge additional to the basic exchange rate. The certification shall be provided by a licensed optometrist, physician and surgeon, or physician assistant, acting within the scope of practice of his or her license, or by a qualified state or federal agency as determined by the CPUC, as specified. (PUC Section 2881 (c))
- 4) Requires the CPUC to design and implement a program to provide access to a speech-generating device to any subscriber who is certified as having a speech disability at no charge additional to the basic exchange rate. The certification shall be provided by a licensed physician, licensed speech-language pathologist, or qualified state or federal agency, as specified. (PUC Section 2881 (d))
- 5) Requires the CPUC to establish a rate recovery mechanism through a surcharge not to exceed one-half of 1 percent uniformly applied to a subscriber’s intrastate telephone service, as specified. The surcharge shall be in effect until January 1, 2020. (PUC Section 2881 (g))
- 6) Requires the CPUC to annually review the specified surcharge level and the balances in the funds. Authorizes the CPUC, until January 1, 2020, to make necessary adjustments to the surcharge to ensure that the specified programs supported by the surcharge are adequately funded and that the fund balances are not excessive. (PUC Section 2881 (j))

- 7) Establishes the Telecommunications Access for Deaf and Disabled Administrative Committee, as an advisory board to advise the CPUC regarding development, implementation, and administration of programs to provide specified telecommunications services and equipment to person in the state who are deaf or disabled, as specified. (PUC Section 278)

FISCAL EFFECT: Unknown. This bill has been keyed fiscal by the Legislative Counsel.

COMMENTS:

- 1) **Authors Statement:** According to the author, “Today, most people take using the telephone for granted. But when an individual has difficulties hearing, seeing, speaking, moving, or remembering, something as simple as a telephone call may be difficult and life threatening. For 40 years, DDTP has provided critical equipment and services to such individuals in order to help them communicate with family, friends, or healthcare and safety professionals. AB 497 would continue a vital program to ensure that individuals with disabilities can continue to receive the critical equipment and services necessary to help them communicate more easily with the outside world.”
- 2) **Background:** Ensuring that everyone has access to safe, reliable, and high-quality telecommunications service is a bedrock principle of telecommunications policy. The CPUC is tasked with developing and implementing programs to advance universal service. Universal service means that a minimum level of telecommunications service is available to everyone in the State at a reasonable rate. To do so, the CPUC implements a number of public programs to promote universal service, including the California High Cost Fund-A, the California High Cost Fund-B, the California Lifeline Program, the California Teleconnect Fund, the California Advanced Services Fund, and DDTP.

Such universal service programs are generally developed to provide support either for providers in areas of the state where it might not make economic sense to provide telecommunications services to certain areas, such as rural, remote, and sparsely populated areas; or support for individuals who otherwise might struggle to access affordable telecommunications services, such as low income, deaf and disabled, or individuals living in or serving disadvantage communities and institutions.

The universal service programs are funded through a surcharge on each customer’s phone bill for intrastate telecommunications services. The surcharge for each program is typically adjusted on an annual basis to ensure adequate funding to cover carrier claims and administrative costs. As of February 2019, the total surcharge for all universal service programs is 6.94 percent of each customer’s phone bill for intrastate telecommunications service.

- 3) **DDTP:** Over four million Californians have some level of disability that inhibit their day to day lives. DDTP is a universal service program that provide specialized telephone equipment and relay services to individuals who have difficulty using the telephone due to difficulties seeing, hearing, speaking, moving, learning, or remembering. The Program is run by the CPUC which gathers input from two consumer advisory boards. The CPUC conducts outreach through service centers that provide the specialized equipment and teach individuals how to use them; field advisors who visit and assist with equipment suitability and

installation; and education programs to help participants develop the skills necessary to effectively use their own phones. The Program is composed of the following three distinct and separate programs:

The California Telephone Access Program (CTAP): CTAP provides free specialized telephone equipment and services to those who have difficulties using a standard telephone. As of February 2019, DDTP has a total of 726,097 Californians in active possession of Program equipment.

The California Relay Service (CRS): CRS, also known as 7-1-1, is a free service to those who are deaf, hard of hearing, or speech-disabled. It allows individuals to communicate with other telephone users by dialing designated toll-free numbers. During the 2018 calendar year, CRS received over one million calls that amounted to over two million total conversation minutes.

The Speech Generating Device Program (SGD): SGD was statutory included in DDTP in 2012 pursuant to AB 136 (Beall), Chapter 404, Statutes of 2012. SGD provide highly individualized complex communicating devices that meets the need for accessing and using a telephone network for individuals with speech disabilities.

The Program is funded through a surcharge on each customer's phone bill for intrastate telecommunications services, including traditional wireline, Voice over Internet Protocol and wireless service phone bills. As of March 2019, the DDTP surcharge is set at 0.5 percent.

This bill would extend the CPUC's authority to collect the surcharge to fund DDTP until January 1, 2025. This would ensure that people who are challenged using a standard telephone will continue to receive health and safety impacting services by connecting them by telephone to emergency, medical, business and other entities.

Absent this extension, the surcharge will expire and there will be no funds to continue to provide state mandated DDTP services. This would have a dramatic impact on the health and safety of deaf and disabled individuals needing to communicate by telephone, and put the state out of compliance with the federally mandated American with Disabilities Act which is intended to ensure that people with disabilities have access to auxiliary aids and services necessary to ensure effective communications.

- 4) **Arguments in Support:** According to Disability Rights California, "Over four million Californians have some level of disability that inhibit their ability to use a telephone due to difficulties seeing, hearing, speaking, moving, or learning/remembering. For 40 years, [DDTP] has provided critical equipment and services to such individuals in order to help them communicate with the outside world. [We are] please to support AB 497 because this will ensure that the CPUC can continue to provide critical services to individuals with disabilities who otherwise may not have the means to communicate or make medical and other safety-impacting calls."
- 5) **Related Legislation:** AB 1514 (Patterson) of 2019 authorizes a nurse practitioner to certify that an individual who has been diagnosed as being deaf or hard of hearing to participate in DDTP. *Status: Pending in the Assembly Committee on Communications and Conveyance.*

- 6) **Prior Legislation:** SB 129 (Wright) of 2013 extended the sunset date on the CPUC authority to collect a surcharge on intrastate telephone service to fund DDTP until January 1, 2020. *Status: Chaptered by the Secretary of State - Chapter 332, Statutes of 2013.*

AB 136 (Beall) of 2011 expanded DDTP to include assistance to individuals with speech disabilities. *Status: Chaptered by the Secretary of State - Chapter 404, Statutes of 2011.*

SB 1069 (Pavley) of 2010 authorized physician assistants to perform and certify physical examinations and other specified medical services, including for individuals to participate in DDTP. *Status: Chaptered by the Secretary of State - Chapter 512, Statutes of 2010.*

AB 1553 (Fuentes) of 2009 extended the sunset date on the CPUC's authority to collect a surcharge on intrastate telephone service to fund DDTP until January 1, 2014. *Status: Chaptered by the Secretary of State – Chapter 300, Statutes of 2009.*

SB 210 (Bowen) of 2005 extended the sunset date on the CPUC's authority to collect a surcharge on intrastate telephone service to fund DDTP until January 1, 2010. *Status: Chaptered by the Secretary of State - Chapter 453, Statutes of 2005.*

REGISTERED SUPPORT / OPPOSITION:

Support

Access Humboldt
Disability Rights California
Public Advocates Office - CPUC

Opposition

None on file.

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