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HOUSE COMMITTEE REPORT

4/25

Rules

(7)
Date Referred: April 4, 1990

FURTHER REFERRALS:

Date of Committee Action: 4/24/90

The LABOR & COMMERCE Committee considered:

HB 557

HOUSE BILL NO. 557

TELEPHONE SERVICES FOR HEARING IMPAIRED

"An Act relating to telephone services for the hearing impaired."

RECOMMENDATIONS:

- [] be replaced with CS HB557 (L+C) [] the same title
- [] a new title
- [] have attached amendment(s)
- [] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Date/Dept)

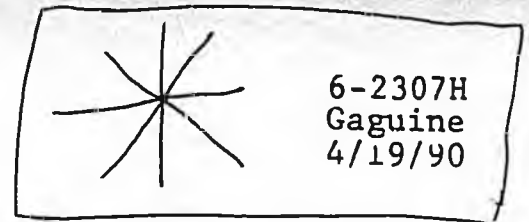
- [] fiscal impact _____ [] fiscal note(s) _____
- [] zero fiscal note _____ [] zero fiscal note(s) H. SA
- [] zero with analysis _____ [] zero fn/analysis _____

SIGNING DO PASS:

SIGNING:
(Check approp. column)

		Do Not Pass	No Rec	Amend
<u>David Douley</u>	<u>James A. Swan</u>			<input checked="" type="checkbox"/>
<u>Max Baer</u>	<u>Collins</u>			<input checked="" type="checkbox"/>
<u>Finkestein</u>				
<u>P. G. Parker</u>				
<u>Msgr. L. M. ...</u>				

David Douley
Chairman's Signature



Original sponsor(s): Labor & Commerce Committee

1 IN THE HOUSE

BY THE LABOR & COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 587 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a moratorium on the use of
7 broadcasting to promote or conduct charitable gaming
8 activity; establishing exceptions to the moratorium;
9 requiring the Department of Commerce and Economic
10 Development to hold hearings on promoting and con-
11 ducting charitable gaming activity over broadcasting
12 outlets and to make recommendations to the legisla-
13 ture; and providing for an effective date."

14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

15 * Section 1. Until July 1, 1991, a person may not use broadcasting to
16 promote or conduct charitable gaming activity under this chapter. In this
17 section, "broadcasting" includes television and radio transmission by 2,500
18 megahertz, microwave video and audio programming, slow-scan television
19 programming, and programming via satellite, cable, teletype, or facsimile
20 transmission and distribution methods.

21 * Sec. 2. Notwithstanding sec. 1 of this Act, a person may use broad-
22 casting to promote fish derbies, and the Department of Commerce and Econom-
23 ic Development may authorize a noncommercial broadcasting station ^(or network of stations) to broad-
24 cast the conducting of an activity under AS 05.15 on the station ^(or network) under a
25 permit held by the station ^(or network). In this section "noncommercial broadcasting
26 station" means a radio or television station that is licensed by the Feder-
27 al Communications Commission to a governmental entity or to an entity that
28 is exempt from federal taxation under 26 U.S.C. 501(c)(3) (Internal Revenue
29 Code).

1 * Sec. 3. The Department of Commerce and Economic Development shall
2 hold hearings around the state, with at least one hearing in each judicial
3 district, for the purpose of formulating a policy concerning the promoting
4 and conducting of charitable gaming activity over broadcasting outlets.
5 The department shall present its policy recommendations to the legislature
6 no later than January 31, 1991.

7 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).
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Original sponsor(s): REP. BOUCHER, Collins, Gruenberg

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 557 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to telephone services for the deaf
7 and hard of hearing."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 42.05 is amended by adding a new section to read:

10 Sec. 42.05.296. TELEPHONE SERVICES FOR DEAF AND HARD OF HEARING
11 SUBSCRIBERS. (a) The commission shall adopt regulations to require
12 telephone utilities to provide service to deaf and hard of hearing
13 subscribers that permits the subscriber to communicate by telephone
14 with persons of normal hearing and that makes available reasonable
15 access of all phases of public telephone service to deaf or hard of
16 hearing telephone subscribers. The regulations must provide for cost
17 recovery through surcharges added to the basic exchange and inter-
18 exchange rates. The commission shall hold hearings to determine the
19 most cost-effective method of providing this service.

20 (b) A telephone subscriber is eligible for the service required
21 by (a) of this section if the subscriber is certified as deaf or hard
22 of hearing by a licensed physician, audiologist, or the Department of
23 Health and Social Services or if the subscriber is an organization
24 representing the deaf or hard of hearing as determined by the commis-
25 sion.

26 * Sec. 2. The Alaska Public Utilities Commission shall adopt the regu-
27 lations required by AS 42.05.296, enacted by sec. 1 of this Act, on or
28 before July 1, 1991.

Item 2

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: HB 557
PUBLISH DATE: 4/2/90

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Telephone Service for the
Hearing Impaired
Sponsor: H.A. "Red" Boucher
Requestor: _____

Agency Affected: APUC
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

No fiscal impact.

Prepared by: House State Affairs
Division: _____
Approved by Commissioner: H. A. "Red" Boucher
Agency: _____

Phone: 465-4963
Date: 4/2/90
Date: 4/2/90

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF
HB 557

Telephone Services for Hearing Impaired

Received February 12, 1990
by Rep. Boucher, Collins, Gruenberg

Heard April 3, 1990

Passed Out of Committee April 3, 1990
4 Do Pass

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- Item 6: National Association of Regulatory Utility Commissioners Bulletin Article

STATE OF ALASKA

STEVE COWPER, GOVERNOR

ALASKA PUBLIC UTILITIES COMMISSION
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

420 "L" STREET
SUITE 1001
ANCHORAGE, ALASKA 99501
(907) 276-6222

December 1, 1989

Representative H. A. "Red" Boucher
3111 C Street
Suite 445
Anchorage, Alaska 99503

Dear Representative Boucher:

Thank you for the opportunity to offer some preliminary comments on the draft bill entitled, "An Act relating to telephone services for the hearing impaired."

The Commission supports the intent of this legislation to make available to the hearing impaired reasonable access to the telephone network. The Commission believes that the bill should also apply to the speech impaired and recommends that the titles of the bill and Section 1 be changed accordingly.

However, the Commission does have a couple of legal concerns and requests for clarification. First, the Commission's existing statute contains a prohibition against undue discrimination in rates at AS 42.05.391. The Commission recommends that a legal analysis be made to be sure that it has the authority to carry out the intent of the bill, i.e. to require that any additional costs of giving hearing and speech impaired subscribers reasonable access to all phases of public telephone service be borne by all other subscribers, without "granting an unreasonable preference or advantage to any of its customers."

Second, the Commission notes that the bill states that the intended service is to be provided as part of the basic exchange rate. However, it also requires that "all phases of public telephone service" be provided. If this language was intended to include both local exchange service and toll service, it is not clear how this would be done through the basic exchange rate since these services are provided by different companies under different rate arrangements. The Commission assumes that intra-state toll services for the hearing and speech impaired would be charged at the tariffed toll rates for those services, and the basic exchange rate would cover local exchange costs. If this assumption is correct, then service would be provided both through the "basic exchange rate" and through applicable toll rates.

Representative H. A. "Red" Boucher
December 1, 1989
Page 2 of 2

The Commission does not currently anticipate any fiscal impact to carry out the responsibilities contemplated under this bill that can not otherwise be handled at its current budget level.

I hope that this input is useful to you in finalizing the bill that will be introduced. Please let me know if we can be of further assistance.

Sincerely yours,

Peter Sokolov

Peter Sokolov
Chairman

Enclosure

Item 5



Anchorage Telephone Utility



600 TELEPHONE AVENUE, ANCHORAGE, ALASKA 99503-6091
TELEPHONE (907) 561-3000
Telex 090-26-532
Facsimile (907) 561-1703

Tom Fink,
Mayor

Owned by the
Municipality
of Anchorage

March 5, 1990

Mr. Albert Burke
Alaska Association for the Deaf
1345 Rudakof Circle
Anchorage, AK 99508

MAR 08 1990

Dear Mr. Burke:

Mr. Burke, as a representative for the ALASKA ASSOCIATION for the DEAF (AAD), you have expressed a concern about the operations of the crisis center that is currently providing voice relay service for the deaf. You indicated that the crisis center presently provides limited relay service between a hearing impaired person and a hearing person. The crisis center is staffed primarily by volunteers and high turnover and insufficient training have resulted in less than satisfactory service.

Anchorage Telephone Utility (ATU) Switching Services has researched the feasibility of providing relay type service for the hearing impaired throughout the ATU service area. To provide this type of service would require the following items:

- o Auxiliary operator positions equipped to provide calling number display;
- o ports for teletype devices compatible with devices used by the deaf or hearing impaired persons;
- o recording capabilities for long distance call records.

You stated that relay service should be provided for the deaf and/or hearing impaired at no extra charge, as it is in other states. To provide this service ATU would have to make a substantial capital investment and incur additional annual operating expenses. A mechanism to recover these costs would have to be identified. Equipment costs to provide this service are estimated at \$1.5 million for software and \$25,000 for each operator position. Staffing requirements sufficient to monitor the hearing impaired positions on a 24 hour, 7 day per week basis are estimated at \$1,380,000 annually. Training costs are estimated at \$40,000 annually.

The software has been included in the 1991 Capital Budget as part of a plan to replace the existing Directory Assistance system. The plan has not been subjected to economic analysis nor has it received approval at any level. If the software is installed primarily for Directory Assistance, the costs to be recovered for

Mr. Albert Burke
March 5, 1990
Page Two

the portion allocated to providing relay service would be significantly reduced.

Some states have established legislation requiring a monthly surcharge be added to each telephone customer's billing. The revenues generated from the surcharge are used to compensate the various state programs established for the hearing impaired. It should be noted that those states that have adopted legislation have done so on a statewide basis. This allows the surcharge to be applied to a larger customer base, increasing the amount of money collected while minimizing the cost per customer. Should ATU be ordered to provide this service within its service area, and possibly Eagle River-Chugiak, and further be allowed to collect a surcharge, the rate per ATU/Eagle River-Chugiak customer would be higher than the rate charged to customers in states that have implemented the surcharge on a statewide basis.

ATU has some operational concerns around the suggestion that lines assigned to the hearing impaired be class marked so that 911 calls are routed to the TDD printer at the 911 Emergency Center. It is not extremely costly and would remove the requirement for hearing impaired customers to dial a special 7-digit number for emergency services, but it may cause some confusion because the TDD's are portable and can be used on any telephone line. The special routing for 911 calls would only work on lines class marked accordingly. If the TDD user attempted a 911 call from a regular line (neighbor's house or coin phone), the user would be connected to a live 911 operator in lieu of the 911 TDD printer. Another potential problem would be the case where a hearing person attempted to call 911 from the specially class marked line. That person would be connected to a printer and unable to communicate. We would speculate that, more often than not, households are shared among hearing and hearing impaired people.

In the case where the relay center is handling medical emergencies, liability may be an issue. It is possible that critical information be misinterpreted or erroneously relayed. Would the provider of the relay service be liable? What about personal liability on the part of the operator? These are questions that would have to be addressed.

At this point, ATU is waiting to see what the regulatory or legislative bodies mandate and what vehicles for cost recovery will be made available to the provider of the service. If the service is to be provided on a statewide or an interstate basis, it is quite possible that the Interexchange Carriers will be the ones required to provide the service.

Mr. Albert Burke
March 5, 1990
Page Three

In the meantime, we can appreciate your concerns and involvement in the matter. I understand my Executive Assistant, Linda Kross, is making arrangements for you to give a presentation to the Telephone Commission at our next meeting. Please feel free to contact this office if we can assist further.

Sincerely,

ANCHORAGE TELEPHONE UTILITY

A handwritten signature in cursive script, appearing to read "Dale R. Merrell".

Dale R. Merrell
General Manager

dc/lk/drm/dcs

Alaska
Association of the
Deaf

Item 4

RECEIVED
1345 Rudakof Circle, Suite 107
Anchorage, Alaska 99508
907-333-7545 (TTY)

March 15, 1990

Rhonda
c/o Red Boucher's office
P.O. Box V (MS 3100)
Juneau, Alaska 99811

Dear Rhonda:

Enclosed is a copy of a bill recently passed in the Senate of Mississippi and relating to the relay service of the deaf. We are forwarding it to you in regard to the H.B. 557 now in our House.

We appreciate any assistance you can give us in this matter and sincerely hope that a relay service in the best of everyone's interest can be established statewide.

Best regards,
Al Berke
Al Berke, President

DUAL PARTY RELAY SERVICE ACT

SENATE BILL NO. 2331

If you are a person who is deaf or have a hearing or speech impairment, making a telephone call for even simple everyday needs - such as making a doctor's appointment, calling a friend, ordering a pizza and a thousand other purposes - can be difficult and, oftentimes, impossible. If you are a hearing person, calling friends and loved ones who are deaf or otherwise communication impaired is equally impossible without expensive telecommunication devices at both ends of the telephone line.

However, with passage of the Dual Party Relay Service Act (S.B. 2331) - which is now pending before the Mississippi Legislature - that situation will change drastically.

The Dual-Party Relay Act would establish a new telephone service that lets persons who are deaf or who have other communication problems, "talk" to anyone, anytime, anywhere in Mississippi. Using the system will be as easy as picking up the telephone and dialing a toll-free number.

This "miracle" for literally thousands of people in Mississippi will be accomplished by way of routing calls through a center staffed by specially trained communications assistants. These staff would take calls on the toll-free line from persons who are deaf or otherwise communication impaired and relay them to whomever necessary.

This will be a simple process. The communications assistant would receive a call from a person with a communication impairment over the toll-free line and would then call the requested party. The assistant would then simultaneously receive messages from the caller, either verbally or through use of a telecommunication device for the deaf, and read the message aloud to the hearing person at the other end of the line. The assistant would then relay the hearing person's message back to the caller - once again, either verbally or by way of a telecommunication device. Of course, the system is equally effective when a hearing person calls a person with a communication problem. (All calls handled by this system will be in the strictest confidence.)

This system would entail no additional charge to the caller. The caller would only be responsible for the regular long distance charges, if any, to communicate with the intended party. All costs for this system would be absorbed by the State's entire telephone system. In other states, this has resulted in an additional monthly charge of ten to twenty cents per telephone - a small price to pay to allow a group of individuals an opportunity to use a system that most people take for granted.

*Dual Party Relay Bill passed. Now
goes to Governor Mabus for Approval*

HB557

Alaska
Association of the
Deaf

4241 B Street, Suite 201
Anchorage, Alaska 99503
907-563-4713 (V/TTY)

March 7, 1990

Dave Donley, Chairman
Labor & Commerce
Room 17, Capitol
Juneau, Alaska 99811

Re: House Bill No. 557

Dear Chairman Donley:

We received a copy of House Bill No. 557, which was introduced on February 12, 1990, and we have some comments concerning it.

First, we believe that the wording should be changed to "Deaf and hard of hearing" instead of "hearing impaired."

Secondly, the proposed legislation does not indicate the method by which telephone service will be made accessible. We believe that, if relay services are chosen, then the legislation should ensure that such service: (1) is available 24 hours each day, 7 days each week; (2) permits simultaneous or real-time conversations between TDD users and voice telephone users (as compared with the relaying of consecutive messages); (3) imposes no restrictions on the number of calls, the length of calls, and the type of calls that may be relayed; (4) insures confidentiality of the conversations relayed; (5) is funded through the general ratebase, and not only by Deaf and hard of hearing subscribers.


Thirdly, we think is the second paragraph is somewhat confusing. Any service which is intended to enable Deaf people to communicate with hearing people by telephone should necessarily be available to those hearing people. Yet, Section (b) of the Bill states that a telephone subscriber is eligible for the service required by the legislation (again, presumably, this is relay service) only if the subscriber is certified as Deaf or hard of hearing, or is an organization representing Deaf and hard of hearing persons. Were this to be the criteria for using the accessible services, then hearing individuals would never be able to call their Deaf friends and colleagues through the relay service. Unless there is another reason for this Section, we believe it should be deleted in its entirety.

House Bill 557
March 7, 1990
Page 2

Thank you for your time and attention to this matter.

Sincerely,

ALASKA ASSOCIATION OF THE DEAF


Albert Berke, President

AB/jt
Enclosure



National Association of Regulatory Utility Commissioners

1102 Interstate Commerce Commission Building
P.O. Box 684, Washington, D.C. 20064
Telephone 202-898-2300



BULLETIN

RECEIVED
JAN 22 1990

NARUC No. 4-1990

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January 22, 1990

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The commission said publishing of directories is a necessary part of adequate phone service, and that revenues from the directories help keep local phone rates affordable. Data considered in the investigation of U S West's rates showed that in 1985 the contribution from directory advertising to local rates was \$40.20 per customer per year.

"PNB's plan to eliminate the contribution to local telephone service from directory advertising contravenes state policy" of making phone service available to as many people as possible at affordable rates, the commission said.

The commission said U S West Communications' Oregon revenue requirement must include approximately \$29 million in profits from directory advertising, which eliminates the need to collect that money from customers. In essence, the commission's action captures profits that should have been used to benefit customers instead of stockholders.

At the same time, the commission ordered adjustments in U S West's revenue requirement related to other issues and a settlement between the company and the PUC staff. For example, the commission allowed U S West to recover in rates approximately \$6.5 million for research and development supplied by Bellcore, another U S West affiliated interest company.

The company's capital structure and rate of return were settled through negotiations between U S West and the PUC staff. The commission accepted the negotiated settlements.

The net effect of the Commission's actions will be a rate reduction of \$24,057,000 for U S West Oregon residential and business customers.

The investigation into U S West's earnings began in December 1988. At that time the PUC staff estimated that the company was exceeding its authorized rate of return by approximately \$65 million a

year. The staff modified its position after more detailed study during the investigation. At the beginning of the investigation, U S West indicated it was entitled to a rate increase of approximately \$24 million. (Case No. UT 85, Order No. 89-1807)

TEXAS PUC ACTS TO GIVE HEARING/SPEECH-IMPAIRED EQUAL ACCESS TO PHONE NETWORK

Hearing-impaired and speech-impaired customers could receive the benefits of, a new statewide telephone service as early as September 1990, the Public Utility Commission of Texas (PUC) has announced.

Rules and procedures approved by the Commission last week will result in the establishment of a dual-party relay service. The rules implement provisions of H.B. 174, which was enacted earlier this year by the Texas Legislature. The dual-party relay service enables individuals who must use special devices to communicate by telephone with individuals who use conventional telephones.

A \$1 million pilot relay system -- ordered by the PUC in the last GTE Southwest rate case -- is already serving thousands of hearing- and speech-impaired customers in the Dallas/Fort Worth/Denton area. The PUC and its advisory committee will use findings from this test project to implement the statewide service.

"We are proud to be a leader in giving hearing- and speech-impaired customers equal access to the telephone network," said PUC Chairman Paul Meek. "The relay system will enable hearing-impaired and speech-impaired customers to have access to all other telephone subscribers, and likewise other telephone customers will have access to the hearing-impaired and speech-impaired."

The dual-party relay service consists of specially trained operators and electronic equipment that allow a hearing- or speech-impaired customer to communicate with anyone else through a computer or a telecommunications device for the deaf (TDD). The TDD resembles a typewriter with a telephone receiver resting in a cradle on the top.

A customer will be able to make a call on the relay system by typing a message on the TDD or Computer and transmitting it to an operator with similar equipment. The operator receiving the electronic message then communicates the message verbally to the person being called.

Likewise, individuals without TDDs will be able to dial the dual-party relay center to call a hearing- or speech-impaired customer. The relay operator would transmit the caller's message electronically to the customer's TDD or computer.

In addition to adopting rules and procedures, the Commission also voted to solicit proposals from telecommunications carriers interested in providing the service. Proposals must be received at the Commission by February 15, 1990, and the relay service carrier will be selected no later than April 1, 1990. Additional information about the service may be obtained from Ms. Elaine Powell of the PUC Telephone Division.

Assisting the PUC staff has been a 13-member advisory committee established by the Legislature to ensure that the relay system meets user needs. Specific committee concerns include adequate operator training and public education on how to properly use the system. Chairman Meek believes the advisory committee will provide valuable information while the dual-party relay service is being developed.

The creation of an advisory committee prior to development and implementation will help ensure that our

relay service truly meets user needs," Chairman Meek said.

The advisory committee includes 11 representatives of various consumer advocacy organizations and two representatives of telephone utilities. In addition, two utility representatives assist the committee.

PG&E RATES INCREASED JANUARY 1 IN CALIFORNIA

The California Public Utilities Commission (PUC) has concluded the general rate case for Pacific Gas & Electric Company (PG&E). Combined with the Commission's December 4th decision on PG&E's energy cost adjustment clause proceeding and other recent Commission decisions, PG&E's net revenue requirement has been increased by \$433.4 million. This is the amount of additional revenue the Commission estimates PG&E requires in 1990 to provide safe and reliable service at the lowest reasonable cost. The increase to a typical residential customer's combined monthly bill for gas and electricity beginning January 1, 1990 will be 5.5 percent or \$4.46 from \$80.86 to \$85.32.

About two-thirds of the amount of the rate increase is due to the higher costs PG&E has had to pay for fuel used to produce electricity. Utilities are allowed to recover their fuel costs in rates. In its December 4, 1989 decision in PG&E's energy cost adjustment proceeding (the proceeding used to determine PG&E's fuel costs) the Commission allowed increased revenue of \$613.8 million for 1990 to cover those costs, and consolidated that with an increase in the annual energy rate revenue requirement of \$26.4 million and a decrease in the electric revenue adjustment mechanism of \$368.2 million. The effect of combining these revenue adjustments is to allow PG&E a net increase in annual revenue requirement of \$272 million for