

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,) Application No. C-4736
on its own motion, to determine)
the surcharge for the statewide)
Telecommunications Relay System) ORDER SETTING SURCHARGE
to be effective July 1, 2015, in)
the State of Nebraska.)
) Entered: March 17, 2015

BY THE COMMISSION:

The above-captioned proceeding was opened by the Commission, on its own motion, to determine the appropriate surcharge for the statewide Telecommunications Relay System (TRS) to be effective July 1, 2015. The Commission is charged by statute to hold an annual public hearing, prior to April 1 of each year, to determine the amount of surcharge necessary to carry out the provisions of the Telecommunications Relay System Act (Neb. Rev. Stat. §§ 86-301 to 86-315). The surcharge is used to fund the TRS and the Nebraska Specialized Telecommunications Equipment Program (NSTEP) for the coming year.

Notice of the proceeding appeared in The Daily Record, Omaha, Nebraska, on January 23, 2015. The order opening the above-captioned docket and setting the hearing was entered on January 21, 2015, and mailed to all interested parties. A public hearing was held on March 3, 2015, in the Commission Hearing Room.

O P I N I O N A N D F I N D I N G S

Steve Stovall, Staff Accountant for the Commission's Communication Department, testified on behalf of the Staff. Mr. Stovall offered his written testimony including six (6) attachments and marked as Exhibit No. 4. The six attachments to the written testimony are as follows: 1) the first contains historical data and current assessment period information concerning the surcharge for the previous two fiscal years and the current TRS Fund balance; 2) the second is a forecast assuming the surcharge remains at the current two-cents (\$.02) for the current and subsequent assessment period; 3) the third attachment is a forecast assuming the surcharge is reduced to one-cent (\$.01) for the next assessment period and then adjusted to three-cents in the subsequent assessment period; 4) the fourth attachment is a forecast assuming the surcharge is reduced to one-cent (\$.01) for the next two assessment periods; 5) the fifth attachment contains selected historical statistics of the TRS program; and 6) the sixth is a copy of a National

Association of State Relay Administrators (NASRA) resolution filed with the Federal Communications Commission (FCC) regarding the FCC's proposal regarding the treatment of Internet Protocol Captioned Telecommunications Service (IP-CTS).

Mr. Stovall incorporated cost columns for Captioned Telephone (CapTel) into the projections. The CapTel service began October 1, 2004. The cost projections include both a service provider and an equipment component. Total minutes of use for traditional relay use is projected and adjusted downward using a mathematical forecasting technique known as linear regression. The decision to forecast reduction in minutes of use is consistent with the decline in minutes that has been evident in previous years. Total minutes of use for CapTel is projected and adjusted upward slightly to reflect consistent access line growth evident in previous years.

Based on his analysis, forecasts, and experience as the Commission's administrator of the TRS programs, Mr. Stovall recommended that the surcharge remain at the current two-cents (\$.02) for the next fiscal year beginning July 1, 2015.

The revenue generated from a two-cent (\$.02) surcharge will allow the expenses of the program to be higher than the surcharge revenue, causing the reserve balance to decline in the TRS Fund. However, with a two-cent (\$.02) surcharge the decline will not be so large that the forecasted balance in July 2016 will be insufficient to sustain the program.

Tami Richardson-Nelson, the Chair of the TRS Advisory Committee, submitted a letter to the Commission on January 21, 2015, reporting that she recommended the surcharge remain at two-cents (\$.02) effective July 1, 2015, based on the forecasts available at the Committee meeting on January 16, 2015.

The Commission finds that the recommendation of Mr. Stovall and the Chair of the TRS Advisory Committee is reasonable and that the surcharge should remain at two-cents (\$.02) effective July 1, 2015.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that, pursuant to the Telecommunications Relay System Act, the TRS surcharge should be set at two-cents per telephone number or functional equivalent beginning July 1, 2015.

IT IS FURTHER ORDERED that all affected telecommunications companies are hereby required, beginning July 1, 2015, to collect a two-cent surcharge per month on each telephone number

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or functional equivalent in Nebraska. Except for wireless carriers, the surcharge shall be only collected on the first one hundred telephone numbers, or functional equivalents, per subscriber.

MADE AND ENTERED at Lincoln, Nebraska, this 17th day of March, 2015.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Tim Schorn

Crystal Swades

Dee Johnson

Gerald L. Vay

Chairman

ATTEST:

Steve Meredith

Executive Director