

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the) Application No. C-4890
Commission, on its own motion,)
to determine the surcharge for)
the statewide) ORDER SETTING SURCHARGE
Telecommunications Relay System)
to be effective July 1, 2017,)
in the State of Nebraska.) Entered: March 28, 2017

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, 2017. 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 26, 2017. The order opening the above-captioned docket and setting the hearing was entered on January 24, 2017 and mailed to all interested parties. A Public hearing was held on March 7, 2017, 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 Communications Department, testified on behalf of the Staff. Mr. Stovall offered his written testimony that included four (4) attachments and it was received into the record and marked as Exhibit No. 4. The four (4) attachments to the written testimony are as follows: 1) the first contains supplementary information comprised of selected historical data and current assessment period information concerning the surcharge for the previous fiscal year and the current TRS Fund balance; 2) the second is a forecast assuming the surcharge remains at two cents (\$.02) for the next assessment period; 3) the third attachment is a forecast assuming the surcharge is reduced to one cent (\$.01) for the next assessment period; and 4) the fourth attachment contains selected historical statistics of the TRS program.

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 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 downward slightly to reflect reductions in use 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 be reduced from the current two cents (\$.02) to one cent (\$.01) for the next fiscal year beginning July 1, 2017.

The revenue generated from a one cent (\$.01) surcharge will allow the expenses of the program to be higher than the surcharge revenue, continuing to reduce the reserve balance in the TRS Fund. However, with a one cent (\$.01) surcharge the decline will not be so large that the forecasted balance in July 2018 will be insufficient to sustain the program.

Emma Danielson with Sprint Relay, the Commission's Nebraska Relay vendor, also presented a proposal to the Commission regarding a Nebraska media outreach and awareness campaign. Ms. Danielson's written information she presented to the Commission at the hearing was received into the record and marked as Exhibit No. 5. The Campaign proposed by Ms. Danielson would purchase television spots in the Lincoln, Hastings, and Kearney market, estimated to have a total adult population of over 556,000 people. The campaign would run in the fall of 2017 and cost \$20,000. Ms. Danielson proposes the Commission's TRS Fund and Sprint Relay share the cost by each contributing \$10,000 toward the campaign.

The Commission asked Ms. Danielson to also explore different statewide marketing and outreach campaigns and packages and provide proposals to the Commission for other outreach opportunities regarding CapTel and Nebraska Relay.

Tami Richardson-Nelson, the Chair of the TRS Advisory Committee, submitted a letter to the Commission on February 10, 2017 reporting that the Advisory Committee voted to recommend to the Commission that the surcharge be reduced to one cent (\$.01) effective July 1, 2017, based on the forecasts available to the Committee at its meeting on January 20, 2017. The letter also reported the Committee is in favor of the outreach campaign proposed by Ms. Danielson and recommends the Commission partner with Sprint Relay to fund the campaign.

The Commission finds that the recommendation of Mr. Stovall and the TRS Advisory Committee regarding the surcharge is reasonable and that the surcharge should be reduced from two cents (\$.02) to one cent (\$.01) effective July 1, 2017.

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Further, the Commission finds that the media awareness campaign proposed by Ms. Danielson on behalf of Sprint is reasonable and the Commission shall approve the awareness campaign with Sprint as proposed. The Commission also requests that Ms. Danielson explores other outreach/marketing opportunities and packages that would reach other areas of the state, including a statewide approach, and provide proposals to the Commission for consideration.

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 one cent (\$.01) per telephone number or functional equivalent beginning July 1, 2017.

IT IS FURTHER ORDERED that all affected telecommunications companies are hereby required, beginning July 1, 2017, to collect a one cent (\$.01) surcharge per month on each telephone number 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.

IT IS FURTHER ORDERED the Commission shall adopt the media awareness campaign proposed by Sprint Relay in Exhibit No. 5.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 28th day of March, 2017.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Mary Biddle

Crystal Unadler

Debra

//s//Frank E. Landis
//s//Tim Schram

Tim Schram
Chairman

ATTEST:

Jeffrey L. Peleg

Executive Director