

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,) Application No. C-5032
on its own motion, to determine)
the surcharge for the statewide)
Telecommunications Relay System) ORDER SETTING SURCHARGE
to be effective July 1, 2019.)
)
) Entered: April 9, 2019

BY THE COMMISSION:

The above-captioned proceeding was opened by the Nebraska Public Service Commission (Commission), on its own motion, to determine the appropriate surcharge for the statewide Telecommunications Relay System (TRS) for the fiscal year beginning on July 1, 2019. 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 February 7, 2019. The order opening the above-captioned docket and setting the hearing was entered on February 21, 2018, and mailed to all interested parties.

E V I D E N C E

On March 26, 2019, a public hearing was held on March 26, 2019, in the Commission Hearing Room in Lincoln, Nebraska. Commission exhibits numbered 1-4 were offered and accepted.

Tami Richardson-Nelson, the Chair of the TRS Advisory Committee, submitted a letter to the Commission on January 26, 2018, reporting that the Advisory Committee voted to recommend to the Commission that the surcharge be increased to three cents (\$.03) for the next fiscal year beginning July 1, 2019, based on the forecasts available to the Committee at its meeting on January 25, 2019. This letter was accepted into the record as Exhibit 3.

Steve Stovall, Staff Accountant for the Commission's Communication Department, testified on behalf of the Commission staff. Mr. Stovall offered his pre-filed written testimony, marked as Exhibit 4, which included six (6) attachments. The attachments to the written testimony are as follows:

- 1) Selected Historical Statistics & Current Assessment Period;
- 2) Forecast Assumption #1, showing the surcharge remaining at \$.01 for the next fiscal year;
- 3) Forecast Assumption #2, showing the surcharge increasing to \$.02 for the next fiscal year;
- 4) Forecast Assumption #3, showing the surcharge increasing to \$.03 for the next fiscal year;
- 5) Forecast Assumption #4, showing the surcharge increasing to \$.03 for the next fiscal year, and using alternate contract pricing methodology; and
- 6) Selected Historical Statistics, including session and conversation minutes.

Based on his analysis, forecasts, and experience as the Commission's administrator of the TRS program, Mr. Stovall recommended that the surcharge be increased to three cents (\$.03) for the next fiscal year beginning July 1, 2019.¹ The revenue generated from a one-cent or two-cent surcharge would not be sufficient to maintain a reasonable reserve balance to sustain the program.² Mr. Stovall testified that if the fund is not increased to three cents for the next fiscal year, based upon current forecasts, the TRS program is likely to become insolvent before the end of the fiscal year.³

Mr. Stovall noted that the Commission is in the process of finalizing a new contract for the provision of relay services with Sprint, which will become effective July 1, 2019.⁴ Mr. Stovall testified that Sprint proposed various pricing methodologies in their bid, one of which is reflected in Attachment 5 to Mr. Stovall's testimony. Mr. Stovall testified that the alternate pricing methodology included in Attachment 5 will result in cost savings to the State of approximately \$28,000 and that methodology is therefore preferable.⁵

No further witnesses were called, and the hearing was closed following Mr. Stovall's testimony.

¹ Transcript at 20-21, 26; Exhibit 4 at 5.

² See Exhibit 4, Attachments 2 and 3.

³ Transcript at 12-14.

⁴ See Exhibit 4 at 4; Exhibit 4, Attachments 4 and 5.

⁵ Transcript at 14.

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

The Commission finds that the recommendations of Mr. Stovall and of the TRS Advisory Committee are reasonable and that the surcharge should be increased to three cents (\$.03) for the next fiscal year beginning July 1, 2019.

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 three cents (\$.03) per telephone number or functional equivalent, beginning July 1, 2019.

IT IS FURTHER ORDERED that all affected telecommunications companies are hereby required, beginning July 1, 2019, to collect a three cent (\$.03) 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.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 9th day of April, 2019.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Mary Riddle

Chair

ATTEST:

Shirley H. [Signature]

Executive Director

[Three signatures of Commissioners]