

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1999

SESSION LAW 1999-402  
SENATE BILL 547

AN ACT TO AUTHORIZE THE ESTABLISHMENT OF A  
TELECOMMUNICATIONS RELAY SERVICE TO ASSIST DEAF AND HEARING  
IMPAIRED PERSONS, INCLUDING THOSE WHO ALSO HAVE VISION  
IMPAIRMENT.

The General Assembly of North Carolina enacts:

Section 1. G.S. 62-157 reads as rewritten:

"§ 62-157 Telecommunications relay service.

(a) Finding. -- The General Assembly finds and declares that it is in the public interest to provide access to public telecommunications services for hearing impaired or speech impaired persons, including those who also have vision impairment, and that a statewide telecommunications relay service for telephone service should be established.

(a1) Definitions. -- For purposes of this section:

(1) "Exchange access facility" means the access from a particular telephone subscriber's premises to the telephone system of a local exchange telephone company, and includes local exchange company-provided access lines, private branch exchange trunks, and centrex network access registers, all as defined by tariffs of telephone companies as approved by the Commission.

(2) "Local service provider" means a local exchange company, competing local provider, or telephone membership corporation.

(b) Authority to Require Surcharge. -- The Commission shall require local service providers to impose a monthly surcharge on all residential and business local exchange access facilities to fund a statewide telecommunications relay service by which hearing impaired or speech impaired persons, including those who also have vision impairment, may communicate with others by telephone. This surcharge, however, may not be imposed on participants in the Subscriber Line Charge Waiver Program or the Link-up Carolina Program established by the Commission. This surcharge, and long distance revenues collected under subsection (f) of this section, are not includable in gross receipts subject to the franchise tax levied under G.S. 105-120 or the sales tax levied under G.S. 105-164.4.

(c) Specification of Surcharge. -- The Department of Health and Human Services shall initiate a telecommunications relay service by filing a petition with the Commission requesting the service and detailing initial projected required funding. The Commission shall, after giving notice and an opportunity to be heard to other interested parties, set the initial monthly surcharge based upon the amount of funding necessary to implement and operate the service, including a reasonable margin for a reserve. The surcharge shall be identified on customer bills as a special surcharge for provision telecommunications relay service for hearing impaired and speech

impaired persons. The Commission may, upon petition of any interested party, and after giving notice and an opportunity to be heard to other interested parties, revise the surcharge from time to time if the funding requirements change. In no event shall the surcharge exceed twenty-five cents (25¢) per month for each exchange access facility.

(d) Funds to Be Deposited in Special Account. -- service providers shall collect the surcharge from their customers and deposit the moneys collected with the State Treasurer, who shall maintain the funds in an interest-bearing, nonreverting account. After consulting with the State Treasurer, the Commission shall direct how and when the service providers shall deposit these moneys. Revenues from this fund shall be available only to the Department of Health and Human Services to administer the statewide telecommunications relay service program, including its establishment, operation, and promotion. The Commission may allow the Department of Health and Human Services to use up to four cents (4¢) per access line per month of the surcharge for the purpose of providing telecommunications devices for hearing impaired or speech impaired persons, including those who also have vision impairment, through a distribution program. The Commission shall prepare such guidelines for the distribution program as it deems appropriate and in the public interest. Both the Commission and the Public Staff may audit all aspects of the telecommunications relay service program, including the distribution programs, as it does with any public utility subject to the provisions of this Chapter. Equipment paid for with surcharge revenues, as allowed by the Commission, may be distributed only by the Department of Health and Human Services.

(e) Administration of Service. -- The Department of Health and Human Services shall administer the statewide telecommunications relay service program, including its establishment, operation, and promotion. The Department may contract out the provision of this service for four-year periods to one or more service providers, using the provisions of G.S. 143-129.

(f) Charge to Users. -- The users of the telecommunications relay service shall be charged their approved long distance and local rates for telephone services (including the surcharge required by this section), but no additional charges may be imposed for the use of the relay service. The local exchange companies and telephone membership corporations service providers shall collect revenues from the users of the relay service for long distance services provided through the relay service. These revenues shall be deposited in the special fund established in subsection (d) of this section in a manner determined by the Commission after consulting with the State Treasurer. Local service providers shall be compensated for collection, inquiry, and other administrative services provided by said companies, subject to the approval of the Commission.

(g) Reporting Requirement. -- The Commission shall, after consulting with the Department of Health and Human Services, develop a format and filing schedule for a comprehensive financial and operational report on the telecommunications relay service program. The Department of Health and Human Services shall thereafter prepare and file these reports as required by the Commission with the Commission and the Public Staff. The Department shall also be required to report to the Revenue Laws Study Committee.

(h) Power to Regulate. -- The Commission shall have the same power to regulate the operation of the telecommunications relay service program as it has to regulate any public utility subject to the provisions of this Chapter."

Section 2. This act is effective when it becomes law. In the General Assembly read three times and ratified this the 20th day of July, 1999.

APR

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

DOCKET NO. P-100, SUB 110

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of  
Telecommunications Relay Service (TRS), ) ORDER AUTHORIZING PAYMENT  
Relay, North Carolina ) OF FUNDS TO SPRINT TRS

BY THE COMMISSION: On June 21, 2000, the Federal Communications Commission (FCC) published revised Rules and Orders for the Telecommunications Relay Service (TRS). These revisions required all state TRS programs to increase operator typing speeds to sixty words per minute, have the capability of handling emergency calls immediately, establish ten minute minimum times for operators to handle a standard TRS call, maintain a log of consumer complaints that must be filed with the FCC, and transfer TRS customer profiles to the incoming TRS vendor at the end of the contract. Sprint TRS submitted a proposal on August 31, 2000, to upgrade North Carolina's TRS program so that it would be in compliance with the new FCC requirements through the end of its contract period, March 31, 2004. The cost of the revisions through the end of the Sprint TRS contract is \$1,118,447.

The Public Staff presented this matter at the Commission Staff Conference on April 2, 2001. The Public Staff stated that Sprint TRS had provided sufficiently detailed information to satisfy both it and the administrator of the NC TRS program, a division of the Department of Health and Human Services. The Public Staff recommended that the Commission issue an order authorizing the NC TRS program to pay Sprint \$1,118,447 from TRS funds.

IT IS, THEREFORE, ORDERED that the North Carolina TRS program, a division of the Department of Health and Human Services, is hereby authorized to pay Sprint TRS \$1,118,447 from TRS funds for the purpose of paying for enhancements to the TRS service as mandated by the FCC.

ISSUED BY ORDER OF THE COMMISSION.

This the 14<sup>th</sup> day of April, 2001.

NORTH CAROLINA UTILITIES COMMISSION

*Geneva S. Thigpen*

Geneva S. Thigpen, Chief Clerk



million dollars was an adequate reserve margin because that amount would cover three months of operating expenses in an emergency. That reserve margin amount is now at \$389,549.01, well below one million dollars. Moreover, one million dollars is no longer adequate to cover three months of operating expenses. Therefore, the Public Staff and representatives of DHHS agreed that a modest increase in the reserve to 1.2 million dollars was necessary. Based on its review of TRS's current operating expenses and revenues, the Public Staff concluded that an \$.11 surcharge would restore the reserve margin and increase it to the necessary 1.2 million dollars in thirteen months.

The Public Staff also noted that, at \$ 0.07, North Carolina's surcharge is one of the lowest in the country. A surcharge of \$ .11 is approximately the average amount charged by the other states with similar programs.

Therefore, the Public Staff recommended that the surcharge be increased effective on January 1, 2002. This date will provide the local service providers adequate time to adjust their billing to reflect the increase in the January bills. The Public Staff recommended that customers be notified of the surcharge increase by a bill message/insert in their January bills as set forth in Appendix A. The Public Staff further recommended that the local service providers should continue to retain \$.01 of the \$.11 surcharge for collection, inquiry, and administrative expenses.

WHEREUPON, the Commission makes the following

#### FINDINGS OF FACT

1. TRS's monthly expenses presently exceed TRS's monthly revenue.
2. The present surcharge amount of \$ .07 per month, which has remained unchanged for the last seven years, no longer provides adequate funds for the operation of TRS. Without an increase in the surcharge, TRS will exhaust its funds completely by February 2002.
3. The Public Staff and representatives of DHHS have recently agreed that the reserve margin should be 1.2 million dollars.
4. Based on its investigation of operating expenses and revenues, the Public Staff recommends that the surcharge be increased from \$ .07 to \$.11 per month, effective January 1, 2002, both to operate TRS and to restore the reserve margin. With such an increase, the reserve margin may be restored and increased to the necessary 1.2 million dollars in 13 months.

## CONCLUSIONS

Based on the above information, the Commission concludes that the requested surcharge increase is warranted and that the surcharge for TRS be increased to \$.11 per month. Customer bills issued on or after January 1, 2002, should reflect this increase.

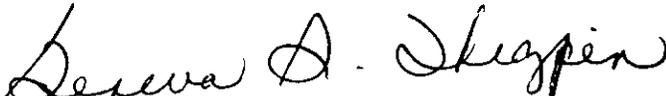
IT IS, THEREFORE, ORDERED as follows:

1. That the TRS surcharge be increased from \$ .07 to \$ .11 effective January 1, 2002. The increase should be reflected in customers' bills issued on or after January 1, 2002.
2. That the local service providers be authorized to continue to retain \$.01 from the \$.11 surcharge for collection, inquiry, and administrative expenses.
3. That the bill message/ insert as set forth in Appendix A shall appear in customers' January bills, issued on or after January 1, 2002.

ISSUED BY ORDER OF THE COMMISSION.

This the 13<sup>th</sup> day of November, 2001.

NORTH CAROLINA UTILITIES COMMISSION

  
Geneva S. Thigpen, Chief Clerk

**NOTICE OF TRS SURCHARGE INCREASE**

Effective with telephone bills issued on or after January 1, 2002, the Telecommunications Relay Service (TRS) surcharge is \$.11. The North Carolina Utilities Commission authorized an increase in the TRS surcharge from \$.07 to \$.11 to maintain adequate funding of North Carolina's TRS program. The surcharge funds the TRS program which enables persons with hearing, speech, and/or vision impairments to communicate with others by telephone.

**NC DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF SERVICES FOR THE DEAF AND HARD OF HEARING  
DHHS-RELAY NORTH CAROLINA**

**TRS SURCHARGE REMITTANCE FORM**

**SURCHARGES COLLECTED ARE TO BE REMITTED MONTHLY WITH ACCOMPANYING REPORT BY THE TWENTIETH (20<sup>TH</sup>) OF THE MONTH. CHECKS SHOULD BE MADE PAYABLE TO:**

**DHHS - CONTROLLER'S OFFICE A/R  
2025 MAIL SERVICE CENTER  
RALEIGH, NC 27699-2025**

**By Order of the North Carolina Utilities Commission and pursuant to G.S. § 62-157, the Monthly Surcharge is \$.11 per access line.<sup>1</sup> Local Service Providers may retain \$.01 per access line for administrative costs.**

LEC/CLP/TMC: \_\_\_\_\_

Month Ending: \_\_\_\_\_

Number of Qualified Access Lines Billed (\$.11 per line): \_\_\_\_\_

Number of Qualified Access Lines Collected: \_\_\_\_\_

Surcharge Revenue Billed: \_\_\_\_\_

Less: Billing and Collection Charge (\$.01 per access line) \_\_\_\_\_

Less: Uncollectibles/Adjustments for Prior Periods \_\_\_\_\_

Net Amount Remitted to DHHS \_\_\_\_\_

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Instructions for Remittance of Surcharge:**

Month Ending: Reporting is to be on a calendar month basis

Number of qualified access lines billed/collected should be for the calendar month the report covers.

Surcharge revenue billed is surcharge revenue billed during the calendar month the report covers.

Billing and Collection charge is based on the number of lines which the surcharge is billed during the calendar month the report covers.

Uncollectibles/adjustments for prior periods is to be reported net of billing and collection charges.

<sup>1</sup> Order Authorizing Increase of Surcharge, In the Matter of Telecommunications Relay Service, P-100, Sub 110, Nov. 13, 2001.