

Deaf and Disabled Telecommunications Program



Wireless Pilot Phase I: Text-Messaging Device (Sidekick iD) An Initial Report

California Public Utilities Commission
Communications Division
July 2008

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	1
BACKGROUND	2
Deaf and Disabled Telecommunications Program (DDTP).....	2
California Telephone Access Program (CTAP).....	2
WIRELESS EQUIPMENT PILOT PROPOSAL	3
PHASE I: TEXT-MESSAGING DEVICE (SIDEKICK iD)	4
INITIAL PILOT DESIGN	4
Program Parameters.....	4
Identifying Candidates	5
Certification Procedure	5
Distribution Channels.....	6
Surveys and Reporting	6
PILOT IMPLEMENTATION EFFORTS	7
PRELIMINARY OBSERVATIONS AND FINDINGS	8
Participant Demographics.....	8
Motivation for Participation.....	8
Pilot Costs.....	9
CHALLENGES	9
State Contracting and Procurement Process.....	9
Wireless Industry Business Model	10
Dual-Eligibility	11
NEXT STEPS.....	12
Phase I.....	12
Phase II.....	12
APPENDIX	
CPUC Resolution authorizing DDTP Wireless Pilot (T-17089)	

EXECUTIVE SUMMARY

On May 3, 2007, the Commission issued Resolution T-17089, which approved a multi-phase wireless pilot program (Pilot) in the Deaf and Disabled Telecommunications Program/California Telephone Access Program (DDTP/CTAP). The first phase of the Pilot focused on providing a wireless text-messaging pager, namely, the T-Mobile wireless Sidekick iD provided by T-Mobile, to qualified participants. In accordance with Resolution T-17089, CD has been monitoring the Pilot program and has prepared this initial status report.

As of June 2008, three Sidekick iD orientation and distribution sessions have been conducted at the DDTP service centers in Santa Ana, Fresno, and Sacramento, all of which took place during the last week of April 2008. A total of 89 applicants were approved and slated to retrieve their equipment at one of the distribution sites; 53 participants showed up while 36 did not. However, recent efforts to bridge the gap between those who picked up and did not pick up the device were successful in that 82 of the 89. The new distribution phase has brought the number back up to 100 as of July 8th, 2008. Notwithstanding a number of challenges, Pilot participants are expected to increase to 130.

Wireless Pilot participants are required to be CTAP-certified and California LifeLine eligible. Marketing materials were distributed and presentations were delivered to create awareness, as well as to attract potential Pilot participants. To enroll in the program, interested applicants were required to go through a certification process, which entailed completing and returning a Wireless Pilot Program Application and other forms if necessary. Once an applicant was deemed eligible to partake in the Pilot, the participant would be assigned to a DDTP service center where he/she could pick-up and receive training on his/her Sidekick iD. Lastly, after users have been given adequate time to trial the device, they would be surveyed on their experience with the Sidekick iD.

CD's partners in implementing the Pilot program included T-Mobile, Fuse Wireless, and the DDTP administrative contractor (California Communications Access Foundation or CCAF). T-Mobile and Fuse Wireless in collaboration provided the Sidekick iD wireless device and connectivity. CCAF was responsible for Pilot program design and implementation, including outreach and identification of pilot participants. While the wireless Pilot is expected to provide benefits to those served by the DDTP program, the Pilot encountered several challenges along the way including:

- Complexity of the State contracting and procurement process;
- Differences between the wireless industry business model, the DDTP and the Pilot requirements; and
- Difficulty in obtaining required documentation to support low-income status of Pilot participants (i.e., California LifeLine eligibility).
- Discontinuation of Sidekick iD device.

CD's preliminary observations and findings of the Pilot are presented in this report. Since the Pilot is ongoing, CD will defer issuing program recommendations to a subsequent report.

BACKGROUND

Deaf and Disabled Telecommunications Program (DDTP)

The Deaf and Disabled Telecommunications Program (DDTP) is a universal service program mandated by the California State legislature and administered by the California Public Utilities Commission (CPUC). There are two components to the DDTP: the California Relay Service (CRS) which includes traditional relay and Speech to Speech services, and the California Telephone Access Program (CTAP) which provides assistive telecommunications equipment. DDTP's purpose is to provide access to basic telephone service for Californians who have difficulty using the telephone.

The DDTP is akin to other CPUC universal service programs in that it is traditionally largely landline based. The CPUC's Communication Division (CD) oversees the DDTP program administrator and is advised by three consumer advisory committees: the Telecommunications Access for the Deaf and Disabled Administrative Committee (TADDAC), the California Relay Service Advisory Committee (CRSAC), and the Equipment Program Advisory Committee (EPAC). Members of the three committees are also consumers and users of DDTP services and equipment.

The DDTP is funded by a surcharge that appears on the telephone bills of all California end users of intrastate telecommunications services, both wireline and wireless. The money collected from this surcharge pays for both the equipment loan program (CTAP) and the relay program (CRS). This surcharge appears on the phone bills of Californians as "CA Relay Service and Communications Devices Fund."

Pursuant to Public Utilities Code § 2881, the DDTP distributes telecommunications equipment and services for individuals certified as having functional limitations of hearing, vision, movement, speech and/or interpretation of information. The numbers of the enabling legislation that commonly identify these programs are:

- Senate Bill 597 (1979), Assembly Bill 3369 (1984) and Senate Bill 227 (1984) -- Telecommunications Devices for the Deaf
- Senate Bill 244 (1983) -- California Relay Service
- Senate Bill 60 (1985) -- Supplemental Telecommunications Devices for the Disabled

California Telephone Access Program (CTAP)

The California Telephone Access Program (CTAP) distributes telecommunications devices to individuals certified as having difficulty using the telephone. Californians who are deaf, hard of hearing, speech disabled, blind, or have low vision, cognitive impairments, or restricted mobility, are eligible to receive equipment at no cost with certification by a medical doctor, a licensed audiologist, a qualified state agency, or a hearing aid dispenser. CTAP is primarily a loan program in that each user must return his/her device (e.g., when the equipment no longer suits the user's needs, the user moves out of California, etc.), and historically has been limited to

devices compatible with wireline services. CTAP also distributes an enhanced voice carry over (VCO) or captioned telephone (CapTel) device; enhanced VCO is a form of relay.

WIRELESS EQUIPMENT PILOT PROPOSAL

On January 24, 2007, TADDAC in concert with EPAC submitted to the Commission a proposal to conduct an initial trial of a paperless, voucher-like mechanism for the provision of wireless equipment through the DDTP/CTAP. The trial was intended to serve as a testing ground to ascertain how the program could be expanded to embrace advanced communications devices, such as wireless applications, as well as how the delivery of equipment to DDTP/CTAP users could be enhanced.

In its May 2007 Resolution, the Commission acknowledged the tremendous creativity and effort on the part of the committee members of both TADDAC and EPAC in developing the original DDTP wireless proposal. After careful consideration, the Commission adopted in Resolution T-17089 a variant of the original proposal, and directed that DDTP Pilot participants be both CTAP-certified and low-income.¹ As a result, the Commission directed CD staff to implement a multi-phase Pilot program whereby eligible participants would be issued a credit which would be applied to the equipment component of a wireless communications device; the monies for the credit would come from the DDTP fund. Further, the Pilot would not exceed two years total, with a cap of 500 Pilot participants in aggregate. CD was directed to monitor the progress of the Pilot and provide detailed reports to the Commission and Executive Director.

For a DDTP constituent to qualify for the Pilot, the Commission required that participant must meet two eligibility requirements. First, he or she must be certified to receive CTAP equipment (i.e., CTAP-certified). Second, he or she must be eligible or certified to participate in the California LifeLine program (formerly known as Universal Lifeline Telephone Service or ULTS); California LifeLine is limited to low income individuals (<http://californialifeline.com/source/MainPage.aspx>).

Once it is determined that Pilot candidates meet the dual-qualification criteria and other requirements (e.g., falling within a certain geographic distribution, a specific DDTP constituent group, or the coverage area of the service provider or providers), participants will be enrolled in the Pilot on a "first-come, first-serve" basis. Such Pilot participants will then be issued a maximum credit of \$300.00 (Note: The pilot participants were not actually issued credits. They were simply provided with the equipment, and then were responsible for subscribing to the monthly service) or the cost of the communications device (i.e., equipment component) alone, whichever is less, to obtain a wireless communications device. The DDTP statutory authority does not allow the Pilot to reimburse participants for monthly service connectivity charges associated with their wireless device, so participants must bear this cost themselves.

Through this Pilot, the Commission and DDTP advisory groups have incorporated the technological changes offered by wireless into the DDTP and CTAP. While many persons in the

¹ The DDTP Pilot Program put in place a California Lifeline eligibility requirement for the purposes of the initial pilot only. Once data is gathered on the cost of the pilot, the Commission will consider in a future proceeding, whether to remove the low-income requirement which is not part of the current CTAP program.

broader DDTP constituent community have already embraced broadband and wireless technology and services, the DDTP to date has not provided wireless equipment. As such, the Pilot explores the potential of expanding the DDTP/CTAP program offerings in this area.

PHASE I: TEXT-MESSAGING DEVICE (SIDEKICK iD)

Phase I of the Pilot program is based on DDTP committee member recommendation to focus initial Pilot efforts on equipment designed to facilitate text-messaging. The Sidekick iD provided by T-Mobile was recommended based on its functionality. The device and the wireless carrier are already known in the deaf and hard-of-hearing community, although this was the first time that a DDTP program required participants to be both California LifeLine eligible as well as CTAP-certified. As far as duration, the first phase of the Pilot is expected to last no longer than one year, although a one-year extension may be granted upon written approval of the CPUC's Executive Director. Moreover, Phase I is expected to serve some 100-200 customers.

INITIAL PILOT DESIGN

Program Parameters

1. Applicants are required to live or work in a region with sufficient Sidekick iD provider (i.e., T-Mobile) service coverage, as well as within a certain range of initial geographic distribution (i.e., in the Sacramento, Fresno, and Santa Ana areas). The goal is to include 100-200 Pilot participants over 3 major regions in northern, central, and southern California.
2. Pilot participants are allowed to keep their CTAP landline equipment in addition to their wireless device. This is necessary to guarantee access to 9-1-1 and other emergency services.
3. The wireless pager is owned by participants, not the State of California. Participants are responsible for any costs associated with their service contract, which is limited to a data-only plan.
4. Applicants are responsible for the maintenance and repair of the wireless pager they receive. T-Mobile, however, will honor an initial warranty period on the devices at no extra cost.
5. Pilot participants are eligible to receive a credit for a new wireless equipment every three years assuming continuation of the Pilot program. During the three-year period, any equipment repairs or replacements would be transacted between the program user and T-Mobile.
6. Applicants need to consent to all terms and conditions of the Pilot, which are outlined in the User Agreement section of the Wireless Pilot Program Application.

- Pilot participants are not subject to an activation or early termination fee, and, if qualified, will be admitted to the Pilot regardless of credit class. Participants are responsible for their own monthly service charge of \$29.99 per month plus applicable taxes and surcharges.

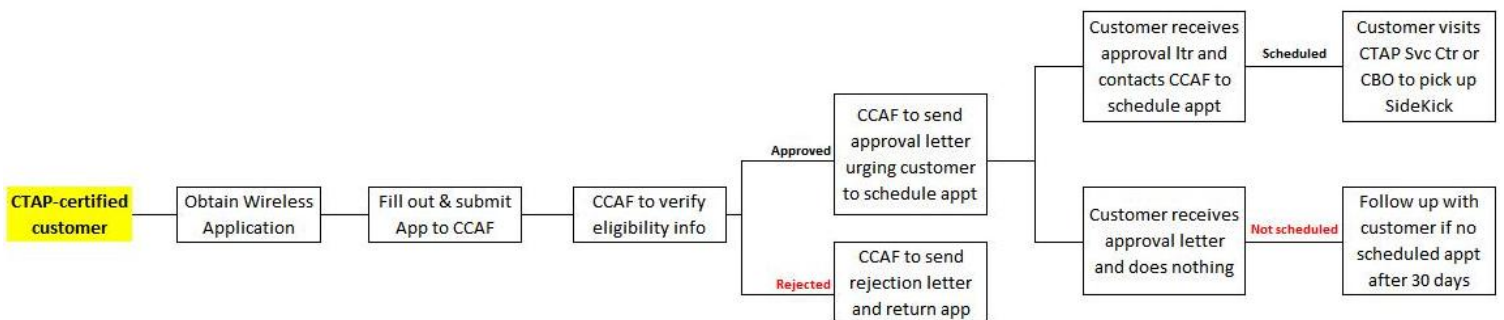
Identifying Candidates

The initial phase of the Pilot targets two categories of potential participants: 1) those who are already California LifeLine eligible or certified and CTAP-certified; and 2) those who are California LifeLine eligible or certified and CTAP-eligible.

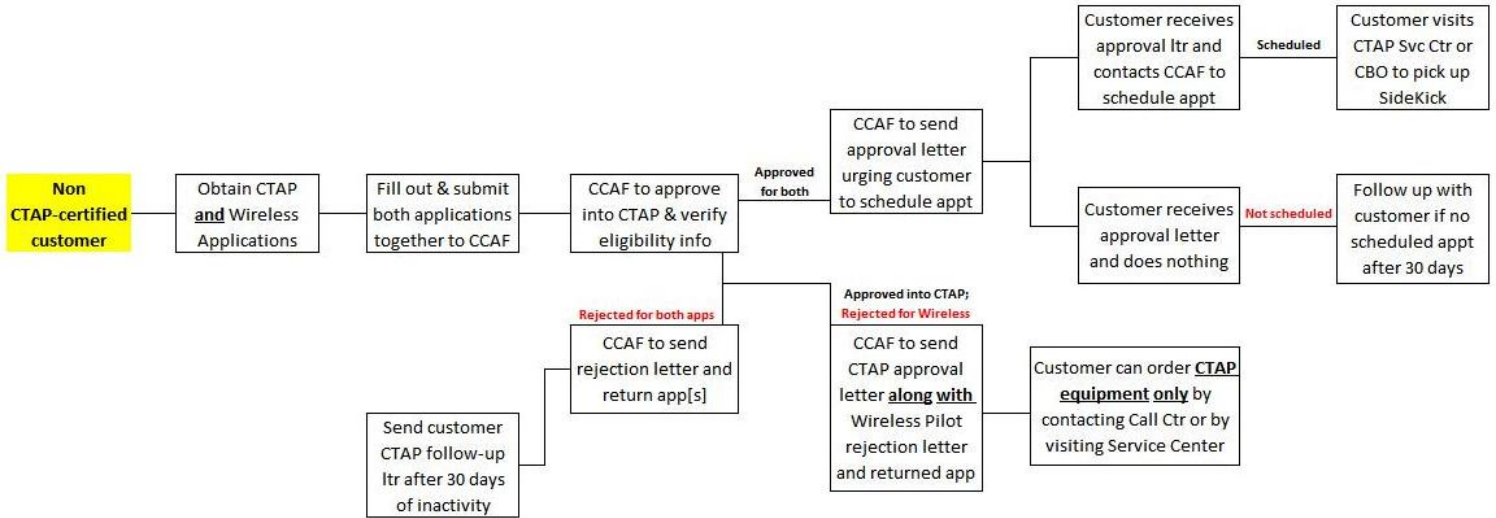
To reach these groups, two forms of marketing were utilized: materials distribution and presentations. Materials distribution would include postcards and informational packets which were mailed to CTAP customers and CBOs (Community-based Organizations) respectively in the Sacramento, Fresno, and Santa Ana areas. In addition, email blasts were sent out to list serves and various other email lists of organizations serving the deaf and the hard-of-hearing. Presentations were delivered throughout California, and coordinated, where possible, such that the presentation would be given in conjunction with other deaf community events, which had already been scheduled and advertised.

Certification Procedure

The first set of Pilot participants identified above (i.e., California LifeLine eligible or certified and CTAP-certified) was required to complete a Wireless Pilot Program Application, and return the document to the DDTP administrative contractor, the California Communications Access Foundation or CCAF. Below is a diagram which illustrates the process.



For the second set of applicants (i.e., California LifeLine eligible or certified and CTAP-eligible), two application forms are required to be completed (i.e., the CTAP Application and the Wireless Pilot Program Application). Below is a diagram which illustrates the process.



Distribution Channels

Once candidates are approved to enroll in the Pilot program, they are notified individually as to the date, time, and location (e.g., CTAP service center) they can pick up and receive training on their equipment. The CTAP service center sites in Sacramento, Fresno, and Santa Ana were selected to host the initial Sidekick iD orientation and distribution sessions in Phase I. T-Mobile/Fuse Wireless provided an ASL user and trainer who, working with CCAF staff, delivered a presentation, provided hands-on training, and responded to questions or comments on the device, as well as finalized service connectivity agreement with T-Mobile.

Surveys and Reporting

In order to collect demographic and attitudinal data about the Pilot program, participants are asked to participate in surveys. Survey layouts are anticipated to take the form of U.S. mail, web-based, email, or a combination thereof. The surveys are anticipated to provide a gauge of the overall effectiveness of the Pilot program, and are expected to indicate:

- the level of consumer demand for wireless equipment in comparison to traditional landline equipment currently offered through the program;
- the ease of the process to obtain the equipment and service;
- the extent that the wireless device meets the needs of Pilot participants and enhances their quality of life; and
- any feedback or suggestions about the Pilot program.

PILOT IMPLEMENTATION EFFORTS

Upon passage of Commission Resolution T-17089 on May 3, 2007, the authorizing resolution for the DDTP Wireless Pilot, CD proceeded immediately with Pilot implementation. The first step entailed finalizing a contract with T-Mobile's reseller, Fuse. The Sidekick iD was chosen as the device to trial in the Pilot because the DDTP consumer advisory committees and the DDTP's Administrative Contractor, the CCAF, identified the device as having high potential interest to eligible DDTP constituents, particularly those in the deaf community.

CD staff worked with T-Mobile/Fuse Wireless and the DDTP Administrative Contractor to delineate the scope of work required for the various T-Mobile/Fuse Wireless' contract and procurement documents, as well as various other Pilot implementation details. A CPUC contract with Fuse Wireless was finalized December 1, 2007.

At this point, the DDTP Administrative Contractor was able to start implementing its planned outreach efforts, which included an addition to the DDTP website, materials distribution, and presentations. Brief examples of each discrete marketing strategy are depicted below.

Materials Distribution

- 4,000 postcards were mailed on December 10, 2007 to CTAP customers in the Sacramento, Fresno, and Santa Ana areas.
- Informational packets were distributed to 152 CBOs on January 10, 2008, also in the Sacramento, Fresno, and Santa Ana regions.
- Email-blasts were transmitted to at least 10 list serves and various other email-lists, including Deaf California News, Ohlone Deaf Students, California Schools for the Deaf in Riverside and Fremont, and the CSUN Deaf Studies program.

Presentations

- Presentations were given in Fremont, Fresno, and San Leandro, as well as other areas.
- The number of attendees ranged from as low as 20 to as high as 200.
- Each presentation generated at least 5 individuals who expressed interest in the Pilot. One presentation had as many as 75 people who wanted to inquire further of the Pilot.

Website

- A new banner with contact information was added to the homepage of the DDTP website.

After a sizable number of Pilot applicants had been amassed and accepted, T-Mobile, Fuse Wireless, and the DDTP Administrative Contractor proceeded with equipment distribution, which occurred at the DDTP/CTAP services centers located in Santa Ana, Fresno, and Sacramento on April 21st, 23rd, and 25th of 2008 respectively. The following table encapsulates the results of each, and all, of the orientation and distribution sessions.

	Fresno	Sacramento	Santa Ana	Total
Approved Applicants	18	37	34	89
Picked-up	16	13	23	52
Did not pick-up	1	24	10	35
Cancellations	0	0	3	3

The training classes for the approved Pilot participants lasted 1 ½ hours, 20 to 30 minutes of which were allotted for the presentation, with the remainder dedicated to small group and personalized training. Pilot participants also were asked to sign service agreements from T-Mobile. Each session contained somewhere between one to eleven Pilot participants.

Regarding the “no-shows” (i.e., those who were scheduled to retrieve their text-messaging pager at a particular DDTP/CTAP service center, but did not), the reasons cited for their absence include lack of transportation, schedule conflicts, and distance from home. Some participants declined to proceed with the Pilot after the initial Sidekick iD training/orientation. Their reasons included that the device might not suit their needs, concern about their ability to pay the \$29.99 monthly service charge and the prospect of additional charges (e.g., potential need to pay for lost or damaged device, or a monthly charge for insurance; potential cost of unsolicited voice calls at \$0.30 per minute), and inadequacy of the font size. These concerns were largely addressed as they surfaced.

Following the first round of Sidekick iD trainings, CCAF, the DDTP administrative contractor made an effort to contact and distribute the remaining inventory to those who did not pick-up their equipment. CCAF’s follow-up efforts were met with considerable success in that of the 89 that were originally approved, 82 now have been provisioned a device. An additional 40 Sidekick iD devices are in the process of being ordered for distribution to an additional pool of Pilot participants which is being solicited and whose participation will be finalized using the process described earlier. This would increase the Pilot to 130 participants.

PRELIMINARY OBSERVATIONS AND FINDINGS

Participant Demographics

Since the first phase of the Pilot focused on the Sidekick iD text-messaging pager, the segment of the disability population which participated in this trial was predominantly the deaf and the hard-of-hearing. The vast majority of the participants resided within the vicinity of Sacramento, Fresno, and Santa Ana, the locations of DDTP/CTAP service centers where applicants retrieved their equipment. However, it should be noted that some traveled from afar to attend the Sidekick iD training which indicated a high level of interest. Moreover, the age of the participants ranged from school-aged children to seniors, and the gender make-up was fairly proportional between males and females.

Motivation for Participation

There were a number of Pilot participants who “went the extra mile” to attend the Wireless Pilot orientation and distribution sessions conducted by T-Mobile, Fuse Wireless, and the DDTP

Administrative Contractor. For instance, one enthusiastic man in his thirties and currently unemployed, commuted for several hours via Amtrak and bus to attend the Sacramento Sidekick iD training day. Prior to receiving his text-messaging pager, his previous modes of communication were limited to a library computer and his housemate's videophone. He expects the Sidekick iD to considerably facilitate his job-hunting experience.

Another example of an individual who took great lengths was a woman, who, despite suffering from a nerve disorder in her legs when driving for long periods of time, drove one hour each way to pick up her device. Other cases include a group of five that carpooled together while heading up to the Sacramento service class, a deaf, school-aged girl who was accompanied by both her hearing parents, and eleven applicants from the alcohol and drug rehabilitation center in Los Angeles that attended the Santa Ana session.

Pilot Costs

The Pilot costs can be subdivided into three primary categories: direct program costs; Pilot participant costs; and other costs. Beginning with the direct program costs, a breakdown is as follows:

- Maximum Total contract amount with Fuse Wireless for the purchase of the Sidekick devices, handling and refurbishment fees, and travel costs to attend the distribution days in California: \$49,950.00. Details below.
- Sidekick iD text-based wireless device: \$150.00 each.
- Handling fee: \$100.00 (for any devices that are unable to be refurbished and redistributed to Pilot participants).
- Contractor travel costs: \$4,500.00 for three sessions.

A second category of costs is that of Pilot participants. They are responsible for paying a monthly connectivity service charge of \$29.99 plus applicable State taxes and fees per line.

Lastly, there are other non-program costs. The wireless trial was notably resource intensive for all parties involved with implementation, namely, T-Mobile, Fuse Wireless, the DDTP's Administrative Contractor, CCAF, and CD staff. For example, the groups committed to biweekly, if not weekly, conference calls, as well as ad hoc meetings, to discuss Pilot planning and execution. Additionally, the Pilot team also expended considerable effort addressing and developing solutions for issues associated with the State contracting and procurement process, the differences between the trial requirements and the wireless industry business model, and the dual-eligibility requirement of CTAP certification and California LifeLine eligibility or certification. The aforementioned will be elaborated on further in the subsequent section.

CHALLENGES

State Contracting and Procurement Process

As mentioned in the Pilot Implementation section, a contract with T-Mobile/Fuse Wireless was required to execute the Pilot. The Pilot team experienced challenges in developing the contract

such that it would work for all parties. As a result, numerous iterations of the scope of work required for the contract were circulated for review and redraft. While this process was time-consuming, the Pilot team nonetheless devised a scope of work which was acceptable to all team members.

Despite efforts to carefully craft the scope of work, greater awareness of the fast pace of technology is needed. In the course of this Pilot, the shelf-life of the Sidekick iD nearly became an issue, because the text-messaging pager was discontinued shortly after the effective date of Fuse Wireless' contract. Even though this issue was resolved in that Fuse Wireless had sufficient inventory, the contract text of future phases should state that should the equipment be discontinued and no longer manufactured or otherwise available, the service provider would need to provide a comparable substitute.

Wireless Industry Business Model

In many respects, the requirements of the DDTP Wireless Pilot differed from the standard operating procedures of a typical wireless carrier. For instance, given its statutory authority, the DDTP/CTAP can only offset the equipment component costs of the wireless service package. That is, the program could subsidize the wireless device, but not the connectivity service associated with the device. Since the equipment and service are usually marketed and sold as one, this aspect presented a hurdle in terms of lowering the monthly service cost for participants, which was critical considering that the Pilot was directed specifically at those that are low-income. One way to tackle this concern is for the Commission to consider expanding the California Lifeline program to provide a discount on the communication service that is essential to the low-income individuals who receive wireless equipment through the DDTP program. By creating a new California Lifeline program targeted toward participants of the DDTP program, the Commission can ensure that the equipment purchased by the DDTP program will be effective in meeting the communication needs of low income users.

Another obstacle that the Pilot team wrestled with was the activation and early termination fees stipulated in the standard wireless provider service agreement. As with the example above, because the Pilot targeted individuals with limited financial means, the activation and early termination charges could discourage, if not preclude, the income-disadvantaged from participating in the Pilot. After a series of negotiations with T-Mobile, the wireless carrier agreed to waive the activation and early termination fees for purposes of the Pilot. In the future, a waiver or discount similar to the Link-Up component of California Lifeline² would be beneficial to low income users and important to the success of a wireless equipment program.

Also of note was the industry requirement of a credit screening for all prospective customers. To mitigate the risk of a consumer defaulting on his/her monthly service payment, wireless companies perform a credit background check on applicants to ensure that a user can meet his/her service cost obligations. Those who fail the screening are only allowed to sign-up for a prepaid plan, which is set-up as a "pay-as-you-go" basis. While this practice is typical, credit checks, as it applies to those with low-income, create a barrier since the poor may not meet the

² The federal Link-Up program currently includes wireless to the extent carriers wish to participate.

credit threshold requirement. To support the Pilot, T-Mobile indicated that it would conduct a credit check, but would not disqualify participants based on a below-average credit rating.

Furthermore, in order to conduct a credit screening, eligible participants were required to supply their social security number (SSN) and date-of-birth (DOB) to T-Mobile. Numerous applicants expressed concern with having to provide their SSN as the DDTP/CTAP had thus far never requested such information, and such disclosure could pose security risks, especially with identity theft becoming increasingly rampant.

Dual-Eligibility

The dual-eligibility constraint created challenges in recruiting qualified participants for the Pilot. One recurring snag was that a significant number of potential applicants had already disconnected their wireline phone. Those who could afford a wireless device or pager not infrequently had one. Further, this trend, apparently, is becoming increasingly pervasive in the deaf and hard-of-hearing population, particularly due to the flexibility and mobility a text-messaging pager affords in contrast with a fixed location telephone. With trends showing wireless equipment replacing its wireline counterparts, the result, in turn, was a dearth of persons with disabilities who could meet the Pilot LifeLine eligibility requirement since they do not have a landline phone. Additionally, many persons in the disability community rely on video relay service, which requires high-speed broadband.

To address the challenge of gathering a sufficient number of CTAP-certified and LifeLine-certified Pilot candidates, the DDTP Administrative Contractor intensified its marketing and outreach efforts. Although the more aggressive marketing and outreach strategies produced additional Pilot candidates, the program did not always have the minimum required numbers to conduct cost-effective training sessions.

As the initial determination that an applicant must be Lifeline certified was proving too restrictive, Commission staff and the DDTP Administrative Contractor recommended LifeLine eligibility (vs. certification) become the focus of Pilot implementation efforts. With this as the focus, a Pilot participant could furnish proof that he/she was low-income and California LifeLine eligible, he/she would satisfy the LifeLine requirement. For example, suppose John Doe provided documentation showing that he was on Social Security Income (SSI). Assuming that he is also CTAP-certified or -certifiable, he would meet the LifeLine eligibility prerequisite since SSI is a low-income program, and would qualify under method one (i.e., program-based) of the LifeLine program eligibility requirement. Other California LifeLine program-based eligibility requirements include:

- Medicaid/Medi-Cal
- Low Income Home Energy Assistance Program (LIHEAP)
- Federal Public Housing Assistance or Section 8
- Food Stamps
- Temporary Assistance for Needy Families (TANF)
- Healthy Families Category A
- National School Lunch's FREE Lunch Program (NSL)
- Tribal TANF

- Bureau of Indian Affairs General Assistance
- Women, Infant and Children Program (WIC)
- Head Start Income Eligible (Tribal Only)

As this proved successful in generating additional applicants, we recommend Lifeline eligibility be the requirement for a permanent program requiring dual eligibility.

NEXT STEPS

Phase I

The next step in Phase I of the Pilot will be to implement the survey described in the Pilot Design section of this report. Because the Sidekick iD devices were distributed a little over two months ago, Pilot participants will require additional time to become acclimated to their equipment. Once participants have used the Sidekick iD for at least several months, the DDTP Administrative Contractor will be in position to request for feedback via survey. Until then, CD's recommendations on ways to ameliorate the program, and analysis of lessons learned, will be deferred to a subsequent report.

Phase II

Phase II will focus on two additional devices for the Pilot by DDTP: the LG and the Jitterbug. The LG phones are expected to address needs of the blind, and those with mobility impairments, as the device offers a unique voice command feature. The Jitterbug is anticipated to meet the needs of those who are low-vision due to its enlarged keypad, plus be easily used by seniors and people with mobility impairments.

APPENDIX

Mailed Date: May 9, 2007

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Communications Division
Program Management & Implementation Branch

RESOLUTION T-17089
Date: May 3, 2007

R E S O L U T I O N

Resolution T-17089. To conduct a Pilot of a program which offsets the costs of wireless equipment for California Telephone Access Program (CTAP)-certified Pilot participants who meet a certain low-income threshold using Deaf and Disabled Telecommunications Program (DDTP) funds and to delegate authority to CPUC Executive Director to perform the required functions, including, but not limited to, entering into any necessary contracts, to execute and support the DDTP wireless equipment Pilot.

Summary

This resolution approves the establishment of a Pilot program which offsets the costs of wireless equipment for CTAP-certified participants who are also low income (i.e., CA Lifeline-certified) using DDTP funds. Specifically, Pilot participants will be offered an equipment credit not to exceed \$300.00 or the cost of the device alone, whichever is less, whereby he/she would purchase a wireless communications device, initially anticipated to be through a single provider; other providers may be considered in subsequent phases. The arrays of wireless equipment available to participants will initially (i.e., first phase of the Pilot) focus on equipment designed to facilitate text-messaging service but may also support other applications for purposes of providing the flexibility required to meet the diverse needs of Pilot participants. Moreover, the timeframe for the Pilot is anticipated to be 12 months with the possibility of extension to 24 months, which includes the number of months elapsed for the initial phase, upon written approval of the CPUC's Executive Director, and is expected to serve some 100-200 participants at the outset, but not to exceed 500 participants. Finally, this resolution delegates to the Commission's Executive Director the authority to perform the required

functions, including, but not limited to, entering into any necessary contracts, to execute and support the DDTP wireless equipment Pilot. The Commission retains the discretion to modify or terminate the Pilot program at any time.

Background

The Deaf and Disabled Telecommunications Program began through the efforts of an employee volunteer program at Pacific Bell Telephone Company, a local telephone carrier now known as AT&T California, sometime prior to 1978. This volunteer group repaired and sometimes provided equipment to hearing impaired customers. In 1978, the Commission issued Resolution T-9865 authorizing Pacific Bell to revise its tariffs to allow a special rate of \$14.00 per month for a display terminal to certified deaf customers. Subsequent Commission resolutions and Decision 90642 (1979) modified and expanded the program ultimately resulting in the first steps toward formally establishing a program to provide specialized, supplemental equipment to hearing-impaired customers at subsidized rates.

In 1981, the Legislature enacted Pub. Util. Code § 2881, which currently governs the program. The program is comprised of two components: The California Telephone Access Program, which provides equipment to eligible customers; and the California Relay Service, which enables eligible customers to use relay service to access the telecommunications network. The current surcharge for the program, effective April 1, 2007 until further revised by the Commission, is 0.37% as approved by Resolution T-17072 and cannot exceed one half of one percent. The Commission adopted a budget of \$69 million (T-16896) and \$69 million (T-17047) for the fiscal year's 2006-07 and 2007-08 respectively.

Discussion

The Telecommunications Access for the Deaf and Disabled Administrative Committee (TADDAC) in concert with the Equipment Program Advisory Committee (EPAC) have submitted to the Communications Division of the CPUC on January 24, 2007 a proposal (Appendix A) to conduct an initial trial of a paperless, voucher-like mechanism for the provision of California Telephone Access Program (CTAP) equipment in the Deaf and Disabled Telecommunications Program (DDTP). The trial will serve as a testing ground to see how the delivery of equipment to DDTP/CTAP users could be enhanced, as well as how the program could be expanded to embrace advanced communications devices, such as wireless applications. Currently, equipment is limited to communication devices compatible only with landline telephones (the DDTP/CTAP programs were conceived in a monopoly telephone era when wireless was not yet commercially available). The Commission is exploring how to revise its DDTP programs to take advantage of advanced communications technologies to enrich the lives of the deaf,

hard-of-hearing, and disabled community and to expand their telecommunications opportunities.

The Commission has statutory authority to undertake such a Pilot program. The DDTP was implemented to comply with P.U. Code Section 2881 more than twenty years ago. The legislation specifically authorizes separate programs to provide equipment and services to Californians who are deaf, hearing impaired or disabled. Advances in technology, shifts in the competitive markets, and major changes in service and price structures have resulted in mature newer technologies that are more practical and economical for eligible customers to use. The language in Section 2881 is sufficiently flexible to allow the Commission to expand the DDTP's offerings to include contemporary technologies. Accordingly, we conclude that the equipment and process authorized by this Pilot program are within the authority provided under Section 2881. Under PU Code Section 709(a), this Commission is to "continue our universal service commitment by assuring the continued affordability and widespread availability of high-quality telecommunications services to all Californians." Under PU Code Section 709(c), the Commission is to "encourage the development and deployment of new technologies and the equitable provision of services in a way that efficiently meets consumer need and encourages the ubiquitous availability of a wide choice of state-of-the-art services." Finally, under PU Code Section 709(d), the Commission is to make efforts to "assist in bridging the 'digital divide' by encouraging expanded access to state-of-the-art technologies for rural, inner-city, low-income and disabled Californians."

The Commission acknowledges the tremendous creativity and effort on the part of the committee members of both EPAC and TADDAC in developing this proposal. The Commission also praises the noteworthy efforts of T-Mobile, a national wireless carrier who has agreed to participate in the Pilot project. After consideration, the Commission has decided to make some modifications in the proposal to maximize the Pilot's efficiency and efficacy. We are putting in place a Pilot program where eligible participants will be issued a credit to be applied to the equipment component of a wireless communications device; the monies for the credit will come from the DDTP fund. The initial phase of the Pilot program is expected to be no longer than one year with the possibility of an additional one year extension upon written approval of the CPUC's Executive Director. The Pilot will not exceed two years total. The Pilot is estimated to serve 100-200 customers initially in the first phase of the Pilot, but may reach up to 500 total Pilot participants if necessary. The Commission retains the discretion to modify or terminate the Pilot program at any time.

For a DDTP constituent to qualify for the Pilot as a threshold matter, the Commission hereby sets two eligibility requirements:

- 1) He or she must be certified to receive CTAP equipment on loan (i.e., CTAP-certified); and
- 2) He or she must be certified to participate in the California Universal Lifeline Telephone Service (known as the ULTS or California LifeLine) program. This Lifeline program is limited to low income individuals.

Imposition of the low-income criterion is consistent with the Public Utilities Code. We adopt the low-income criterion for several reasons. First, this is a trial, and it is imperative that the group participating in the program be of a manageable size for efficient oversight and evaluation. Such evaluation is contemplated in Pub. Util. Code § 2881(c), which directs the Commission to study the feasibility of imposing personal income criteria. Second, we are mindful of the potential strain on the cost of the DDTP as a whole, given the pressure for the Commission to add new services and to expand Captioned Telephone Service. Notwithstanding our continued support for expanding the offerings of the program, we are mindful of our fiscal responsibilities and choose to proceed incrementally so as to evaluate program costs and benefits before expanding the scope of the program. Pub. Util. Code § 270(b).

Third, as noted above, the Commission is mandated by statute to focus efforts to deploy new technologies in recognition of their economic and societal impact. In keeping with that mandate, the Legislature also requires that the Commission assist in expanding access to newer technologies specifically to low-income and disabled Californians. Given these mandates and the desire to ensure manageability of the trial, accordingly, *at this juncture*, we have elected to limit the pool of eligible participants as set forth here.

Therefore, once it is ascertained that Pilot candidates meet these criteria and other requirements, including, but not limited to, falling within a certain geographic distribution, a specific DDTP constituent group, or the coverage area of the service provider or providers, they will be enrolled in the Pilot predicated on a “first-come, first-serve” basis. After an applicant is chosen to become an official Pilot participant, the Pilot participant will be issued a maximum credit of \$300.00 or the cost of the communications device (i.e., equipment component) alone, whichever is less, to obtain a wireless communications device of his or her choice. Subsequently, Pilot participants would exercise the equipment credit via a provider’s retail distribution channel, whether it is a physical storefront, an online store, a promotional booth, or some other venue. The credit, however, cannot be applied to the provision of service related to the wireless communications device.

In the initial phase, the Pilot is anticipated to be limited to a single service provider and focus on equipment designed to facilitate text-messaging; however, the number of service providers and types of equipment may be expanded in subsequent phases of the Pilot. Providers that wish to be considered for successive phases of the Pilot should contact and notify the Communications Division by emailing the Director of

Communications at jml@cpuc.ca.gov, identifying “Wireless Pilot-T17089” in the subject line. In the body, please provide contact information and a brief description of those wireless applications currently available which the provider would want to proffer for evaluation. We point out that, pursuant to statute, the CPUC’s DDTP/CTAP provides equipment to eligible participants. The relevant statutes do not, however, provide for the DDTP/CTAP to pay recurring service charges associated with use of the equipment provided (see P.U. Code section 2881 *et seq.*). Pilot participants are responsible for the costs of their chosen service plan(s), and should provide feedback on affordability, use, and features of the service that would be useful in formulating policies within this program. Thus, the Commission appeals to the participating service providers to voluntarily set up low cost rate plans especially for the DDTP program participants to obtain reduced service rates related to devices obtained under this program. We encourage service providers that have set up such low cost rate plans for DDTP program participants to aid the Commission in learning about the level of demand within the deaf, hard of hearing, and disabled communities for wireless equipment and services. Further, we expect the provider(s) will arrange for equipment returns, which may have negative salvage value, if the devices did not meet participant’s needs.

We direct the Communications Division (CD) staff to obtain regular feedback from the program participants as a requirement of their participation in order to evaluate the ease of the process to obtain the equipment and service, the impact of the new device on the participant’s quality of life, and suggestions about the Pilot program and a future permanent program. The CD is also directed to monitor the effectiveness of this Pilot program, via quarterly evaluations delivered to the Executive Director and the Commissioners, in addition to an annual report CD will prepare on the status of the Pilot program, to be delivered to the Executive Director and the Commissioners no later than 14 months after the Pilot is begun, and yearly thereafter should the Pilot continue beyond the first year. In the quarterly evaluations and the annual report, we expect to see CD’s evaluation of the first year’s results, including feedback on the application process, participant data, details on cost impacts on the program, recommendations as to a permanent program, and any suggested changes. We expect that this process will enable the staff to fine-tune the Pilot while it is underway, and that the one-year annual report will help identify any problems requiring higher level correction. We expect that the administrative process to participate in the Pilot program be as simple as possible while adhering to necessary and reasonable controls to ensure there is no waste, fraud, or abuse in the program.

The Commission delegates authority to the CPUC Executive Director to perform the required functions, including, but not limited to, entering into any necessary contracts, to execute and support the DDTP wireless equipment Pilot.

It is the CPUC’s expectation that the Pilot program will yield a number of insights into the current state of the deaf and disabled communities with regard to their use of

wireless communications devices. For example, the Pilot should inform the Commission as to the extent these wireless devices meet the needs of these participants and enhance their quality of life. We require staff to also report in the annual report on the cost of the Pilot program, with attention to data as to the cost per participant. We require the staff to ensure that the program design addresses potential fraud, abuse and security issues.

This Pilot program will help us evaluate whether low income persons who are eligible for the DDTP/CTAP programs should be afforded expanded access to wireless communications equipment. If the Pilot is successful, the Commission anticipates that with the advent of wireless communications offerings in the DDTP/CTAP, users would have access to a range of devices which were previously unavailable in the Program.

Comments

Public Utilities Code Section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Accordingly, this draft resolution was mailed for comments at least 30 days prior to being considered by the Commission.

On April 18, 2007, the Commission received comments from 8 parties, comprising of DDTP committee members, organizations representing the deaf, hard-of-hearing, and disability communities, and wireless providers, namely the Telecommunications Access For the Deaf and Disabled Administrative Committee, the California Relay Service Advisory Committee, Winston Ching, TADDAC speech-to-speech representative, the California Coalition of Agencies Serving the Deaf and Hard of Hearing, the Hearing Loss Association of California, the Hearing Loss Association of America, East Bay Chapter, AT&T-CA, and Omnipoint Communications dba T-Mobile.

The opening comments provided by the parties were well-considered and constructive. The following captures the salient points broached by the various parties and/or individuals: do not limit Pilot to low-income participants; quarterly evaluations and the annual report should be made available to the DDTP consumer committees; DDTP committees and vendors should be actively involved in Pilot design; ensure Pilot sample is representative of targeted population; include multiple providers in first phase or shorten to 6 months; utilize vendor and trade shows exclusively as the equipment distribution channels at the onset; there was concern regarding the applicability of the Pilot to various user communities including seniors; current complications of the LifeLine certification and verification processes could become a bottleneck to the Pilot; participants should be allowed to choose their cell phone and service plan; mandate service plan discounts.

On April 24, 2007, 6 parties submitted reply comments, including TADDAC, Winston Ching, the California Coalition of Agencies Serving the Deaf and Hard of Hearing, the Hearing Loss Association of California, the Hearing Loss Association of America, East Bay Chapter, and the Equipment Program Advisory Committee; the reply comments were equally considered thoughtful. Although the parties consented on a number of issues, they were dissenting on the following: the distribution channels for the Pilot; the return policy during the Pilot; the degree to which the credit concept should be fleshed out in the Resolution.

After careful consideration of the comments, the CPUC has elected to preserve the CA low-income certification requirement. The basis for maintaining the LifeLine eligibility qualification are four-fold. One of the underpinnings for the Commission to undertake this Pilot is to narrow the “digital divide” that exists not only with persons with disabilities but also with low-income individuals. Also, to prevent the Pilot from becoming unwieldy, the LifeLine qualification would limit the number of qualified participants and serve those who need it most. While all CTAP constituents could benefit from this Pilot, low-income persons with a disability or disabilities would benefit to a greater extent from the Pilot than those who are disabled but not low-income. Further, limiting Pilot enrollment to CTAP- and CA low-income-certified participants would ensure that Pilot dollars are well-spent. Finally, the CPUC has a fiduciary obligation to serve not only the disability community, but also the poor; the CA low-income certification requirement would achieve both ends.

With regard to the other comments, the Commission will provide the quarterly evaluations and the annual report for the DDTP consumer committees’ review. The CPUC will also seek input from DDTP committees during Pilot design. In terms of the comments which focused on the more detailed aspects of the Pilot such as the Pilot’s duration and the frequency of the credit, these particulars will be addressed in the program design and implementation stage of the Pilot. The Commission executive director will consider these recommendations during program design.

Findings of Fact

1. The Deaf and Disabled Telecommunications Program (DDTP) originated as an employee volunteer program at Pacific Bell Telephone Company, a local telephone carrier now known as AT&T - California, sometime prior to 1978.
2. In 1978, the Commission issued Resolution T-9865 authorizing Pacific Bell to revise its tariffs to allow a special rate of \$14.00 per month for a display terminal to certified deaf customers.

3. Subsequent Commission resolutions and Decision 90642 (1979) modified, expanded, and formalized the DDTP.
4. In 1981, the Legislature enacted Pub. Util. Code § 2881, which currently governs the DDTP.
5. DDTP is composed of the California Telephone Access Program (CTAP) and the California Relay Service (CRS).
6. The current surcharge for the program, effective April 1, 2007 until further revised by the Commission, is 0.37% as approved by Resolution T-17072 and cannot exceed one half of one percent.
7. The Commission adopted a budget of \$69 million (T-16896) and \$69 million (T-17047) for the fiscal year's 2006-07 and 2007-08 respectively.
8. The Telecommunications Access for the Deaf and Disabled Administrative Committee (TADDAC) in concert with the Equipment Program Advisory Committee (EPAC) have submitted to the Communications Division of the CPUC on January 24, 2007 a proposal (Appendix A) to conduct an initial trial of a paperless, voucher-like mechanism for the provision of California Telephone Access Program (CTAP) equipment in the Deaf and Disabled Telecommunications Program (DDTP).
9. The trial will serve as a testing ground to see how the delivery of equipment to DDTP/CTAP users could be enhanced, as well as how the program could be expanded to embrace advanced communications devices, such as wireless applications.
10. Currently, equipment is limited to communication devices compatible only with landline telephones (the DDTP/CTAP programs were conceived in a monopoly telephone era when wireless was not yet commercially available).
11. The Commission is exploring how to revise its DDTP programs to take advantage of advanced communications technologies to enrich the lives of the deaf, hard-of-hearing, and disabled community and to expand their telecommunications opportunities.
12. The Commission has statutory authority to undertake such a Pilot program. Under PU Code Section 709(a), this Commission is to "continue our universal service commitment by assuring the continued affordability and widespread availability of high-quality telecommunications services to all Californians."
13. Under PU Code Section 709(c), the Commission is to "encourage the development and deployment of new technologies and the equitable provision of services in a way that efficiently meets consumer need and encourages the ubiquitous availability of a wide choice of state-of-the-art services."
14. Finally, under PU Code Section 709(d), the Commission is to make efforts to "assist in bridging the 'digital divide' by encouraging expanded access to state-of-the-art technologies for rural, inner-city, low-income and disabled Californians."
15. The Commission acknowledges the tremendous creativity and effort on the part of the committee members of both EPAC and TADDAC in developing this proposal.
16. After consideration, the Commission has decided to make some modifications in the proposal to maximize the Pilot's efficiency and efficacy.

17. We are putting in place a Pilot program where eligible participants will be issued a credit to be applied to the equipment component of a wireless communications device; the monies for the credit will come from the DDTP fund.
18. The initial phase of the Pilot program is expected to be no longer than one year with the possibility of an additional one year extension upon written approval of the CPUC's Executive Director.
19. The Pilot will not exceed two years total.
20. The Pilot is estimated to serve 100-200 customers initially in the first phase of the Pilot, but may reach up to 500 total Pilot participants if necessary.
21. The Commission retains the discretion to modify or terminate the Pilot program at any time.
22. For a DDTP constituent to qualify for the Pilot as a threshold matter, the Commission hereby sets two eligibility requirements: 1) He or she must be certified to receive CTAP equipment on loan (i.e., CTAP-certified); and 2) He or she must be certified to participate in the California Universal Lifeline Telephone Service (known as the ULTS or California LifeLine) program.
23. This Lifeline program is limited to low income individuals.
24. Imposition of the low-income criterion is consistent with the Public Utilities Code.
25. We adopt the low-income criterion for several reasons.
26. First, this is a trial, and it is imperative that the group participating in the program be of a manageable size for efficient oversight and evaluation.
27. Such evaluation is contemplated in Pub. Util. Code § 2881(c), which directs the Commission to study the feasibility of imposing personal income criteria.
28. Second, we are mindful of the potential strain on the cost of the DDTP as a whole, given the pressure for the Commission to add new services and to expand Captioned Telephone Service.
29. Notwithstanding our continued support for expanding the offerings of the program, we are mindful of our fiscal responsibilities and choose to proceed incrementally so as to evaluate program costs and benefits before expanding the scope of the program. Pub. Util. Code § 270(b).
30. Third, as noted above, the Commission is mandated by statute to focus efforts to deploy new technologies in recognition of their economic and societal impact.
31. In keeping with that mandate, the Legislature also requires that the Commission assist in expanding access to newer technologies specifically to low-income and disabled Californians.
32. Given these mandates and the desire to ensure manageability of the trial, accordingly, at this juncture, we have elected to limit the pool of eligible participants as set forth here.
33. Therefore, once it is ascertained that Pilot candidates meet these criteria and other requirements, including, but not limited to, falling within a certain geographic distribution, a specific DDTP constituent group, or the coverage area of the service provider or providers, they will be enrolled in the Pilot predicated on a "first-come, first-serve" basis.

34. After an applicant is chosen to become an official Pilot participant, the Pilot participant will be issued a maximum credit of \$300.00 or the cost of the communications device (i.e., equipment component) alone, whichever is less, to obtain a wireless communications device of his or her choice.
35. Subsequently, Pilot participants would exercise the equipment credit via a provider's retail distribution channel, whether it is a physical storefront, an online store, a promotional booth, or some other venue.
36. The credit, however, cannot be applied to the provision of service related to the wireless communications device.
37. In the initial phase, the Pilot will be limited to a single service provider and focus on equipment designed to facilitate text-messaging; however, the number of service providers and types of equipment may be expanded in subsequent phases of the Pilot.
38. We point out that, pursuant to statute, the CPUC's DDTP/CTAP provides equipment to eligible participants on a loan basis.
39. The relevant statutes do not, however, provide for the DDTP/CTAP to pay recurring service charges associated with use of the equipment provided on a loan basis (see P.U. Code section 2881 et seq.).
40. Pilot participants are responsible for the costs of their chosen service plan(s), and should provide feedback on affordability, use, and features of the service that would be useful in formulating policies within this program.
41. Thus, the Commission appeals to the participating service providers to voluntarily set up low cost rate plans especially for the DDTP program participants to obtain reduced service rates related to devices obtained under this program.
42. We encourage service providers that have set up such low cost rate plans for DDTP program participants to aid the Commission in learning about the level of demand within the deaf, hard of hearing, and disabled communities for wireless equipment and services.
43. Further, we expect the provider(s) will arrange for equipment returns, which may have negative salvage value, if the devices did not meet participant's needs.
44. We direct the Communications Division (CD) staff to obtain regular feedback from the program participants as a requirement of their participation in order to evaluate the ease of the process to obtain the equipment and service, the impact of the new device on the participant's quality of life, and suggestions about the Pilot program and a future permanent program.
45. The CD is also directed to monitor the effectiveness of this Pilot program, via quarterly evaluations delivered to the Executive Director and the Commissioners, in addition to an annual report CD will prepare on the status of the Pilot program, to be delivered to the Executive Director and the Commissioners no later than 14 months after the Pilot is begun, and yearly thereafter should the Pilot continue beyond the first year.
46. In the quarterly evaluations and the annual report, we expect to see CD's evaluation of the first year's results, including feedback on the application process, participant

data, details on cost impacts on the program, recommendations as to a permanent program, and any suggested changes.

47. We expect that this process will enable the staff to fine-tune the Pilot while it is underway, and that the one-year annual report will help identify any problems requiring higher level correction.
48. We expect that the administrative process to participate in the Pilot program be as simple as possible while adhering to necessary and reasonable controls to ensure there is no waste, fraud, or abuse in the program.
49. The Commission delegates authority to the CPUC Executive Director to perform the required functions, including, but not limited to, entering into any necessary contracts, to execute and support the DDTP wireless equipment Pilot.
50. It is the CPUC's expectation that the Pilot program will yield a number of insights into the current state of the deaf and disabled communities with regard to their use of wireless communications devices.
51. For example, the Pilot should inform the Commission as to the extent these wireless devices meet the needs of these participants and enhance their quality of life.
52. We require staff to also report in the annual report on the cost of the Pilot program, with attention to data as to the cost per participant.
53. We require the staff to ensure that the program design addresses potential fraud, abuse and security issues.
54. This Pilot program will help us evaluate whether low income persons who are eligible for the DDTP/CTAP programs should be afforded expanded access to wireless communications equipment.
55. If the Pilot is successful, the Commission anticipates that with the advent of wireless communications offerings in the DDTP/CTAP, users would have access to a range of devices which were previously unavailable in the Program.
56. The Commission received comments from various parties; their comments were summarized and addressed herein this Resolution.

THEREFORE, IT IS ORDERED that:

1. A Pilot of a program which offsets the costs of wireless equipment for California Telephone Access Program (CTAP)-certified Pilot participants who meet a certain low-income threshold (CA Lifeline-certified) using Deaf and Disabled Telecommunications Program (DDTP) funds is authorized.
2. The CPUC Executive Director is delegated the authority to perform the required functions, including, but not limited to, entering into any necessary contracts, to execute and support the DDTP wireless equipment Pilot program.

This Resolution is effective today.

I hereby certify that the Public Utilities Commission adopted this Resolution at its regular meeting on May 3, 2007. The following Commissioners approved it:

/s/PAUL CLANON

PAUL CLANON
Executive Director

MICHAEL R. PEEVEY
President
DIAN M. GRUENEICH
JOHN A. BOHN
RACHELLE B. CHONG
TIMOTHY A. SIMON
Commissioners

Appendix A

(see next page)

TELECOMMUNICATIONS ACCESS FOR THE DEAF AND DISABLED ADMINISTRATIVE COMMITTEE

January 11, 2007

Mr. Jack Leutza
Director, Telecommunications Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94201

Dear Jack:

The Telecommunications Access for the Deaf and Disabled Administrative Committee (TADDAC) at its January 10, 2007 meeting approved the attached Wireless Equipment Paperless Voucher Test proposal as submitted by the Equipment Program Advisory Committee (EPAC).

As written, the proposal envisages a short test period of no more than six months to obtain feedback from testers identifying both the strengths and weaknesses of the tested item which will be a Sidekick 3 device. This is the initial test of a wireless device for potential use in the program. We are doing this in anticipation of a go ahead from the CPUC regarding wireless equipment being part of the CTAP program.

Our review determined that several additional steps must be part of the proposal.

- 1) There must be a form attached to all test equipment informing testers that the Sidekick 3 is not to be relied upon for 911 emergency calling. This is the case with all wireless equipment at this time. We recommend that each tester acknowledge the fact by signing a special form upon receipt of the equipment.
- 2) The selection process of test participants and other operational details of the test should be done in collaboration with CCAF.

- 3) At the end of the test period all testers will be surveyed regarding their views of service contract pricing plans and the affordability of various plans. Our hope is to identify what the most attractive service plan for the Sidekick is. Of course, all testers who retain the Sidekick 3 will be responsible for service plan payment.
- 4) We are not addressing the service contract pricing and packaging issue at this time. We do believe that this issue will best be addressed at the end of the test period.

TADDAC believes that these new aspect to the proposal as well as those directly addressed in the EPAC proposal will be implemented with the assistance of CCAF and with any additional required input from the Telecommunications Division as well as the Legal Division of the CPUC.

Should you have any questions regarding this proposal please direct them to Ann Ruth, EPAC Chair or myself. This is an important first step for the program and the CPUC as well.

Sincerely,

Philip H. Kaplan
Chair

Enclosure

cc: L. Gustafson
H. Mickiewicz
S. Bergum
A. Ruth

**Deaf and Disabled Telecommunications Program
Proposal to Trial a CTAP Wireless Equipment Distribution Program
Submitted by the Equipment Program Advisory Committee (EPAC)
December 2006**

PURPOSE

EPAC proposes the process described in this proposal to test a method of providing wireless telecommunications devices to certified CTAP consumers. EPAC proposes that this trial would begin with one specific wireless device provided through one wireless service provider, and the trial could expand to other devices and other providers once the proposed methodology is proven to be workable and effective.

PROCESS SUMMARY

EPAC proposes to conduct a trial of distributing a wireless telecommunications device through a “paperless voucher” process. The proposed device for the initial phase of this trial is the SideKick cellular phone, which would be provided by T-Mobile, in conjunction with data and/or voice-based monthly airtime service. In this proposed trial, CTAP customers would complete a separate wireless equipment application. Once approved, customers would visit a T-Mobile retail outlet (or a retail outlet of one of T-Mobile’s California resellers) to receive their equipment. Customers would select and pay for the monthly service plan most appropriate to their needs. T-Mobile has proactively offered to assist the DDTP in launching this trial, and the SideKick is currently widely used and accepted within the Deaf and Hard-of-Hearing communities.

The DDTP would need to ensure that all eligible consumers have access to appropriate distribution channels to receive their wireless equipment. For example, deaf people tend to not visit the retail outlets of cellular providers, because they typically cannot be served in ASL. Many people in the deaf community make their purchases at trade shows or on-line, and the DDTP would need to ensure that the paperless voucher could be used through these distribution channels.

The DDTP would pre-arrange billing arrangements with T-Mobile so that once the customer signed up for monthly service and informed T-Mobile of their status as an approved CTAP consumer, T-Mobile would deduct the cost of the wireless device (up to the maximum amount approved by the DDTP) from the initial bill of the customer. No paper voucher would be required. T-Mobile would verify the customer’s eligibility through contacting the CTAP call center on one of the lines reserved for telephone company contacts. T-Mobile would bill the DDTP monthly (with complete, approved back-up detail) for the cost of all wireless devices provided to CTAP consumers.

PROPOSED TRIAL PROGRAM RULES

EPAC proposes the following rules associated with this trial:

1. All trial participants would be able to keep their CTAP wireline equipment in addition to their wireless device. This is necessary to guarantee access to 911.

2. The CTAP wireless equipment application would contain a User Agreement, in which trial participants would need to agree to all terms and conditions of the trial, including the requirement to participate in surveys and to be responsible for the maintenance and repair of their wireless device. Trial participants would need to live in an area served by T-Mobile.
3. The wireless equipment would be owned by the consumer, not by the State. EPAC recommends that insurance on the wireless device be covered as part of the voucher amount, so that the consumer could replace a lost or damaged device. The consumer would be responsible for arranging all repairs or replacements of the equipment.
4. Trial participants would be eligible to receive a new paperless voucher after 2 years from the date of their initial voucher. During the 2 year period, any equipment exchanges or replacements would be transacted between the consumer and T-Mobile. DDTP would need to implement procedures to ensure that each eligible consumer receives only one voucher every 2 years.

ADVANTAGES OF A PAPERLESS VOUCHER PROGRAM

This type of a voucher distribution program offers the following advantages to the State and to consumers:

1. No requirement to purchase, warehouse, distribute, retrieve, and repair equipment, therefore no new program costs for these activities. All equipment would be owned by the consumer, with the consumer responsible for repairs and replacements within the 2-year voucher period.
2. No need to continually evaluate and update equipment to be offered by the program.
3. No requirement to print and distribute vouchers which could be forged or transferred, or otherwise fraudulently used for unintended purposes.
4. No requirement to select only certain limited wireless devices to be offered by the program. Consumers would select the wireless device best meeting their needs, and the wireless service providers (T-Mobile in the initial phase of the trial) would bill the DDTP for the cost, up to the maximum allowed. This would give consumers choice of any appropriate wireless devices offered by the service providers.
5. The paperless voucher methodology uses CTAP procedures already in place for the wireless service providers to verify CTAP eligibility and to bill the DDTP for the cost of the equipment provided to consumers.
6. This trial methodology would get equipment into the hands of consumers quickly, because there is no need to test and evaluate equipment which would then need to be procured through competitive bidding. There is no need for the DDTP to be involved in the monthly service provided to consumers in any way. (This would not preclude the program from negotiating discounts on monthly service plans that could be offered to consumers, but not paid for by the program.)

FURTHER TRIAL PHASES

EPAC recommends that the trial start initially with offering the SideKick cellular phone through T-Mobile. Starting out simply with one piece of equipment and one provider would allow the DDTP to perfect the trial acceptance procedures and the billing arrangements with T-Mobile. Once the “bugs” are worked out, other cellular phones could be offered through T-Mobile, and then other service providers could be added, in addition to T-Mobile.

CUSTOMER SERVICE OFFERED BY THE DDTP

With this paperless voucher program, consumers would be responsible for evaluating and selecting their own equipment. Consumers would look at and test out equipment at the retail stores of the service providers or through other appropriate distribution channels, rather than at the CTAP Service Centers. Broken or malfunctioning equipment would be returned to the wireless service provider, rather than to CTAP.

EPAC believes that the DDTP would need to provide timely and comprehensive product information to consumers to assist them with making good equipment choices. The DDTP itself should test the accessibility and usability features of wireless equipment offered by the service providers participating in the program and provide information about this equipment to consumers with their application packages. EPAC would assist the DDTP in identifying equipment that could be evaluated for the purposes of developing educational information for consumers.

The DDTP could also produce instructional aids for the most popular cellular devices in formats most accessible to CTAP consumers. For example, many blind and visually impaired users would need audible instructions for how to set-up and program their wireless devices. Instructional videos would also be useful for many CTAP consumers. CTAP could work with the wireless service providers to distribute the appropriate instructional information with the wireless devices.

Deaf and Disabled Telecommunications Program

Wireless Pilot Phase I: Sidekick Phase II: LG and Jitterbug 2nd Report

California Public Utilities Commission
Communications Division
November 2008

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	1
BACKGROUND	1
PHASE I FOLLOW-UP: SIDEKICK iD.....	1
Distribution Update	1
Administrative Changes	2
PHASE II.....	2
LG.....	2
Jitterbug.....	3
NEXT STEPS.....	3
Phase I.....	3
Phase II.....	3
APPENDIX	
Pilot Matrix	

EXECUTIVE SUMMARY

Pursuant to Commission Resolution T-17089, the Communications Division (CD) is implementing the multi-phase Deaf and Disabled Telecommunications Program (DDTP) Wireless Pilot Program (Pilot). For the first phase, the target is to distribute the maximum 200 devices allowed in the initial phase, and progress is being made in achieving this goal. In aggregate, 115 Sidekicks have been provisioned, with the expectation that the remaining will be distributed by the beginning months of 2009. Some important administrative changes are now in place in an attempt to tackle the various challenges faced during Phase I. Phase II is still in the initial planning stages. However, CD anticipates that equipment distribution will occur in 2009.

BACKGROUND

On May 3, 2007, the Commission issued Resolution T-17089, which authorized a pilot program to offset the costs of wireless equipment for CTAP-certified Pilot participants who meet a certain low income threshold. The initial phase of the Pilot centered on a text-messaging pager, namely the Sidekick iD. The Communications Division (CD) and the DDTP administrative contractor, the California Communications Access Foundation (CCAF), have been overseeing Phase I working with T-Mobile and Fuse Wireless.

The second phase of the Pilot program will focus on distributing wireless equipment which meets the needs of persons with mobility, vision, and/or cognitive disabilities. The wireless devices recommended for Phase II by the Equipment Program Advisory Committee (EPAC) and the Telecommunications Access for the Deaf and Disabled Administrative Committee (TADDAC) were two models of the LG phone, distributed by Verizon Wireless, and two models of the Jitterbug phone, distributed by Great Call. TADDAC and EPAC have selected this equipment due to superior accessibility features.

Phase I began in April 2008, with T-Mobile and Fuse Wireless holding distribution events for the device at three DDTP/CTAP service centers. A total of 89 applicants were approved and slated to retrieve their equipment at one of the distribution sites; 53 participants showed up while 36 did not. However, efforts to bridge the gap between those who picked up and did not pick up the device were successful in that 82 of the 89 have been provisioned a Sidekick iD.

PHASE I FOLLOW-UP: SIDEKICK

Distribution Update

Since the initial CD Pilot report, continuing progress has been made in identifying additional Pilot participants. Presently, 115 units of the 200 targeted have been distributed, an increase in 26 devices from the 89 identified in the last report. Also, there are 137 applications on hold as a result of incomplete documentation (e.g., evidence of low-income status). Of the applicants who have been verified to be both CTAP-certified and California LifeLine-eligible, 72 are awaiting the credit check review, and 44 are pending provision of their social security number (SSN) and date-of-birth (DOB). Given the progress thus far, CD anticipates that the remaining devices will be distributed by early 2009. The table below encapsulates the narrative above.

Units distributed	115
Incomplete applications	137
Applications pending credit check	72
Applications pending SSN and DOB	44

Administrative Changes

Several noteworthy administrative changes were undertaken to address some of the challenges discussed in the previous report. For example, potential participants in Phase I supplied their SSNs and DOBs to CCAF, who facilitated their collection on behalf of T-Mobile/Fuse, and in turn provided the data to Fuse. This was required for individuals to secure wireless service through T-Mobile. To facilitate the collection of SSNs and DOBs from applicants, Fuse created a web-based link whereby potential participants would be able to enter their information online. This procedure is expected to streamline the application process in that Fuse would have instantaneous access to an applicant’s SSN and DOB.

Along with the web-based link, Fuse has also agreed to mail postcards to approved Pilot participants, notifying them of their acceptance into the Pilot. The design of the postcards however will be handled by CD and CCAF. Also, for those individuals who lack internet access, or would prefer to speak with a live operator, Fuse Wireless will supply a toll-free number through which applicants may submit further application information or simply ask questions.

Another change dealt with the issue that the Sidekick iD was discontinued shortly after the effective date of Fuse Wireless’ contract. Specifically, Fuse has indicated that for all Sidekick iD orders placed after the first shipment, it will provide instead the new model of the Sidekick iD under the equivalent terms and conditions stipulated in its contract with the State. The successor device, plainly the Sidekick, is expected to provide value-added to Pilot users in that the new model contains the same functionality but with enhanced features such as “video voicemail”.

Finally, there was a shift in the distribution and training roles. At the onset, T-Mobile/Fuse was responsible for provisioning the Sidekick iDs to the Pilot participants as well as training the users. Given the more protracted nature of the Pilot, Fuse provided a train the trainer and CCAF assumed a greater role in the delivery of both of these services. Thus, instead of conducting mass distribution and training sessions on a few specified dates, approved participants who require additional instructions on how to use their device can receive this at a DDTP/CTAP service center.

PHASE II

LG

CD staff and CCAF have commenced preliminary discussions with Verizon, the wireless service provider for the LG devices recommended by the DDTP consumer advisory boards (i.e., TADDAC and EPAC) to be trialed in the second phase. To date, the issues broached have primarily revolved around Pilot requirements and possible service plan options. Verizon has

expressed commitment to working with the State to implement Phase II, and is currently exploring internally the degree to which their pricing models can meet the needs of the Pilot.

Jitterbug

At the moment, the service provider for the Jitterbug, Great Call, has had several meetings with CD staff and CCAF. The dialogue between the parties has focused on the scope of work required for the Pilot and Great Call's business model. While the standard operating procedures for a typical wireless carrier posed challenges for the Pilot, there were a number of attributes with Great Call's business model which were conducive to the trial program. For instance, the company offers a "pay-as-you-go" plan, and individuals need not undergo a credit screening as a prerequisite to obtain connectivity service. Also, Great Call has expressed a willingness to partner with CCAF at distribution and training events for the Jitterbug.

NEXT STEPS

Phase I

As mentioned above, CD is aiming for full distribution of the Sidekick by the first part of next year. In parallel with the distribution efforts, CD is working with CCAF to develop the content and format for the participant surveys, which is anticipated to be administered in 2009. Once the surveys have been administered, CD will be reviewing these to determine whether the monthly service cost was a barrier for many low-income individuals with disabilities to participate in the Pilot. Should this be confirmed, it would support CD's suggestion in the first report, which was to broaden the California LifeLine program to subsidize wireless service for DDTP users.

Phase II

For the LG, the next step involves working with Verizon to identify a viable service plan for the Pilot. With the Jitterbug, CD has initiated the state contracting and procurement process to seek authorization to enter into a contract with Great Call. Once approved, CD will proceed with Pilot implementation.

APPENDIX

	Device	Target Audience	Eligibility Criteria	Distribution Information	Training	Customer Service	Surveys	Challenges
Phase I	Sidekick iD	The deaf and the hard-of-hearing.	CTAP-certified and California LifeLine-eligible.	DDTP/CTAP services centers in Santa Ana, Fresno, and Sacramento on April 21st, 23rd, and 25th of 2008 respectively.	Provided by T-Mobile, Fuse Wireless, and CCAF.	T-Mobile/ Fuse primary. CCAF provides some support.	Ongoing	<ul style="list-style-type: none"> - State contracting and procurement process. - Wireless industry business model. - Dual-eligibility.
Phase II	LG	The blind and persons with mobility impairments.	CTAP-certified and California LifeLine-eligible.	TBD	TBD	TBD	TBD	TBD
	Jitterbug	The low-vision, seniors, persons with mobility impairments, and the cognitively impaired.	CTAP-certified and California LifeLine-eligible.	TBD	TBD	TBD	TBD	TBD