

**BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF  
MISSOURI**

In the Matter of the Review of the     )                   **File No. TO-2022- 0178**  
Relay Missouri Surcharge                )

**COMMENTS OF THE  
MISSOURI CABLE TELECOMMUNICATIONS ASSOCIATION**

MCTA – The Internet and Television Association of Missouri<sup>1</sup> (“MCTA”) respectfully provides comments in response to the Missouri Public Service Commission’s (the “Commission”) January 4, 2022 Order and Notice inviting responses to Staff’s recommendations in the matter of the Review of the Relay Missouri Surcharge. MCTA recommends that the Commission adopt a phased approach to increasing the surcharge and explore additional, sustainable funding sources.

In the filings, Staff analysis suggested that line quantities decreased from 1,498,860 in December 2019 to 1,243,946 in October 2021. Staff notes that the amount of reduction in number of land lines is approximately 0.68% monthly, or 8.20% annually. Using Staff’s historic analyses and trends, structural deficiencies in the funding mechanism for this program appear

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<sup>1</sup> MCTA – The Internet and Television Association of Missouri, is comprised of more than a dozen cable operators and affiliated entities in the telecommunications industry, as well as companies that provide goods or services to telecommunications providers.

to be exacerbated through the expedited move away from land line telephone services.<sup>2</sup> Land telephone lines no longer remain a sustainable mechanism for funding the Relay Missouri Program.

### *Comments*

MCTA would like to thank the Commission and Staff for the opportunity to comment on Staff's Memorandum. MCTA recognizes that structural deficiencies exist within the current available funding mechanism, and would take this opportunity offer some options to improve the sustainability of the program as a whole.

In Staff Memorandum, expenses are projected based on certain assumptions. Staff assumes that reimbursement rates for Relay, CapTel, and RCC service will remain at current levels. Usage of Relay services is projected to increase 4.31% annually, and CapTel usage is projected to decline 29.66% annually. Staff notes that RCC service<sup>3</sup> was introduced in 2018 as a new service, but that usage was minimal through 2019. Staff assumes RCC service usage will increase 10% annually.

Staff notes that prior to the Covid-19 pandemic, CapTel and relay service usage supported by the Relay Missouri fund had been declining, because users are increasingly using Internet-based CapTel and relay services which are not supported by the Missouri relay fund. Staff states that "The pandemic resulted in an increase in the usage of relay service usage, along with a significant increase in the usage of RCC service".

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<sup>2</sup> Staff Memorandum for TO-2017-0168 identifies line quantities declining at a rate of 3.13% annually. In contrast, Staff Memorandum for TO-2022-0178 identifies line quantities declining at a rate of 8.20% annually.

<sup>3</sup> RCC is an abbreviation for "Relay Conference Captioning"

Additional expenses identified by Staff include the equipment distribution program, which despite variance is projected at \$900,000 annually. Outreach expenses are projected at \$100,000 annually, while the advisory committee and State of Missouri administration expenses are projected to combine for \$15,000 in expenses annually.

### *Statutory Requirements*

Under the establishing statute<sup>4</sup>, the Commission shall provide a statewide dual-party system<sup>5</sup>, and the Missouri Assistive Technology Advisory Council shall provide statewide equipment distribution<sup>6</sup>. The Missouri Assistive Technology Council shall be the program administrator for the statewide telecommunications equipment distribution program<sup>7</sup>. The Missouri Assistive Technology Advisory Council may enter into contracts as necessary to carry out the telecommunications equipment distribution program<sup>8</sup>.

Statute also requires the Commission and Advisory Assistive Technology Council to make requests of appropriations from the fund for service delivery. Similarly, the Missouri Assistive Technology Advisory Council is required to request, through a separate budget line item, appropriations from the deaf relay service and equipment program fund<sup>9</sup>.

### *MCTA Recommendations*

Staff identified in Staff Memorandum that a significant increase in RCC usage occurred in 2020 as a result of the Covid-19 pandemic. Similarly, CapTel and relay service usage increased during the pandemic, where the usage previously declined. MCTA recommends that the

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<sup>4</sup> 209.253, RSMo.

<sup>5</sup> 209.253.1, RSMo

<sup>6</sup> 209.253.2, RSMo

<sup>7</sup> 209.253.5, RSMo

<sup>8</sup> 209.253.7, RSMo

<sup>9</sup> 209.258.4 RSMo

Commission request supplemental authority from the General Assembly for reimbursement of expenses associated with the Covid-19 pandemic to the Deaf Relay Service and Equipment Distribution Fund from Federal Fiscal Recovery Funds. As these expenditures were made through a pre-existing government service, the reimbursement for increased utilization would be an allowable expense.

Receiving reimbursement for expended funds from the Deaf Relay Service and Equipment Distribution Fund does not address the long-term structural insufficiencies that exist in current statute. As highlighted in Staff Memorandum, the number of land telephone lines continues to reduce significantly. Although costs not associated with utilization of services can be calculated through a fixed estimation based on current and historic expenses, those fixed estimates of costs continue to exceed fund revenues beyond the proposed surcharge of \$.10. Staff's proposed surcharge increase simply extends the timeline during which the fund balance remains within the "target range".

MCTA recommends, in addition to the recuperation of funds through supplemental budgetary request from Federal Fiscal Recovery Funds, that the current surcharge be increased through a phased-in increase, while the Commission and Staff analyze sustainable funding opportunities. MCTA recommends increasing the surcharge to \$.06 in 2022, and an incremental increase to \$.08 in 2023, unless a new funding source is identified. In 2024, should no sustainable funding opportunity become available, another surcharge increase to \$.10 may be necessary.

A phased-in approach not only minimizes impacts for consumers and providers, it can also be accomplished with little risk. Currently, the Relay Missouri fund balance exceeds \$1

million, even though there is a constant stream of surcharge collections, and it appears the maximum expenditure from the fund in any month over the last three years was approximately \$151,000 in January 2020. It is unclear there are any spikes in expenses in the past or in the future that would require a balance of more than six times the maximum monthly expenditure. Therefore, if a phased-in surcharge increase is adopted, stakeholders can evaluate and implement more sustainable funding sources without significant risk to the beneficiaries of the fund.

Recognizing that, should the current land line telephone quantity trend rate continue, by 2024 Missouri would project to have less than 950,000 land line telephone connections demonstrates the need for alternative mechanisms to fund the Relay Missouri Program. This would project to be a reduction of nearly 50% since 2016<sup>10</sup>, which is clearly not sustainable.

MCTA appreciates the opportunity to present comments before the Commission.

Respectfully submitted this 31<sup>st</sup> day of January 2022.

MCTA – The Internet and Television  
Association of Missouri

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<sup>10</sup> Staff memorandum in case TO-2017-0168 notes 1,857,817 line quantities as of September 2016

