DECISION MEMORANDUM

TO:COMMISSIONER NELSON

COMMISSIONER SMITH

COMMISSIONER HANSEN

MYRNA WALTERS

TONYA CLARK

DON HOWELL

STEPHANIE MILLER

DAVE SCHUNKE

EILEEN BENNER

JOE CUSICK

GARY RICHARDSON

WORKING FILE

FROM:WELDON STUTZMAN

DATE:JULY 24, 1996

RE:PROPOSED AMENDMENT TO ORDER NO. 26194 ESTABLISHING FUNDING FOR TELECOMMUNICATIONS RELAY SERVICES; CASE NO. GNR-T-95-4.

On July 1, 1996, the Commission issued Order No. 26507 stating it intended to amend previously issued Order No. 26194, which established new funding levels for telecommunications relay services (TRS).  Pursuant to the Commission’s Rule of Procedure 326, the Commission notified interested persons that it intended to amend Order No. 26194 to remove references to “surcharges” in the Order.  Interested parties were invited to provide written comments during the comment period, which expired on July 22, 1996.  Comments were filed only by GTE Northwest, Incorporated.

GTE briefly reviewed the history of the TRS funding legislation and the Commission’s implementation of the statute. GTE is aware the Commission took the position since the inception of TRS funding that TRS remittances are “part of the cost of doing business” and thus “should not be a separate line item surcharge but should be included in rates.”  Order No. 24686, p. 3.  However, GTE pointed out that the Commission promulgated new Customer Relations Rules for Telephone Companies in 1993, and that Rule 201 now requires bills to itemize all surcharges.  GTE thus contends Order No. 24686 and Rule 201 are not consistent.  After Order No. 26194 was issued last year with reference to TRS funding as surcharges, GTE filed Tariff Advice No. 95-15 to begin billing for TRS as an itemized surcharge, which tariff advice was approved by the Commission on Staff’s recommendation.  GTE believes “it is imperative that the customer know the extent of surcharges in order to make rational decisions when addressing the issue.”   GTE thus does not support the proposed amendments to Order No. 26194.

Upon receipt of GTE’s Tariff Advice 95-15 providing for recovery of TRS payments as a surcharge, Staff reviewed the TRS statute, the Commission’s rules and orders creating the TRS fund, and the Customer Relations Rule requiring all charges to be itemized, and recommended approval of the tariff advice. After learning later of the Commission’s clear directive in its 1992 Order No. 24686 that TRS charges are not to be itemized surcharges, Staff believes it erred by recommending approval of Tariff Advice 95-15, and thus recommends the Commission issue the amended order to delete all references to TRS remittances as surcharges.

Commission Decision:

Should the Commission issue the amended Order No. 26194?

Weldon Stutzman

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