



The Problem

There are roughly a million people in Colorado who are deaf, hard of hearing or deaf-blind – 20 percent of the total population. And critical telecommunications services provided for this community rely upon funds generated by an outmoded and inequitable surcharge.

The telecommunications relay services (TRS) was created in the wake of the passage of the Americans with Disabilities Act (ADA), in order to comply with a federal mandate to provide telecommunications access for thousands of people throughout Colorado. The Colorado Disabled Telephone Users Fund was created to fund the Colorado TRS.

When the TRS surcharge was put into effect in the early 1990s, landline phone connections were nearly ubiquitous in Colorado homes. Cell phones were far from common, and certainly Voice Over Internet Protocol (VoIP) service providers, such as Vonage, were nonexistent. It made sense, then, to apply this telecommunications surcharge to traditional landline connections.

But according to the Centers for Disease Control and Prevention, the number of adults living in households with landline connections is dropping dramatically. In 2011, 69 percent of adults were living in households with landlines. Just three years later, in 2014, that number had decreased to 56 percent. And a disproportionate number of these landline users are over the age of 65. Eighty-four percent of seniors are paying to keep a landline connection in their homes, while only 33 percent of adults ages 25 to 34 are doing the same.

Despite these technological and usage shifts, the state still applies its TRS surcharge solely to traditional landline connections.

The Background:

Colorado has made great strides in the expansion of access since the 1990 implementation of TRS. To understand the services provided, one needs to look at Relay Colorado, a partnership of the TRS provider (currently Sprint) and the Colorado Public Utilities Commission (PUC). Relay Colorado facilitates conversations, through operators, known as Communications Assistants, for individuals who are either deaf, hard of hearing, or those with speech impairments. The Relay program also offers services such as CapTel® Captioning Service, a captioning service for telephones. Each month, according to the PUC, Relay Colorado averages nearly 14,000 unique people who use these services for 56,000 to 64,000 minutes.

Since 2002, the Colorado Commission for the Deaf and Hard of Hearing (CCDHH) has overseen the Telecommunications Equipment Distribution Program (TEDP), which provides

telecommunications equipment, such as teletypewriters, amplified telephones, captioned telephones and cell phones. Last year, the TEDP fielded more 1,800 inquiries into the programs, and provided 500 pieces of telecommunications equipment.

In Fiscal Year 2015, the state allocated roughly \$3 million to pay for Relay Colorado and the equipment that provides this access. These funds are generated by the TRS surcharge and are administered by the Disabled Telephone Users Fund (DTUF), which is overseen by the PUC.

The DTUF ensures that Coloradans who are deaf, hard of hearing and/or speech impaired are able to receive critical alerts from emergency authorities, schedule a doctor's appointment, and speak with loved ones through telecommunications relay services. Without proper funding to provide these services, the state runs the risk of violating the ADA. Currently Colorado is generating all funds for DTUF via an unsustainable model by relying solely on traditional landline users to pay the sixty cents a year surcharge

The Solution:

Currently, Colorado's surcharge of five cents a month is applied to its roughly 1.7 million landline connections. This generates little more than \$1 million a year — a third of the \$3.2 million needed to fund DTUF programs and services.

Continuing to operate these programs and services on a five cents a month surcharge, despite this shortfall, has been possible because of a moderate budget surplus. By July 2016, however, this surplus will be exhausted and the surcharge will need to be tripled in order to maintain the current spending requirements.

CCDHH made a number of recommendations in its 2015 report, the first being that the TRS surcharge applied to traditional landline telephones be extended to wireless and VoIP users. To date, 25 states have taken a similar step.

When Colorado established the telecommunications relay services in the early '90s, the intention was clearly to provide the inestimable value of modern communications to every resident through a modest surcharge on anyone who used, what was then, the dominant technology. Times have certainly changed. The Colorado Public Utilities Commission anticipates a 2 to 3 percent drop every month in collections for landlines, while revenue from wireless carriers in Colorado is roughly \$950 million per year and rising.

With these trends likely to continue, the State Legislature must take action with a simple house-cleaning bill to modernize the state's TRS surcharge. During the 2016 session, the State Legislature needs to pass an amendment to C.R.S. 40-17-103, to expand application of the surcharge to cell phones and VoIP. If we do not, we will more heavily burden a decreasing number of Coloradans who already shoulder an inequitably applied surcharge while failing to take full advantage of our ever-changing technology.