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Hearing on Telecommunication Equipment and the Disabled Community

Senate Subcommittee on the Disabled

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SENATE SUBCOMMITTEE ON THE DISABLED
STATE OF CALIFORNIA

HEARING ON
**TELECOMMUNICATION EQUIPMENT
AND THE DISABLED COMMUNITY**

STATE CAPITOL
ROOM 112
SACRAMENTO, CALIFORNIA

WEDNESDAY MAY, 23, 1984
2:30 P.M.

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no. 3

HEARING
CALIFORNIA LEGISLATURE
SENATE SUBCOMMITTEE
ON
THE DISABLED

In the Matter of:)
TELECOMMUNICATION EQUIPMENT)
AND THE DISABLED COMMUNITY)

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MEMBERS PRESENT

Senator Milton Marks, Chairman

OTHER LEGISLATORS PRESENT

Senator Herschel Rosenthal

Assemblyman Gerald Felando

STAFF PRESENT

Ms. Dorothy Epstein, Coordinator

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P R O C E E D I N G S

--oOo--

CHAIRMAN MARKS: Good afternoon.

This is a committee of the Subcommittee on the Disabled. On my immediate left is Dorothy Epstein, the coordinator for the Committee. I'm Senator Milton Marks, the Chairman of the Subcommittee.

Today we're going to discuss the problem of concern with legislation that may be necessary as a result of the decertification of the telecommunications industry.

For several years, prior to the divestiture of the Bell System, Pacific Bell provided specialized Customer Premises Equipment, or CPE, and services to the certified disabled consumers in California. This was accomplished through a tariffed offering of specialized CPE at 50 percent of the full rate.

Customer services were provided through local centers which were staffed by specially trained personnel. The cost for these products and services exceeding the revenues collected through their rates were recovered from Pacific's overall rate structure.

Since the divestiture, many of these services are no longer available. The hearing will address the effects of the lack of services to the certified disabled community and what we may do to alleviate this very serious problem.

We have a series of witnesses. The first witness we'll hear is Mr. John Darby from the Hearing Society of the Bay Area, Executive Director.

1 MR. DARBY: Thank you, Senator Marks, Mrs. Epstein. I
2 am John L. Darby, Executive Director of the Hearing Society. I
3 have been authorized by our board of directors to present this
4 information to you. Thank you for this opportunity.

5 In early 1983, we at the Hearing Society became
6 concerned about the impact of divestiture on the provision of
7 specialized Customer Premises Equipment, or CPE, as you
8 referred to it, to hearing impaired and to other disabled
9 people.

10 On June 2, 1983, the Golden Gate University's Graduate
11 School, Department of Telecommunications Management, sponsored
12 a workshop "Telephone Issues in California." At that workshop
13 we asked specific questions about the fate of specialized CPE
14 for disabled people. The California Public Utilities
15 Commission members and staff present at that meeting were
16 unable to provide any answers.

17 Subsequently, we requested the CPUC to petition the
18 Federal Communications Commission, the FCC, for a waiver to
19 enable California to maintain the program then available to
20 disabled people in the state, which included:

21 One, telecommunication devices for the deaf, or TDD's,
22 for persons certified as having hearing and/or speech
23 impairments sufficient so as to require utilization of keyboard
24 devices -- the program made possible through the implementation
25 of SB 597 and the CPUC's decision to include speech-impaired
26 persons in the program.

27 And, second, specialized CPE, including but not
28 limited to amplifying handsets, speaker phones, automatic

1 dialers, special equipment for motion-impaired people, various
2 tone ringers, et cetera, for certified disabled people at 50
3 percent of the usual tariff.

4 Both aspects of this program in Pacific Bell's areas
5 were made available through HCAP, or Handicap Centralized
6 Assistance Point, centers. Services, personnel and equipment
7 for disabled persons of all types were available both in those
8 offices and through home visits when required and in all
9 communication modes necessary for the customers served.

10 As the representative of a regional nonprofit health
11 and social services agency, I must commend Pacific Bell for the
12 excellence of its program, which we certainly did not want to
13 see diluted.

14 On July 1, 1983, the San Francisco Chronicle published
15 an editorial supporting our position and urging the CPUC to
16 petition the FCC, as noted earlier. At our request several
17 national organizations also supported this effort -- and I will
18 not bother listing them, but they are in our written testimony
19 for you.

20 The CPUC forwarded comments consistent with our
21 concerns on July 17, 1983. On November 25, the FCC released a
22 Memorandum Opinion and Order which reserved to the states the
23 questions of whether embedded Specialized Terminal Equipment
24 for the disabled should be detariffed under the
25 Telecommunications for the Disabled Act.

26 As of January 1, 1984, however, all specialized CPE,
27 except for the TDD's, the telecommunication devices for the
28 deaf, became available only through the Specialized Needs

1 Center of AT&T in New Jersey.

2 Further, a month or two later, the TDD's for the
3 speech impaired were also transferred to AT&T. So, only
4 keyboard devices for the deaf and severely hearing impaired
5 remain available in California.

6 As a result, we have found disabled people are not
7 able to determine the benefits and/or problems with specialized
8 CPE without some familiarity with the equipment. It is
9 imperative that they have a hands-on experience with it to
10 determine its usefulness.

11 Disabled people are reluctant to order unfamiliar
12 equipment with the concomitant responsibility to ship it back
13 to New Jersey via UPS if it proves inappropriate or of
14 insufficient benefit.

15 The Special Needs Center staff are difficult to reach
16 by telephone, have been inconsistent in their information and
17 instructions, causing further confusion for disabled people in
18 need of specialized CPE.

19 Just yesterday our staff learned that a 95-year-old
20 woman who needs an amplified handset for her telephone and
21 whose son had ordered it three weeks ago on our referral still
22 has not received the equipment, nor any word on when to expect
23 it.

24 What do we need in California? We need a return to
25 the level of service prior to divestiture. We need to
26 establish the method of financing both specialized CPE and
27 concurrent services.

28 FCC approval has been obtained to include costs in the

1 embedded tariff base, with the approval of the state's Public
2 Utilities Commission; or,

3 Second, with the expansion of the deaf trust fund
4 established under SB 597 to a disabled services trust fund with
5 similar subsidy to be charged the ratepayers. This could be
6 implemented through legislative mandate and the CPUC regulatory
7 process.

8 The actions recommended are consistent with the
9 federal Telecommunications Act of 1982 and with other statutes
10 relating to the rights of handicapped persons.

11 Thank you for this opportunity to present this
12 information to you. We urge your favorable consideration of a
13 method to return specialized CPE to the HCAP centers in
14 California and thus to our many disabled citizens in need of
15 this equipment.

16 As a footnote to this testimony -- and I will leave
17 written copies with you -- we brought with us an example --
18 this is a special board we use in our assistive devices display
19 room at our agency.

20 All of this equipment is specialized equipment for
21 hearing and speech-impaired people which was available up until
22 January 1, 1984 in California. As of that date this equipment
23 is no longer available in California.

24 You will see that it includes a variety of devices
25 both for amplifying speech, for amplifying hearing; the input
26 and the output of the telephone receivers; special bells;
27 special adaptation of the bells; and special lights and ring
28 signal indicators.

1 All of this equipment is the kind of equipment that a
2 disabled person needs to be able to have and experience, to try
3 it out, to see it, and to find out whether or not the person
4 would be able to benefit from its use.

5 We did want you to see this. This is one example.
6 This does not include equipment for motion disabled or the
7 visually impaired.

8 But these are all pieces of equipment now that are not
9 available in California. And it is difficult for the people
10 that we serve to try to call an 800 number in New Jersey and
11 determine what it is, from this kind of a variety of equipment,
12 that they might possibly use.

13 CHAIRMAN MARKS: We probably should ask this of the
14 representative of the telephone company, but was this equipment
15 owned by the Pacific Telephone Company?

16 MR. DARBY: Yes, sir. I won't go into the TDD
17 ownership.

18 CHAIRMAN MARKS: Maybe I should wait until --

19 MR. DARBY: I may be corrected by some of the phone
20 company people, but our understanding is all of this equipment
21 was owned by Pacific Bell. At the time of the divestiture,
22 equipment was transferred to American Telephone and Telegraph.
23 Therefore, that equipment was moved from California -- the
24 special needs equipment was moved from California to New
25 Jersey.

26 I have to confess, it has not been universal. We've
27 been testing the system. We have talked to the Special Needs
28 Center in New Jersey several times. We have also shopped the

1 AT&T telephone stores. A few of them do have one or two of
2 these amplified handsets in it. When we mentioned that to the
3 people in New Jersey, they say, good heavens, they're not
4 supposed to have any of that; they're supposed to have shipped
5 it all back to us.

6 So, there is confusion in the existing system, which,
7 again, creates even further confusion for disabled people.

8 CHAIRMAN MARKS: How does the hearing-impaired person
9 now use the system? Do you dial an 800 number?

10 MR. DARBY: Yes, sir. I would like to say that we've
11 tested it a number of times. I dialed the 800 number starting
12 one morning at 8:30. I finally reached them at 9:05.

13 I reached a recording, which was a very poor quality
14 recording, telling me the circuits were all busy and to please
15 hold on. If I had a more significant hearing impairment than I
16 have, I wouldn't have understood what was being said to me.
17 Then some very garbled music arrived on the line. I sat there
18 for another five minutes until finally somebody came on the
19 line.

20 I told them what I was asking about. They didn't
21 know. They had to go to a supervisor. If I had had a more
22 significant impairment of hearing, I would have given up long
23 before.

24 CHAIRMAN MARKS: But if you had a hearing impairment,
25 you would have to dial the 800 number?

26 MR. DARBY: That's right. You would have to know what
27 piece of equipment you needed.

28 CHAIRMAN MARKS: What would you dial -- what would be

1 the purpose of your call?

2 MR. DARBY: To order, say, an amplified handset. They
3 would say, we have two handsets. We have a regular amplifier
4 and we have a high-gain amplifier. But the clerk can't tell
5 you at the other end of the line what they do for you. It's
6 just that they have two different sets.

7 They offer to send you one out. They say, well, do
8 you want one? If you want one, there's a \$25 service charge
9 and it's \$1.05 a month rental. This was quoted on the
10 amplified trimline set. Or \$26 to purchase directly, with a
11 thirty-day payment option.

12 So, the hearing-impaired person has to know exactly
13 what he or she needs. In the amplified handsets there would be
14 three -- the trimline and then the regular gain or the high
15 gain.

16 Then they ship it to you by UPS and you unhook your
17 phone line -- they're modular hookups -- hook it into the
18 handset that they send to you. If it doesn't work for you, you
19 have to repackage it, find the UPS office that is nearest to
20 you and take it back to them.

21 CHAIRMAN MARKS: Excuse me.

22 Mr. Felando, do you want to come up here?

23 ASSEMBLYMAN FELANDO: Yes. I'll go this way.

24 MR. DARBY: So, you would be responsible. So, then if
25 it didn't work for you after they shipped it out to you from
26 New Jersey, then you'd have to take it to the UPS office and
27 ship it back to New Jersey. Then they would send you a second
28 piece of equipment or a third piece, whatever it may be.

1 In other words, the equipment has to go back and forth
2 until they finally find something that will serve your needs,
3 if they find something.

4 CHAIRMAN MARKS: How did the system work before the
5 divestiture?

6 MR. DARBY: Well, in our area the person went to the
7 HCAP center in Berkeley and tried out all of this equipment.
8 If they were homebound and say there was a deaf person, they
9 even sent a home staff person fluent in total communication to
10 try out and install whatever equipment was needed by the
11 handicapped or disabled person.

12 Most disabled people went directly to the HCAP center
13 and tried out the different pieces of equipment, picked it up
14 and took it home with them.

15 CHAIRMAN MARKS: As I understand it, there is a fund.

16 MR. DARBY: Services trust fund.

17 CHAIRMAN MARKS: Do you think the deaf community would
18 be willing to in some way incur expenses to increase that
19 funding for this purpose?

20 MR. DARBY: I don't think it would be a question of
21 the deaf community incurring expenses, sir. At the present
22 time on all telephone bills in California it says
23 "Telecommunications for the deaf, three cents on every line."
24 There is some concern within at least the, quote, "deaf
25 community," or hearing-impaired community that that singles
26 them out that that is a special tax being levied for just them.

27 I believe, as a representative of a disabled services
28 agency, that if that line on the telephone bill, if CPUC saw

1 fit to change that and said "Telecommunication services for the
2 disabled" and enlarged the deaf services trust fund, that has
3 been established under SB 597, but it certainly could be
4 changed by legislative mandate.

5 CHAIRMAN MARKS: Thank you very much. We appreciate
6 your being here.

7 MR. DARBY: Thank you, Senator.

8 CHAIRMAN MARKS: Joining me is Assemblyman Felando,
9 who is very interested in the subject. We're very glad you're
10 here.

11 ASSEMBLYMAN FELANDO: Thank you.

12 CHAIRMAN MARKS: The next witness we have is Mr. Bob
13 Roche of the Pacific Telephone and Telegraph.

14 MR. ROCHE: Good afternoon. I'm speaking here today
15 on behalf of Pacific Bell to help clarify the issues --

16 CHAIRMAN MARKS: I'm sorry, Pacific Bell. It's not
17 Pacific Telephone Company.

18 MR. ROCHE: It's a recent change.

19 CHAIRMAN MARKS: The company has no relationship to
20 the present company.

21 MR. ROCHE: True.

22 I'm speaking to clarify the issues before this
23 Subcommittee regarding the provisioning and servicing of
24 specialized Customer Premises Equipment for the certified
25 disabled consumers of California and to present Pacific Bell's
26 position on these issues.

27 Prior to the divestiture of the Bell System, Pacific
28 Bell provided a variety of handicapped CPE and services to the

1 certified disabled consumer through its Handicapped Centralized
2 Assistance Point offices and equipment distribution offices.

3 These offices gave the hearing impaired and other
4 disabled people a place from which to obtain the personalized
5 service and sometimes customized equipment necessary to meet
6 their specialized needs. This has been viewed as one of the
7 most successful programs of its kind in the country.

8 The revenue required to operate this program came from
9 the monthly service charge for the specialized CPE, which was
10 provided at a 50 percent reduction from the tariffed rates, and
11 from subsidies derived from other revenue sources, many of
12 which have been transferred to AT&T as a result of divestiture.

13 Approximately 2.7 billion dollars of a total of 17.2
14 billion dollars in assets and 4.3 billion dollars out of a
15 total of 8.0 billion dollars in revenues were transferred from
16 Pacific Bell -- at that time Pacific Telephone -- to AT&T at
17 divestiture.

18 So, a very significant portion of the assets and
19 revenues associated with them were transferred to AT&T along
20 with this handicapped CPE

21 At divestiture on January 1, AT&T became the owner of
22 all CPE, including the specialized CPE that Pacific had
23 provided through its handicapped services program. Assets and
24 revenues associated with this were transferred to AT&T as
25 prescribed by the divestiture.

26 Along with ownership of the embedded equipment came
27 the responsibility to provide new equipment as required and to
28 maintain all equipment so provided. The exception to this was

1 the TDD program for the deaf, which is administered by Pacific
2 Bell on behalf of the Deaf Equipment Acquisition Fund trust who
3 retained ownership of the TDD instruments.

4 Also, as required by the rules of divestiture, many of
5 the employees involved in provisioning and maintenance of the
6 transferred CPE followed their work and became part of AT&T, or
7 were transferred to other assignments within Pacific Bell.

8 This left AT&T with the equipment, revenues and
9 personnel necessary to continue the handicapped services
10 program as begun by Pacific Bell.

11 AT&T has chosen to centralize its handicapped service
12 program in New Jersey. This means that the localized and
13 personalized services handicapped customers have come to expect
14 are no longer available.

15 Since AT&T choose this course for the handicapped
16 services in California, questions and complaints regarding the
17 services provided have been raised by groups representing the
18 handicapped and by the California Public Utilities Commission
19 itself.

20 Indeed, it is clear that some changes will have to be
21 made if the level and quality of services provided the
22 handicapped consumer are to be restored to their former levels.

23 However, while working to solve the present problem,
24 we must not forget the circumstances which created it.
25 Divestiture was mandated by the federal courts and not elected
26 by Pacific Bell. We did not abandon the handicapped services
27 program, we passed it on to AT&T as we were required to do by
28 law.

1 As a consequence of divestiture, we are no longer in
2 the CPE business. We own no CPE and no longer have the
3 personnel to service it. Furthermore, Pacific has relinquished
4 the revenue streams which have been subsidizing the provision
5 of handicapped services.

6 Now, I'd like to present and explain Pacific Bell's
7 position regarding some of the potential solutions which have
8 been proposed to solve this situation.

9 The simplest and most direct solution is for AT&T to
10 continue to own the specialized CPE, as they do with many other
11 types of leased equipment, and for them to provide the level of
12 service required to adequately address the needs of the
13 handicapped consumer. AT&T has the equipment, revenue stream,
14 personnel and facilities to provide those services now.

15 CHAIRMAN MARKS: Would you mind doing that first point
16 you were just making. Were you making some suggestions?

17 MR. ROCHE: No, I was just --

18 CHAIRMAN MARKS: Okay.

19 MR. ROCHE: I'll be getting to some.

20 CHAIRMAN MARKS: Okay, I'm sorry.

21 MR. ROCHE: As an alternative to this solution -- that
22 is, AT&T providing the service -- Pacific Bell would be willing
23 to act as an agent for a third party, such as AT&T, if doing so
24 would provide the best services for the needs of the
25 handicapped CPE user in California.

26 This would require reimbursement of Pacific Bell's
27 costs associated with the program. The cost of such a program
28 would depend upon the contractual arrangements required for

1 servicing the equipment.

2 We are not now and do not wish to be in the CPE
3 business in the future. These solutions to the present
4 situation are the only ones currently acceptable to Pacific
5 Bell. I appreciate this opportunity to present to you our
6 position in this matter.

7 CHAIRMAN MARKS: How much did the service cost you
8 when Pacific Telephone had it? How much can it cost you?

9 MR. ROCHE: I don't know exactly because we didn't --
10 when we had all the service, it was kind of melded in with all
11 our other costs. We didn't account for it separately. There
12 was no need to account to any organization other than the CPUC
13 on a very broad level.

14 But the estimates of the costs are in the two to three
15 million dollar area.

16 CHAIRMAN MARKS: Why wouldn't the Pacific Bell be
17 agreeable to starting -- having a system, provided you were
18 adequately compensated for it?

19 MR. ROCHE: We do not want to own the equipment.
20 We're willing to be the facilitator, the contact with the
21 customer, the person in between the customer and the service
22 provider.

23 We don't want to take on equipment. We have no other
24 equipment that we own. We don't have a servicing department.
25 The installation and maintenance personnel were all transferred
26 to AT&T. We don't have that group any more.

27 If we were to take on any kind of a service, we would
28 have to contract with a third party to do that kind of work.

1 CHAIRMAN MARKS: Ordinarily, the telephones that we
2 have, who owns them?

3 MR. ROCHE: AT&T, if they are leased.

4 CHAIRMAN MARKS: All of them?

5 MR. ROCHE: No, there are a lot of private companies
6 that sell telephones.

7 CHAIRMAN MARKS: Pacific Bell doesn't have any?

8 MR. ROCHE: We do not.

9 CHAIRMAN MARKS: Well, maybe our problem is with AT&T.
10 But why don't you sort of stand by a little bit.

11 May we hear from the representative of AT&T.

12 I must say that the more I see of it, the less good I
13 think came from divestiture.

14 MR. DENNIS: I think I am prohibited, Senator Marks,
15 from applauding, although I might --

16 CHAIRMAN MARKS: You're prohibited from applauding?

17 MR. DENNIS: I'm John Dennis and I represent AT&T to
18 discuss the situation that is being presented to you today.

19 I wanted to state at the outset that I agree in large
20 part with what Mr. Darby had to say about the situation and his
21 proposals.

22 I would add one thing to what Mr. Darby had to say.
23 We are faced with beginning a brand new company, if you will,
24 attempting to provide services in the fashion that we are. And
25 we are very, very desperately trying to correct the delays that
26 have occurred from the provisioning of those services. We
27 think we're well on the way to doing that.

28 In addition to that, I would like to add a couple of

1 important points.

2 The legal requirements prohibit AT&T Information
3 Systems, which is the current owner of the Customer Premises
4 Equipment that Mr. Roche has been talking about, from offering
5 tariffed equipment in any state.

6 In the State of California, the commission has decreed
7 that the handicapped services, or the equipment that is
8 provided for handicapped services, must remain under tariff.

9 Therefore, AT&T has formed 22 separate operating
10 companies. And in the State of California, AT&T California
11 Incorporated is the owner of the Customer Premises Equipment
12 that is provided for services for the deaf for -- or rather for
13 the handicapped -- other than that that is provided by the Deaf
14 Trust Act under -- that is handled by Pacific Telephone.

15 Those prohibitions do not allow AT&T Information
16 Systems to own it. We have a separate corporation that is
17 doing nothing but providing the ownership of the equipment and
18 we are providing it under tariff of the California Public
19 Utilities Commission.

20 They have no employees, they have no facilities. But
21 we are continuing to provide it under contract with AT&T
22 Information Systems to provide installation and maintenance.

23 Existing today in the State of California are handicap
24 service centers that offer services to the hearing impaired.
25 Those are TD devices that are offered and owned by that deaf
26 trust system.

27 Those are maintained by Pacific Bell. People that
28 come into there understand what the requirements are and

1 provision is taken care of.

2 The deaf trust fund does provide complete compensation
3 through Pacific Bell for those services. It does not take care
4 of any of the other handicapped requirements.

5 Confusion exists as a result of that. We have
6 provided in New Jersey a handicapped services center that will
7 take care of the other requirements. And those services, as I
8 indicated, are provided under tariff in the State of
9 California.

10 But people do not know, when they go into those
11 centers, that they can only be taken care of if they are
12 hearing impaired. Frequently they're not even directed to the
13 service that is available to them in New Jersey.

14 Therein lies the major problem. I think, one, it
15 needs to be simplified for the handicapped. They need to have
16 one place to go where service can be provided for all forms of
17 handicap.

18 And, secondly, we really need to provide in the State
19 of California for a means of providing for our social
20 responsibility. That is to say, if there is a tax that is
21 required to cover these services, then it should be taken care
22 of and it should be taken care of for all handicapped and not
23 just the one.

24 A service exists today in the form of the hearing
25 impaired trust fund. I'll wait.

26 CHAIRMAN MARKS: I'm sorry, go ahead.

27 MR. DENNIS: That's perfectly all right.

28 Service exists today to deal with one -- that is, the

1 hearing impaired. Another service exists today provided by
2 AT&T of California. It is a service that exists admittedly
3 only in New Jersey. It is by telephone. Hopefully we are
4 going to provide as good a service as is possible.

5 But as long as there is a division of those two, there
6 is going to be a problem and a confusion. It needs to be
7 centralized in one location for all the people.

8 CHAIRMAN MARKS: Let me ask you a question. Does AT&T
9 have offices in California?

10 MR. DENNIS: AT&T California, Inc., which is the owner
11 of that equipment, has no offices, it has no employees in the
12 State of California, no.

13 CHAIRMAN MARKS: Do you sell any telephones?

14 MR. DENNIS: AT&T Information Systems has offices and
15 they sell telephones.

16 CHAIRMAN MARKS: In California?

17 MR. DENNIS: In California. But they're prohibited
18 from providing anything that is under regulation. That's my
19 major point. They cannot do it by law.

20 CHAIRMAN MARKS: You are prohibited by what from doing
21 this?

22 MR. DENNIS: There are two restrictions. The federal
23 communications restriction on information systems providing
24 regulated services. They are an unregulated corporation. They
25 may not provide regulated services. And the divestiture of the
26 Bell System under the court order, under the modification of
27 final judgment, does preclude the local operating companies
28 providing that embedded equipment.

1 If it is going to be available in the State of
2 California, it needs to be available and offered under a single
3 source by a socially provided operation. And the natural
4 solution, it seems to me, would be the existing deaf trust fund
5 if it could be expanded under law to incorporate that.

6 CHAIRMAN MARKS: If I want to buy a regular telephone
7 instrument from AT&T, can I buy it from California?

8 MR. DENNIS: You certainly can. You can buy it from
9 AT&T, you can buy it from Radio Shack, you can buy it from
10 anyone.

11 CHAIRMAN MARKS: Then why can't I buy an AT&T deaf or
12 hearing-impaired system in California?

13 MR. DENNIS: You can. There is no prohibition against
14 that. The point that Mr. Darby made is that it has been
15 provided at less than cost. It has been provided at 50 percent
16 of the prior tariff rate.

17 That is continuing to be provided by AT&T California,
18 but no one else is going to come in and compete for that if
19 they're not going to make money, in fact if they're going to
20 lose money. They simply will not do it.

21 It's available to them at cost. What we're suggesting
22 here is that the provisions that existed under prior Commission
23 rulings be continued and offered as a service to the
24 handicapped and have it done so in a manner that is not
25 confusing to the handicapped; one place for them to go and it
26 would have all the services that they need and have that
27 supported in some form typical of any social program.

28 One exists. It is the hearing impaired services that

1 exist. If we could simply expand that to incorporate it, it
2 would accomodate the needs of the handicapped.

3 CHAIRMAN MARKS: So, the ability to have the system
4 exist -- I mean, it's possible to establish some kind of a
5 trust, is that what you're saying?

6 MR. DENNIS: One exists, Senator. All I'm suggesting
7 is that that trust fund that exists today, which is limited
8 only to the hearing impaired, be expanded to accomodate the
9 needs of all of the handicapped. Allow them one place to go.
10 Don't force them to go to more than one place, don't create
11 confusion. But allow them simplicity and allow for social
12 requirements to be taken care of and accommodated.

13 CHAIRMAN MARKS: You had a question?

14 SENATOR ROSENTHAL: No.

15 CHAIRMAN MARKS: Just a moment.

16 Thank you very much. We appreciate your being here
17 and hope we can resolve this problem.

18 MR. DENNIS: Thank you, Senator.

19 CHAIRMAN MARKS: Senator Rosenthal.

20 SENATOR ROSENTHAL: Mr. Chairman, I'm very pleased to
21 see that the Subcommittee on the Disabled is holding this
22 hearing today, because I know there are probably many ways we
23 can improve our ever-changing telecommunication system so that
24 the disabled can be better served.

25 I know from examples in my own district that the
26 problems associated with disabled using telephone equipment
27 stretch far beyond the mandatory three-cent surcharge that the
28 deaf can address.

1 As Chairman of the Committee on Energy and Public
2 Utilities, I've been following the situation with the AT&T
3 handicapped tariff since the divestiture and hope this hearing
4 will provide some possible solutions to some of the problems
5 I've heard about.

6 I'm certainly interested in any possible legislative
7 solutions aired here and I would work with you, Mr. Chairman,
8 to see that the disabled are able to enjoy the same access to
9 communication services that you and I enjoy. And not just the
10 hearing impaired. The point made by AT&T is a point well worth
11 being made. There are other kinds of problems that exist out
12 there and we need to begin to address them in terms of
13 telecommunications.

14 Whatever comes out of this hearing, I will cooperate
15 with you or you with me to do something about that particular
16 problem in terms of the disabled in California.

17 AT&T, in my opinion, has done a fine job, but it needs
18 to be expanded.

19 CHAIRMAN MARKS: Well, we hope we can come up with the
20 legislation that will resolve this problem. I look forward to
21 working with you on it.

22 SENATOR ROSENTHAL: Fine. Thank you, sir.

23 CHAIRMAN MARKS: Thank you.

24 Is there a representative from the General Telephone
25 Company here?

26 MR. GARCIA: Senator, our witness wasn't able to make
27 it. He's in San Francisco. But I'll be happy to take back any
28 information you might want from General Telephone and provide

1 it to the Subcommittee.

2 CHAIRMAN MARKS: Thank you. Would you give your name,
3 please.

4 MR. GARCIA: Tom Garcia, General Telephone.

5 CHAIRMAN MARKS: Is Mr. Ralph Black, the Director of
6 Client Services for Resources for Independent Living here? Is
7 he here? Mr. Greg Lim also wants to testify.

8 Would you mind, just for the stenographer, would you
9 please give your name and your affiliation.

10 MR. BLACK: Yes. Senator Marks, my name is Ralph
11 Black and I'm here representing the California Association of
12 the Physically Handicapped. Our organization, as you may know,
13 represents several thousand disabled people with various
14 disabilities throughout the state.

15 Many of our members have become very concerned about
16 this issue in the last few months. I began receiving calls
17 from various chapters last spring. We have been watching this
18 issue from a legislative perspective this year.

19 The problem, as I see it, breaks down this way. After
20 the divestiture, Pacific Bell is now responsible for equipment
21 and services other than the actual telephone instrument in your
22 home. They are responsible for local telephone service. That
23 means the lines and the switching equipment and all of that.
24 They're not responsible for long distance service or for the
25 equipment in the home.

26 On the other hand, AT&T is responsible for the long
27 distance services. And one branch of AT&T, that is AT&T
28 Information Services, is an unregulated competitor with all of

1 the other private companies that sell telephone equipment.

2 And under the federal court order, there is yet
3 another piece of AT&T, which in this state is called AT&T of
4 California, which has responsibility for providing the
5 handicapped services, which is the only part of AT&T's previous
6 operations that is under regulation.

7 Now, the problem arises, as you have heard described
8 to you up to now, because of the confusion between these
9 various roles, at least in the minds of the consumers, who were
10 used to, in the previous arrangement, under which all of these
11 services were centralized and provided by Pacific Telephone.

12 The service that's now available from New Jersey
13 through AT&T is not of comparable quality to what we were used
14 to receiving and is not comparable to the services provided to
15 the deaf and hearing impaired because of their specialized fund
16 that was set up under SB 597.

17 The groups who have been interested in this issue --
18 myself included and a number of the others who will be
19 testifying this afternoon -- met on April 26th with
20 representatives from AT&T of California. Pacific Bell was not
21 represented at that meeting.

22 The discussion there led us to consider three
23 alternatives for how to solve this problem. One obvious
24 solution would be for AT&T of California to provide the
25 services and to do so in a manner which would be comparable in
26 quality to what was previously provided.

27 They don't want to do that because that means having
28 personnel and service staff in California rather than handling

1 all of this through New Jersey, which obviously is more
2 expensive.

3 The second alternative is for Pacific Bell to handle
4 the service, but they would rather not do that because its now
5 in the jurisdiction of AT&T. And if they do do it, they would
6 want to be compensated for it.

7 The third alternative that has been discussed here by
8 John Darby was the alternative of having the deaf trust fund
9 expanded to include services for other disabled individuals.
10 This seems to us the best of the three options.

11 We, therefore, support that recommendation and would
12 like to see legislation introduced that would implement that.

13 I would, however, point out, I think that one of the
14 issues that has not been really discussed adequately is how
15 that would be funded. I think the assumption is that it would
16 be funded by the assessment of the three cents on the
17 individual customer billed and perhaps even by increasing that
18 amount, if necessary, to cover these additional costs.

19 We don't have any objection to that solution if that
20 is the solution that the Legislature would choose in terms of
21 how those services would be funded.

22 But I think in fairness, it should be pointed out that
23 both Pacific Bell and AT&T now receive revenue which was
24 intended to provide those services. AT&T has the equipment,
25 which was previously the property of Pacific Telephone, which
26 was transferred to them. And they receive the amount of money
27 that the disabled customer pays each month for that equipment.

28 On the other hand, Pacific Bell has revenue which was

1 previously being used to subsidize down to the 50 percent level
2 that equipment and services. Granted, that money that Pacific
3 Bell has is buried in their rate structure and is not
4 specifically delineated, but in fact at some point in the past
5 when they went to the Public Utilities Commission and asked for
6 that rate structure, part of the justification was that they
7 needed to subsidize services to the disabled.

8 They're not doing that now. So, it seems that if we
9 are going to go with the option of having the deaf trust fund
10 augmented, that the revenue to provide those services really
11 should come from Pacific Bell and from AT&T.

12 I don't know what the positions of those organizations
13 would be on that subject. But it would seem to me that that is
14 the logical source of revenue to fund that service.

15 In any event --

16 CHAIRMAN MARKS: Let me interrupt you for just a
17 second.

18 Mr. Roche, would you come up just a second, please. I
19 want to ask you a question. I'm not sure whether this funding
20 that we're talking about is available or not.

21 Is this money going to end after a certain period of
22 time?

23 MR. ROCHE: Well, there's two issues. One is what we
24 transferred to AT&T at divestiture. We transferred many
25 assets, as I pointed out earlier and many revenue sources to
26 AT&T at divestiture. To say that we are still receiving those
27 revenues to subsidize handicapped CPE is incorrect.

28 In addition to that, we have had -- we are about to

1 receive a rate order June 1 from the Public Utilities
2 Commission, and certainly our rates will have been completely
3 adjusted to the current situation which has us not providing
4 any handicapped CPE.

5 CHAIRMAN MARKS: I wanted to clarify that point.
6 As of June 1 you will not get this supplement.

7 MR. ROCHE: I believe we're not getting it now. But
8 being more clear as of June 1.

9 MR. BLACK: Maybe I should clarify what I had said.
10 It is true that AT&T is now receiving the revenue that is paid
11 by the disabled customer and, of course, they also receive long
12 distance revenues.

13 Pacific Bell only receives the money for local
14 service. But at least at present that still reflects the old
15 rate structure. Now, it may be that in June that will be
16 adjusted. That was information that, since they were not at
17 the meeting that we had, I was not aware of.

18 CHAIRMAN MARKS: In any event, there is a dispute as
19 to this. He says they're not getting it. In any event, as of
20 June the 1st, they definitely won't get it.

21 MR. BLACK: I guess to conclude, our basic position is
22 that we would prefer, I think, to see this handled through the
23 deaf trust fund. But in any event, we feel that the bottom
24 line is that we need to have quality services comparable to
25 what was previously available, that it should be available in
26 California with personnel here who can actually handle the
27 installation and the servicing of the equipment, and that it
28 should be handled through a single source rather than be split

1 up among different entities. And by whatever mechanism that
2 can be achieved, we would feel comfortable with that.

3 CHAIRMAN MARKS: Thank you very much.

4 You wanted to testify?

5 MR. LIM: Good afternoon, Senator Marks.

6 CHAIRMAN MARKS: Would you mind giving your name,
7 please.

8 MR. LIM: Greg Lim, Resources for Independent Living,
9 a member of the California Coalition of Independent Living
10 Centers; comprised of 22 independent living centers in
11 California. We are currently in the forefront.

12 For brevity's sake, our position is that we feel that
13 the disabled, as well as the deaf and the hearing impaired,
14 should be provided telecommunication services that are quality
15 in nature, that are accessible, and would not provide undue
16 hardship.

17 Currently there is concern among the disabled
18 community here in Sacramento, as well as statewide, that these
19 services are not the quality they were previously.

20 I would just like to support Mr. Black's position that
21 whatever vehicle can be developed to provide these services
22 should be. They should be personalized and localized and not
23 an option, but mandatory for the disabled and hearing impaired.

24 CHAIRMAN MARKS: Thank you very much. We thank you
25 both for being here before us.

26 Is Mr. Willard Dodge here?

27 MR. DODGE: Yes, sir.

28 Senator, I'm here today representing the Executive

1 Director of the Public Utilities Commission and the Commission
2 engineering staff. I am the fortunate individual who is
3 charged with making these programs work on a day-to-day basis
4 and I feel I have a substantial body of experience which
5 enables me to state things with some authority, hopefully.

6 I'd like to mention one point first. With all due
7 respect to my friends from Pacific Bell and AT&T, they are only
8 two of a large number of telephone companies we have in this
9 state. There are, I believe, 24 companies that provide dial
10 tone in business and residence. Whatever we do has got to fit
11 everybody's situation, not only Pacific Bell's; although,
12 admittedly, they supply 93 percent or so of the dial tone
13 that's available in California.

14 However, General Telephone, in particular, has an
15 effective ongoing program that covers both the profoundly deaf,
16 under SB 597, and also the auxiliary services of this nature --
17 equipment primarily.

18 I would remind you, sir, that the independent
19 companies, including General, are not affected by this AT&T
20 divestiture in any manner. We have the authority to require
21 them to continue to offer this Customer Premises Equipment
22 under tariff indefinitely. And most of them are doing so and
23 it is not a problem.

24 However, since Pacific is such a large fraction of the
25 population, it's obvious that we need a new program that's
26 configured to take care of this artificial situation that the
27 federal agencies have presented us with.

28 I would reiterate for clarity now that the teletypes

1 for the profoundly deaf are an entirely separate matter from
2 what we're discussing here. That three-cent surcharge that's
3 on your telephone bill and mine is not a tax. That money, in
4 effect, belongs to the ratepayers and it was collected for a
5 particular purpose, which was to provide communication access
6 for the profoundly deaf and severely hearing impaired.

7 In our judgment, that collection of money, which is --
8 as is known to most people -- is somewhere in the order of ten
9 million dollars at this point, is dedicated to the programs for
10 the profoundly deaf, including both the provisions of the
11 teletypes themselves and also the implementation of the relay
12 system which was enacted during the last session of the
13 Legislature; which we have not yet had an opportunity to
14 initiate.

15 I will add parenthetically it's my belief, based on my
16 personal experience, that once this relay system is initiated,
17 the balance of that trust fund will dive towards zero with
18 striking rapidity; because I expect the population of TDD's
19 used by the deaf to perhaps double once they have access to
20 other deaf people.

21 One of the difficulties with the existing program for
22 the deaf is that these teletypes fundamentally only allow the
23 deaf to talk to other deaf persons. And that is by no means
24 all that they want to do.

25 Senate Bill 244 will alleviate this situation, but
26 it's going to take a lot of money to provide this system. It's
27 well worth it, but that is not a source of funds for anything
28 else.

1 I think that the most effective way of financing this
2 thing and arranging it is, as has been suggested in various
3 forms by the previous witnesses, to set up a common fund
4 similar to the one which serves the profoundly deaf. Not the
5 same one. We can have the same people administer it, however.
6 But the administrative costs would not be significant, given
7 that they're already being expended on handling this TDD fund.

8 This could serve all 24 telephone companies. The fund
9 could own the equipment. We would, in this instance, abandon
10 the 50 percent discount and go to zero rate, as we have with
11 the TDD's. The TDD's are furnished at no cost to the
12 profoundly deaf user.

13 As long as we're at it, you might as well make that
14 uniform; eliminate billing, which would be an unworkable
15 situation between Pacific Bell and AT&T; and provide these
16 auxiliary devices at no cost to the disabled user.

17 We rely in the programs that we have on medical
18 certification, rather than on any judgment on the part of
19 myself or some other non-medical person. We do not have a
20 history of abuse. We do not think that this offers potential
21 for abuse.

22 Some rough calculations would indicate that something
23 on the order of between one and two cents per month surcharge
24 would cover this whole thing adequately in the manner that I'm
25 suggesting.

26 With respect to the situation with AT&T California and
27 Pacific Bell, the California Public Utilities Commission
28 responded, as was indicated, I believe, by Mr. Darby, to the

1 FCC's inquiries as to the future of this program and we took a
2 strong position against this centralized sort of a situation.
3 We made strong representations that we thought our program was
4 working and working very well in meeting the needs of the
5 disabled community effectively and would the FCC please not
6 spoil a good thing.

7 However, they felt constrained to do something on a
8 national basis. AT&T also did, rather than turning each of the
9 former Bell operating companies loose on the program
10 independently. We were outflanked in a sense, although we had
11 raised the question with Pacific Bell in 1983.

12 But those discussions are continuing right into this
13 room. You've heard right now Pacific Bell and AT&T California
14 presenting their views on how to resolve this. We're pleased
15 to have this forum, because we think some legislation is needed
16 in order to get this thing on a workable basis.

17 CHAIRMAN MARKS: Does the Public Utilities Commission
18 have any jurisdiction over this, over the determination of how
19 service shall be provided within the State of California?

20 MR. DODGE: I'm not an attorney, so I can't give you a
21 legal opinion. But there is a federal statute which, as I read
22 it, allows the states to order telephone companies to provide
23 this equipment on a tariff basis,

24 However, as Mr. Roche testified, Pacific Bell is not
25 anxious to set up a whole system for handling an exceedingly
26 small amount of equipment. For the size of their operation,
27 the expense probably would be inordinate in proportion to the
28 benefits. We think, Commission staff, that it would be

1 preferable to have a common pool operated in the same manner as
2 the TDD program.

3 CHAIRMAN MARKS: I mean, it may be economically
4 infeasible, but you do have the power if you wanted to --

5 MR. DODGE: I believe we have.

6 CHAIRMAN MARKS: The Public Utilities Commission has
7 the power to determine the procedure as to how this service
8 shall be provided?

9 MR. DODGE: That's my understanding, yes, sir.

10 CHAIRMAN MARKS: And you have the power, if you wanted
11 to, to order AT&T, which does business within California,
12 doesn't it?

13 MR. DODGE: AT&T California is a California regulated
14 entity, yes, sir.

15 CHAIRMAN MARKS: And Pacific Telephone and Telegraph
16 does business within California, doesn't it?

17 MR. DODGE: Pacific Bell.

18 CHAIRMAN MARKS: I mean Pacific Bell, and General
19 Telephone and all the others that do business --

20 MR. DODGE: We have complete regulatory jurisdiction
21 over all those entities, yes, sir.

22 CHAIRMAN MARKS: Okay.

23 MR. DODGE: As I said, it appears to us that the
24 optimum way of doing this, as long as we're tinkering with it
25 at all, is to take a fresh start at this thing and get
26 something that will work for all 24 companies.

27 CHAIRMAN MARKS: I agree with you. I'm not suggesting
28 that you may undertake something that is not economically

1 feasible, but I was trying to establish the point that you have
2 the authority to do it.

3 MR. DODGE: Yes, we do. However, there are some
4 rather thorny questions as to where the money comes from,
5 unless we get some arrangement, which presumably will require
6 legislation. Because the basis for this former 50 percent
7 arrangement is gone with respect to what is now Pacific Bell.
8 It is not appropriate, in our judgment, to put a tax, if you
9 will, or a surcharge on AT&T's long distance services to
10 subsidize equipment for the disabled community.

11 The three cents which is collected and put in this
12 trust fund is applied across the board to all telephone
13 subscribers, business and residence in California. It's a very
14 broad based surcharge. And we feel that's an equitable
15 situation. This was developed after extensive hearings which
16 the Commission conducted.

17 But to stick long distance users is another matter,
18 particularly now that we have competition in the provision of
19 long distance services. Our Commission has certificated
20 something like 40 competitive organizations that are all trying
21 to get business away from AT&T and away from MCI and Sprint for
22 that matter. That's a very difficult situation to deal with.

23 CHAIRMAN MARKS: I think basically the divestiture
24 arrangement was good for advertising companies, for many of
25 them to advertise different systems and purchasing telephone
26 equipment or purchasing long distance calls. I think it was
27 very good for them, but I'm not so sure it's good for anybody
28 else.

1 MR. DODGE: Well, sir, as I sit in the witness chair,
2 I will refrain from commenting on that.

3 CHAIRMAN MARKS: I can comment on it.

4 MR. DODGE: I can comment to you in the hall.

5 There's another whole aspect of the provision of
6 equipment, which I don't think was touched on in sufficient
7 detail. Providing amplifying handsets and speaker phones and
8 so on is a very straight-forward undertaking. Those things are
9 used by other people. Amplified handsets are used in foundries
10 and places like that. It's a standard item.

11 What, however, do you do with the man in the iron
12 lung, for instance? He needs special assemblies. You can't
13 get special assemblies for somebody in an iron lung in Marin
14 County by dialing an 800 number that comes out of New Jersey.
15 It just doesn't work. You have to have somebody to go out to
16 the premises and say, well, we need one of these, three of
17 these, two of those, and wire it up in the following manner and
18 then go back to the shop and do it. This requires hands-on,
19 locally provided service and availability of these various
20 pieces of telephone equipment.

21 With the situation that I'm presenting as the
22 Commission engineering staff's recommendation, I think it would
23 be reasonable to believe that would be readily provided
24 anywhere in the state.

25 With the TDD program, for example, California
26 Telephone Association, who represents many of our very small
27 telephone companies, has a very capable individual who is
28 equipped with transportation, she's a sign language interpreter

1 and so on, and she makes house calls over a large portion of
2 the state to provide services for the deaf and severely hearing
3 impaired. We can probably arrange comparable service for
4 people who need specialized equipment.

5 CHAIRMAN MARKS: Quite a problem.

6 MR. DODGE: Yes, sir.

7 CHAIRMAN MARKS: Do you have any idea how many people
8 try to avail themselves of these --

9 MR. DODGE: I don't have a head count. We have never
10 requested the utilities to assess this. I presume it could be
11 stripped out of Pacific's billing for 1983 by finding the
12 people that were receiving 50 percent discounts. We have not
13 asked them to expend the funds to run this.

14 CHAIRMAN MARKS: Do you have an answer to that?

15 MR. ROCHE: A rough estimate is something like 60,000.

16 CHAIRMAN MARKS: 60,000, all right.

17 MR. DODGE: These are, of course, probably more
18 concentrated in the major metropolitan areas. But that does
19 not excuse us from the responsibility of providing these
20 services anywhere in the state.

21 CHAIRMAN MARKS: I hear you.

22 MR. DODGE: We very much want to do so.

23 What we see as the legislative remedy for this is to
24 write another section of the Public Utilities Code, the
25 language of which would be similar to that which provides the
26 teletypes for the profoundly deaf; and to allow us to devise a
27 revenue recovery mechanism.

28 With the passage of Senate Bill 244, a three-cent cap

1 was placed on that surcharge during the last Legislature. All
2 that means to me, sir, is that when we get this relay program
3 going, I'm going to be right back here asking to have that
4 taken off.

5 I would like to see that taken off completely. I
6 think that the record of the Commission and the trust fund and
7 its trustees is exemplary and I think our stewardship
8 collectively for this fund has been without blemish. I don't
9 think that we need to have a constraint put upon us.

10 I would like to see the language in that section of
11 the code restored to its original form without a stated limit.
12 The money is not going anywhere. We have outside auditors. We
13 have outside legal counsel. And everybody is bonded to the
14 teeth. We're not going to take the money and go to Mexico.

15 CHAIRMAN MARKS: That might be very pleasant.

16 MR. DODGE: It might.

17 CHAIRMAN MARKS: I know that the Commission is
18 operating appropriately.

19 MS. EPSTEIN: Mr. Dodge, originally when the
20 Commission did that, didn't they have at the start in mind more
21 than the three cent -- didn't you start out with a higher
22 amount?

23 MR. DODGE: The one-word answer to that is yes. In 30
24 seconds. We had various predictions of the number of deaf
25 persons who would avail themselves of that program. The low
26 ones were in the neighborhood of 15,000. We had one number
27 that was as high as 200,000.

28 Commission staff, as a judgment call, picked a number

1 of 90,000 as a best guess, lacking any experience in this
2 whatsoever. Running through that we came up with 15 cents a
3 month. When it became evident that TDD's were not even going
4 out at the rate of a total population of 90,000, the charge was
5 cut to a nickle, and then it was cut to three cents.

6 Now, let me also point out that last month the fund
7 balance started going down. It was spending more than it was
8 taking in at three cents just for the program we have now. So,
9 already we're potentially in trouble with that arbitrary cap.

10 CHAIRMAN MARKS: Does that complete your testimony?

11 MR. DODGE: Yes, sir. I'd be glad to answer any
12 questions you might have.

13 CHAIRMAN MARKS: Thank you very much. We look forward
14 to working with you on resolution of this very important
15 problem.

16 MR. DODGE: My desk is only 20 feet from your office
17 in San Francisco. I'm readily available.

18 CHAIRMAN MARKS: I know where it is. Thank you. My
19 San Francisco office.

20 MR. DODGE: Yes, sir.

21 CHAIRMAN MARKS: Bill Roberts.

22 MR. ROBERTS: Here's some pictures, Senator, that
23 visually display the types of specialized equipment.

24 CHAIRMAN MARKS: Why don't you give your --

25 MR. ROBERTS: Senator Marks, my name is Bill Roberts,
26 and I'm appearing before you today as the Chairman of the
27 Legislative Committee of the Southern California Rehabilitation
28 Association.

1 In January of 1984 it was brought to the attention of
2 SCRA that Pacific Bell had terminated services to the certified
3 disabled customer other than the deaf and the severely hearing
4 impaired, even though to my knowledge and information provided
5 to me by the Public Utilities Commission, even though they are
6 still collecting an increment in their overall general rate to
7 fund the services of the Handicapped Services Unit.

8 I know that's in dispute today and I would like to
9 clarify that or have it clarified by some experts if they
10 could. But the information provided to me is that in the
11 overall rate that Pacific Bell collects to date from their
12 subscribers, there is an increment of that rate that was
13 approved by the Public Utilities Commission to fund services to
14 the non-deaf certified disabled.

15 CHAIRMAN MARKS: I think that that can be clarified.
16 I would like you to furnish us with information on this point.
17 And possibly the Public Utilities Commission can also indicate
18 their interpretation of that point.

19 MR. ROBERTS: Yes, Senator.

20 MR. DODGE: Senator, let me get together with Mr.
21 Roche and we'll generate --

22 CHAIRMAN MARKS: All right, if you could furnish it to
23 us.

24 MR. ROBERTS: Thank you. As you have heard, the deaf
25 and the severely hearing impaired continue to receive services
26 from Pacific Bell's Handicapped Services Unit, funded through
27 the Deaf Equipment Acquisition Fund trust.

28 The Southern California Rehabilitation Association is

1 in support of the deaf and the severely hearing impaired being
2 able to continue to receive the service and equipment from the
3 Deaf Equipment Acquisition Fund trust.

4 The Southern California Rehabilitation Association is
5 also in support of reinstating telecommunication services to
6 the non-deaf certified disabled customers of Pacific Bell and
7 AT&T in California back to the level of service they received
8 during 1983.

9 I will say that California is a leader in the United
10 States in recognizing the needs of the disabled and I would
11 like to see California remain a leader in recognizing the needs
12 and providing for the needs of the disabled.

13 SCRA is in support of creating a handicapped services
14 trust fund, trust account, whatever word you want to use, as a
15 mechanism to fund telecommunications equipment and services to
16 the certified disabled customers of all telephone companies in
17 California.

18 We have some proposed legislative language that we
19 hope to have you consider, along with those others that wish to
20 also sponsor this legislation.

21 CHAIRMAN MARKS: I'd appreciate your furnishing it to
22 us. Furnish it to me.

23 MR. ROBERTS: Okay.

24 CHAIRMAN MARKS: Does that complete your testimony?

25 MR. ROBERTS: That's it.

26 CHAIRMAN MARKS: Thank you very much. We appreciate
27 your coming here before us.

28 Mr. Chakerian.

1 MR. CHAKERIAN: My name is Michael Chakerian. I am
2 currently president of the California Rehabilitation
3 Association. I'm before you here, Senator, to -- my comments
4 will be very brief.

5 The California Rehabilitation Association has been
6 following this problem since it began. Essentially, the
7 Northern California Rehabilitation Association and the Southern
8 California Rehabilitation Association and Mr. Roberts who just
9 spoke, with our support, has been following this issue.

10 I'm here for the record to say that we are also in
11 support of all disabled persons being appropriately and equally
12 supplied telecommunication opportunities. We see this, as Mr.
13 Roberts said, essential to the long term equality that the
14 disabled are starting to realize. We hate to see anything
15 happen that would divert that common goal.

16 CRA's goal, as a representative of the National
17 Rehabilitation Association, is to see that all disabled have
18 equality in our system.

19 Those are my statements.

20 CHAIRMAN MARKS: Thank you very much.

21 MR. CHAKERIAN: Thank you for your time.

22 CHAIRMAN MARKS: Is Michael Gureckas here?

23 MR. GENTRY: Senator Marks, my name is George Gentry.
24 I'm here for Michael Gureckas. He is president of the
25 California Paralyzed Veterans Association.

26 CHAIRMAN MARKS: What is your name again, please?

27 MR. GENTRY: George Gentry, G-e-n-t-r-y.

28 He is the president of the California Paralyzed

1 Veterans Association. I'm the vice-president. Unfortunately
2 he couldn't make it today, so I'm standing in.

3 I'm also hear to speak on the record for our
4 organization in favor of a proposal which would make services
5 available to the non-deaf disabled community here in
6 California.

7 We have a number of members who are in this category
8 who use these devices in order to use telecommunications
9 equipment. And we have noticed in the last few months that
10 their service has deteriorated considerably. We would like to
11 see this corrected in whatever method is possible to do that.

12 We have heard of a proposal to expand the deaf trust
13 fund to include the non-deaf impaired and we would be in favor
14 of that if that is the means that the Legislature chooses.

15 The only thing we'd like to add to that would be that
16 we'd like you to consider adding into the legislative language
17 some requirement that on the administrative committee of the
18 trust fund, that this should be the means used; that disabled
19 members of the community are required to be on that committee.

20 Other than that, we just would like to be in support
21 of this. Thank you.

22 CHAIRMAN MARKS: Thank you very much. We appreciate
23 your being here.

24 Ms. Lonnie Nolta.

25 MR. NOLTA: Good afternoon. I'm Lonnie Nolta,
26 Director of Advocacy Services for United Cerebral Palsy
27 Association of California.

28 We certain concur with the need that these resources

1 need to be available. We also concur with the evidence that's
2 been presented that there needs to be expansion so that all
3 persons with disabilities are covered and have this resource
4 available to them.

5 Our concern is that people right now are doing without
6 services and that we would like to work on behalf of finding
7 some solution to this problem in the most expeditious way
8 possible.

9 So, again, we are supportive. We appreciate your
10 effort on behalf of the Committee to move in a direction that
11 will find a solution very quickly and we offer our assistance
12 wherever needed. Thank you.

13 CHAIRMAN MARKS: Thank you.

14 Yes, sir.

15 MR. DODGE: Could I offer one more remark, Senator?

16 CHAIRMAN MARKS: Sure.

17 MR. DODGE: A gentleman a moment ago suggested the
18 requirement that there be a disabled representative on the
19 trust administrative committee. This question has arisen
20 before and I suspect that it is based on a misunderstanding.

21 The three gentlemen who form that committee are there
22 to be accountants, primarily accountants, and auditors and
23 financial administrators. They do not determine the program
24 content.

25 If the disabled representative is a CPA, he might feel
26 very much at home. But if there are concerns about adding
27 additional content, the place to come is to the Commission.

28 CHAIRMAN MARKS: I think it would be a good idea to

1 have an advisory committee for some input from different
2 elements in the disabled community.

3 MR. DODGE: We're happy to receive this. And we have
4 periodic meetings at which various disabled groups appear and
5 we have very open discussions.

6 With the program that is based on the current
7 legislation with the TDD's, the discussion is sufficiently
8 specific. So, there is very little room for interpretation.

9 If we're going to draw up a complementary statute,
10 then let's be careful with the wording. If in the judgment of
11 the Legislature an advisory committee is indicated, so be it.
12 We'll be happy to work with it. But let's not confuse the
13 financial administration with the program content management.

14 CHAIRMAN MARKS: Thank you for that clarification.

15 I think this completes the testimony from those -- or
16 at least from the agenda.

17 Let me say that I am concerned with the very
18 seriousness of this problem. I am not in any sense casting
19 aspersions on any company or anybody involved, because I don't
20 think anything is to be gained by that.

21 I do think we have to find a solution to the problem.
22 And, hopefully, by cooperative effort, we can find that
23 solution to the problem, whether it's legislative or some other
24 means we can resolve the problem. I believe it is absolutely
25 vital that service be provided to a very significant number of
26 people who are California citizens.

27 So, I'm going to endeavor to find a way to resolve
28 this problem in a way which will be not to the disadvantage of

1 anybody, but it is to the advantage of everybody.

2 I would welcome any suggestions you may have as we go
3 along as to ways in which we can resolve this problem.

4 I thank you very much for attending this meeting.
5 Thank you.

6 (Thereupon the hearing before the Senate
7 Subcommittee on the Disabled adjourned at
8 3:50 p.m.)

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