

Kentucky Commission on the Deaf and Hard of Hearing

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www.kcdhh.ky.gov

"Serving People...Changing Lives"

Ernie Fletcher
Governor

Laura E. Owens
Secretary, Education Cabinet

Bobbie Beth Scoggins, Ed.D.
Executive Director, KCDHH

RECEIVED

OCT 26 2007

PUBLIC SERVICE
COMMISSION

October 26, 2007

Ms. Elizabeth O'Donnell, Executive Director
Public Service Commission
PO Box 615
211 Sower Boulevard
Frankfort, KY 40602-0615

RE: Petition to Expand the Funding Base for the Kentucky Telecommunications Access Program (TAP)

Dear Ms. O'Donnell:

Enclosed for filing please find an original and eleven (11) copies of the "Petition to Expand the Funding Base for the Kentucky Telecommunications Access Program." Please date stamp and return one copy to our agency for documentation.

I would like to initiate dialogue with you or your representatives regarding this petition, or schedule a meeting where we can discuss details of our request.

Thank you for your consideration of this matter. If you have any questions, please do not hesitate to contact me at 502-675-2604 or bobbie.scoggins@ky.gov

Sincerely,

Bobbie Beth Scoggins, Executive Director
Kentucky Commission on the Deaf and Hard of Hearing

CC: Jim Stevens, Branch Manager Financial Analysis
Forest Skaggs, Executive Director, Kentucky Telephone Association

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN RE: Kentucky Commission on the)
Deaf and Hard of Hearing)

Case No. 2007- 00464

**PETITION TO EXPAND THE FUNDING BASE FOR THE KENTUCKY
TELECOMMUNICATIONS ACCESS PROGRAM (TAP)**

Comes the Applicant, the KENTUCKY COMMISSION ON THE DEAF AND HARD OF HEARING ("KCDHH"), acting by and through its Board of Commissioners, and hereby respectfully files this Petition pursuant to KRS 278.5499 and KRS 163.525, and all other relevant applicable laws and regulations and for the purpose of requesting the Public Service Commission of Kentucky ("PSC") to order the expansion of the current pool of subscribers which pay a surcharge for telecommunication services within the Commonwealth to include the subscribers of wireless services. Funds collected from the expanded surcharge would be used for the purpose of providing specialized telecommunication devices to deaf, deaf-blind, hard of hearing and speech-impaired residents of Kentucky and to ensure equal access to telecommunications. This program is called the Telecommunications Access Program ("TAP") and is administered by KCDHH per legislation enacted by the General Assembly. In support of this Petition and in conformity with the rules of the PSC, KCDHH states as follows:

1. Title IV of the Americans with Disabilities Act (ADA) required that the Telecommunications Relay Services (TRS) be established in 1990 and the Federal Communications Commission (FCC) required that each common carrier providing telephone voice transmission services provide TRS throughout the area in which it offers service effective July 1993;
2. KRS 278.548 instructs the PSC to assist KCDHH in the TAP pursuant to KRS 163.525 and requires the PSC to determine the appropriate funding mechanism for both the TRS and the TAP;

3. The Federal Telecommunications Act of 1996 was implemented to promote competition, reduce regulations, and secure lower prices and higher quality services for telecommunications consumers, as well as encourage rapid deployment of new telecommunications technologies;
4. The TAP was implemented in 1995 with a capped budget allotment of \$200,000 annually. Legislation passed in 2004 removed the cap and increased the funding base to the full one (1) cent per access line. This amendment as codified in KRS 278.5499 allocated \$30,000.00 additional dollars to the TAP program for a total budget of \$230,000 annually;
5. In 2006, House Bill 380, the "budget bill", allocated "*not more than two (2) cents per access line per month*" to the TAP, increasing the program budget to \$480,000 annually, effective through June 30, 2008;
6. As of the date of this petition, the combined TRS/TAP surcharge is set at nine (9) cents and is applied to wireline/landline access lines only. TRS receives seven (7) cents and TAP receives two (2) cents until July 1, 2008 when the TAP portion reverts to one(1) cent per access line;
7. The number of households with wirelines/landlines has decreased dramatically over the last four years, not only in Kentucky but nationwide. The Local Exchange Carriers (LEC) Annual Report notes that from 2005-2006 residential access lines have decreased by 54%. (See Exhibit A);
8. Wireless subscriber lines in Kentucky have increased proportionately with over 2.4 million wireless lines reported in the Commercial Mobile Radio Service (CMRS) Board Annual Report for the period of July 1, 2006 through June 30, 2007 as confirmed by the Administrator of the CMRS and the Executive Director of the Office of the 9-1-1 Coordinator;
9. KCDHH believes that the trend of substituting wireless service for wireline/landline service will continue as more Kentuckians move to broadband Internet service for their communication needs;

10. Since its inception in 1995, the TAP has served 10,625 consumers throughout the Commonwealth. The number of consumers served has typically increased over the past five years and the cost of specialized equipment continues to increase as new technology emerges. (see Exhibit B);

11. 1,441 pieces of specialized equipment were distributed from the TAP between July 1, 2002 and June 30, 2004 and 1,933 pieces were distributed between July 1, 2004 and June 30, 2006, a 34% increase across the bienniums. Although demand for the devices has increased, the percentage of deaf consumers served decreased from 15% to 1% during that timeframe due to lack of funds to purchase said devices. Since July 1, 2007 the TAP has received 361 applications. Based on our experience, that trend will continue, resulting in an additional 23% increase in applications by June 30, 2008. (See Exhibit C);

12. Kentucky's population age 80+ is projected to reach 220,000 by 2030, an increase from 126,000 as reported in the year 2000, (See Exhibit D). The purpose of this petition is to ensure that no legitimate need for telecommunication equipment is unmet within the Commonwealth as we face the "Graying of America". Without a sustainable funding source, the needs of the deaf, deaf-blind, hard of hearing and speech impaired consumer will go unmet in the near future;

13. Many of our constituents, young and old alike are switching to Internet and wireless based communication modes as technology changes and new products are introduced to the marketplace. Without a sustainable funding source, effective communication devices cannot be introduced to meet the demands of our ever changing community;

14. KCDHH believes that its inability to provide wireless devices to its constituents is a safety issue as well. Wireless devices can be used to alert individuals with hearing loss to an emergency situation or an impending disaster. Without such a device, a large portion of the 646,683 deaf and hard of hearing individuals in Kentucky may be unaware of impending danger and unable to respond to emergency personnel. (See Exhibit E) For this reason, KCDHH added wireless devices to the distribution list for the TAP;

15. The Federal Universal Service Fund (USF) was established in part to provide support for network infrastructure in rural areas and to provide access to emergency

services, operator services and directory assistance. The USF was expanded in 1996 to require all telecommunications companies, including long distance, local, and wireless, paging and payphone providers to contribute. From an equitable perspective, and to ensure competitive neutrality, all companies providing telecommunication services in Kentucky should contribute to the TRS/TAP fund just as they pay into the USF;

16. The TRS/TAP funding mechanism should not demonstrate an advantage of one carrier over another but wireline/landline providers are currently bearing the financial burden that wireless providers in Kentucky should also assume;

17. Kentucky's current Relay Service provider, Hamilton Telecommunications, Inc. supports this petition request. (see Exhibit F);

18. The Kentucky Telephone Association (KTA) supports this petition request; and

19. KCDHH understands that the number of access lines to which the TRS/TAP surcharge is applied would increase if this petition is granted, therefore increasing the budget for the TAP. As the PSC is well aware, when HB 380 expires on June 30, 2008, unless legislation is passed to amend KRS 278.5499, the funding for TAP will automatically decrease, reverting back to one cent (\$.01) per access line per month from a decreasing number of subscribers, substantially decreasing the TAP budget.

WHEREFORE, KCDHH respectfully requests that the PSC take the following actions:

1. Review the current funding mechanism for the TRS/TAP established pursuant to KRS 163.525 and KRS 278.5499;
2. Include wireless telecommunication providers in the TRS/TAP surcharge so that specialized equipment can continue to be provided to all eligible applicants; and
3. Implement the expanded surcharge no later than July 1, 2008.

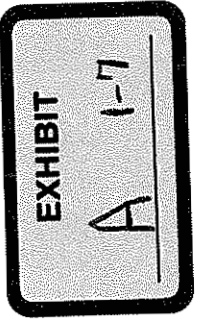
Respectfully submitted:



Bobbie Beth Scoggins, Ed. D., Executive Director, KCDHH
632 Versailles Road
Frankfort, KY 40601
502-573-2604

**Commonwealth of Kentucky
Public Service Commission
ANNUAL REPORT STATISTICS - 2005**

| Local Exchange Carriers | Residential | Commercial | Public Access | Other | Total |
|----------------------------------------------------------------------------------------|-------------|------------|---------------|-----------|------------------|
| Ballard Rural Telephone Cooperative Corporation, Inc. | | | | | |
| Access Lines | 5,252 | 1,257 | 7 | 157 | 6,673 |
| Revenues | | | | | \$5,211,859.79 |
| Monthly Bill | \$8.43 | | | | |
| BellSouth Telecommunications, Inc. dba AT&T Kentucky and AT&T Southeast | | | | | |
| Access Lines | 621,980 | 207,702 | 1,506 | 1,111,301 | 1,942,489 |
| Revenues | | | | | \$820,976,285.68 |
| Monthly Bill | \$16.54 | | | | |
| Brandenburg Telephone Company, Inc. | | | | | |
| Access Lines | 21,672 | 5,125 | 140 | -98 | 26,839 |
| Revenues | | | | | \$20,230,709.00 |
| Monthly Bill | \$5.60 | | | | |
| Duo County Telephone Cooperative Corporation, Inc. | | | | | |
| Access Lines | 10,706 | 2,138 | 39 | 0 | 12,883 |
| Revenues | | | | | \$13,042,620.51 |
| Monthly Bill | \$13.37 | | | | |
| Foothills Rural Telephone Cooperative Corporation, Inc. | | | | | |
| Access Lines | 13,890 | 1,710 | 0 | 101 | 15,701 |
| Revenues | | | | | \$17,722,479.00 |
| Monthly Bill | \$12.61 | | | | |
| Gearheart Communications Co., Inc. dba Coalfields Telephone Co. | | | | | |
| Access Lines | 5,422 | 1,221 | 12 | 75 | 6,730 |
| Revenues | | | | | \$7,140,562.00 |
| Monthly Bill | \$14.35 | | | | |



**Commonwealth of Kentucky
Public Service Commission
ANNUAL REPORT STATISTICS - 2005**

| Local Exchange Carriers | Residential | Commercial | Public Access | Other | Total |
|-------------------------------------------------------------------------------------|-------------|------------|---------------|-------|-----------------|
| Highland Telephone Cooperative, Inc. | | | | | |
| Access Lines | 6,095 | 1,172 | 14 | 0 | 7,281 |
| Revenues | | | | | \$5,096,429.68 |
| Monthly Bill | \$19.36 | | | | |
| Leslie County Telephone Company, Inc. c/o TDS-Telecom Southeast Division | | | | | |
| Access Lines | | | | | \$9,225,061.00 |
| Revenues | \$24.72 | | | | |
| Monthly Bill | | | | | |
| Lewisport Telephone Company, Inc. c/o TDS-Telecom Southeast Division | | | | | |
| Access Lines | 1,027 | 369 | 0 | 164 | 1,560 |
| Revenues | \$25.52 | | | | \$1,588,733.00 |
| Monthly Bill | | | | | |
| Logan Telephone Cooperative, Inc. | | | | | |
| Access Lines | 5,783 | 792 | 8 | 36 | 6,619 |
| Revenues | \$16.50 | | | | \$8,258,154.00 |
| Monthly Bill | | | | | |
| Mountain Telephone Cooperative, Inc. | | | | | |
| Access Lines | 13,396 | 2,470 | 72 | 219 | 16,157 |
| Revenues | \$17.28 | | | | \$15,602,813.00 |
| Monthly Bill | | | | | |
| North Central Telephone Cooperative, Inc. | | | | | |
| Access Lines | 5,278 | 464 | 5 | 14 | 5,761 |
| Revenues | \$11.90 | | | | \$4,194,710.00 |
| Monthly Bill | | | | | |

**Commonwealth of Kentucky
Public Service Commission
ANNUAL REPORT STATISTICS - 2005**

| Local Exchange Carriers | Residential | Commercial | Public Access | Other | Total |
|------------------------------------------------------------------------|-------------|------------|---------------|--------|------------------|
| Access Lines | 6,759 | 1,550 | 24 | 174 | 8,507 |
| Revenues | | | | | \$12,508,654.00 |
| Monthly Bill | \$11.28 | | | | |
| Salem Telephone Company c/o TDS-Telecom Southeast Division | | | | | |
| Access Lines | 1,780 | 461 | 0 | 0 | 2,241 |
| Revenues | | | | | \$1,913,754.00 |
| Monthly Bill | \$23.86 | | | | |
| South Central Rural Telephone Cooperative Corporation, Inc. | | | | | |
| Access Lines | 23,367 | 4,371 | 0 | 290 | 28,028 |
| Revenues | | | | | \$26,037,356.52 |
| Monthly Bill | \$16.37 | | | | |
| Thacker-Grigsby Telephone Company, Inc. | | | | | |
| Access Lines | 6,593 | 1,239 | 38 | 102 | 7,972 |
| Revenues | | | | | \$8,045,639.00 |
| Monthly Bill | \$12.89 | | | | |
| West Kentucky Rural Telephone Cooperative Corporation, Inc. | | | | | |
| Access Lines | 13,669 | 1,468 | 0 | 0 | 15,137 |
| Revenues | | | | | \$15,283,615.10 |
| Monthly Bill | \$14.56 | | | | |
| Windstream Kentucky East | | | | | |
| Access Lines | 341,747 | 129,192 | 1,494 | 37,952 | 510,385 |
| Revenues | | | | | \$399,941,489.00 |
| Monthly Bill | \$15.93 | | | | |
| Windstream Kentucky West | | | | | |
| Access Lines | 21,309 | 5,014 | 80 | 499 | 26,902 |

**Commonwealth of Kentucky
Public Service Commission
ANNUAL REPORT STATISTICS - 2005**

| Local Exchange Carriers | Residential | Commercial | Public Access | Other | Total |
|----------------------------------------------|-------------|------------|---------------|-----------|--------------------|
| Revenues | | | | | |
| Monthly Bill | \$9.32 | | | | |
| Totals for 19 Local Exchange Carriers | | | | | |
| Access Lines | 1,125,725 | 367,715 | | 1,150,986 | 2,647,865 |
| Revenues | | | | | |
| Monthly Bill | \$290.39 | | | | |
| | | | | | \$1,413,661,202.28 |
| | | | | | \$21,640,258.00 |

**Commonwealth of Kentucky
Public Service Commission
ANNUAL REPORT STATISTICS - 2006**

| Local Exchange Carriers | Residential | Commercial | Public Access | Other | Total |
|--------------------------------------------------------------------------|-------------|------------|---------------|-------|-----------------|
| Brandenburg Telephone Company, Inc. | 20,652 | 5,121 | 130 | 160 | 26,063 |
| Access Lines | | | | | |
| Revenues | | | | | \$19,817,007.00 |
| Monthly Bill | \$5.60 | | | | |
| Duo County Telephone Cooperative Corporation, Inc. | 10,471 | 2,177 | 37 | 0 | 12,685 |
| Access Lines | | | | | |
| Revenues | | | | | \$12,897,458.21 |
| Monthly Bill | \$13.37 | | | | |
| Foothills Rural Telephone Cooperative Corporation, Inc. | 13,722 | 1,685 | 0 | 106 | 15,513 |
| Access Lines | | | | | |
| Revenues | | | | | \$17,812,480.00 |
| Monthly Bill | \$12.61 | | | | |
| Gearheart Communications Co., Inc. dba Coalfields Telephone Co. | 5,331 | 1,226 | 10 | 75 | 6,642 |
| Access Lines | | | | | |
| Revenues | | | | | \$6,926,106.00 |
| Monthly Bill | \$14.35 | | | | |
| Highland Telephone Cooperative, Inc. | 6,009 | 1,156 | 14 | 0 | 7,179 |
| Access Lines | | | | | |
| Revenues | | | | | \$4,924,723.00 |
| Monthly Bill | \$19.36 | | | | |
| Leslie County Telephone Company, Inc. c/o TDS-Telecom Southeast Division | 7,663 | 1,362 | 27 | 0 | 9,052 |
| Access Lines | | | | | |
| Revenues | | | | | \$10,470,680.00 |
| Monthly Bill | \$25.20 | | | | |

10/24/2007

**Commonwealth of Kentucky
Public Service Commission
ANNUAL REPORT STATISTICS - 2006**

| Local Exchange Carriers | Residential | Commercial | Public Access | Other | Total |
|---------------------------------------------------------------------------------|-------------|------------|---------------|-------|-----------------|
| Lewisport Telephone Company, Inc. c/o TDS-Telecom Southeast Division | | | | | |
| Access Lines | 974 | 366 | 0 | 7 | 1,347 |
| Revenues Monthly Bill | \$25.06 | | | | \$1,633,363.00 |
| Logan Telephone Cooperative, Inc. | | | | | |
| Access Lines | 5,722 | 649 | | 49 | 6,426 |
| Revenues Monthly Bill | \$16.50 | | | | \$8,420,510.00 |
| Mountain Telephone Cooperative, Inc. | | | | | |
| Access Lines | 13,292 | 3,057 | | 219 | 16,635 |
| Revenues Monthly Bill | \$17.28 | | | | \$14,605,926.00 |
| North Central Telephone Cooperative, Inc. | | | | | |
| Access Lines | 5,262 | 456 | | 19 | 5,742 |
| Revenues Monthly Bill | \$11.90 | | | | \$4,083,939.00 |
| Peoples Rural Telephone Cooperative Corporation, Inc. | | | | | |
| Access Lines | 6,745 | 1,545 | | 176 | 8,487 |
| Revenues Monthly Bill | \$11.28 | | | | \$11,851,427.00 |
| Salem Telephone Company c/o TDS-Telecom Southeast Division | | | | | |
| Access Lines | 1,663 | 404 | | 2 | 2,070 |
| Revenues Monthly Bill | \$23.55 | | | | \$1,843,828.00 |
| South Central Rural Telephone Cooperative Corporation, Inc. | | | | | |
| Access Lines | | | | | |
| Revenues Monthly Bill | | | | | |

10/24/2007

**Commonwealth of Kentucky
Public Service Commission
ANNUAL REPORT STATISTICS - 2006**

| Local Exchange Carriers | Residential | Commercial | Public Access | Other | Total |
|--------------------------------------------------------------------|-------------|------------|---------------|-------|------------------|
| Access Lines | 23,136 | 4,442 | 0 | 274 | 27,852 |
| Revenues | | | | | \$27,013,878.47 |
| Monthly Bill | \$16.37 | | | | |
| Thacker-Grigsby Telephone Company, Inc. | | | | | |
| Access Lines | 6,543 | 1,245 | 29 | 82 | 7,899 |
| Revenues | | | | | \$8,349,813.00 |
| Monthly Bill | \$12.89 | | | | |
| West Kentucky Rural Telephone Cooperative Corporation, Inc. | | | | | |
| Access Lines | 12,779 | 1,483 | 0 | 0 | 14,262 |
| Revenues | | | | | \$16,791,550.66 |
| Monthly Bill | \$14.56 | | | | |
| Totals for 15 Local Exchange Carriers | | | | | |
| Access Lines | 139,964 | 26,374 | 347 | 1,169 | 167,854 |
| Revenues | | | | | \$167,442,689.34 |
| Monthly Bill | \$239.88 | | | | |

MEMORANDUM

DATE: July 1, 2006

TO: Robert S. Sherman, Director
Legislative Research Commission

CC: Virginia G. Fox, Secretary
Education Cabinet

Beth O'Donnell, Executive Director
Public Service Commission

FROM: Bobbie Beth Scoggins, Executive Director
Kentucky Commission on the
Deaf and Hard of Hearing

RE: TDD Distribution Program Annual Report
for the Fiscal Year 2005- 2006

Enclosed is the TDD Distribution Annual Report for the fiscal year 2005-2006. As per KRS 163.527, this report is to be submitted to the Kentucky General Assembly through the Legislative Research Commission.

If you have any questions, please feel free to contact me at bobbie.scoggins@ky.gov, or at 502-573-2604 (V/T).

EXHIBIT

B 1-24

The Kentucky Commission on the Deaf and Hard of Hearing

Since its inception in 1995, the TDD Distribution Program, administered by the Kentucky Commission on the Deaf and Hard of Hearing (KCDHH), has served 11,856 applicants. From time to time the program has received letters of thanks from grateful recipients. These letters have served as an inspiration to the staff of the TDD Distribution Program, knowing that this program has been very successful in providing a much needed service to constituents of Kentucky.

“My deepest gratitude for the wonderful CapTel telephones. The Sisters and I feel as if it is like a touch of magic to read the message as we hear it spoken. This had not been possible for years until we heard of your program. Thank you to everyone at the KY Commission, your service has changed the lives of us all! Many Blessings to you all.”

(Hard of Hearing Sister's – Louisville)

“I recently became speech impaired due to throat cancer surgery and I was totally at a loss for how to communicate with my friends and family on the telephone. I found myself going into a shell of loneliness and depression until one of your Advisory Board members came to visit me and explained there was a device I could use in my home to keep my independence. Then he told me it was free and I could not believe there was a light at the end of my tunnel. I received my TeleTalk speech aid telephone and now I can make calls on my own and my family is much more comfortable with my safety. Thank you so much to all who make this program in Kentucky possible, we are lucky to live in such a wonderful state with resources for cancer victims.”

(Speech Impaired Consumer – Lexington)

“I have received equipment from this program in the past but the machine wore out. It was very expensive to replace and I didn't know what to do as I am old and on a fixed income. I contacted the Commission and within a short time I had another telecommunication typewriter device I can use to make all my telephone calls again. Thank you for keeping me alive in eastern KY. Without your help many deaf would have no place to turn in my area. You do a wonderful service to us all!”

(Deaf Consumer – Nancy)

“Thank you for the new speech and sound amplified phone and alerting device. With this in my home I can now contact anyone I need to reach. Your program is a true benefit to everyone in KY. Keep up the good work, we need more of you!”

(Hard of Hearing Consumer – Owensboro)

**TDD Distribution Program
Annual Report
Fiscal Year 2005 - 2006**

**Kentucky Commission on the Deaf and Hard of Hearing
Bobbie Beth Scoggins, Ed. D
Executive Director**

In compliance with KRS 163.527, this annual report is submitted to the Kentucky General Assembly through the Legislative Research Commission.

“The Commission on the Deaf and Hard of Hearing shall provide to the General Assembly an annual report on the operation of the TDD distribution program. The report shall be due on July 1st of each year, beginning July 1, 1995, and, at a minimum, provide:

- (1) The number of persons served and the number of TDDs distributed;
- (2) The revenues and expenditures of the program;
- (3) Discussion of any major policy or operational issues;
- (4) Any changes the Commission plans to make in the program that does not require legislative action; and
- (5) Any proposals for legislative changes in the program.” KRS 163.527

The number of persons served and the number of TDDs distributed:

The TDD Distribution Program has received 1,114 applications during the 2005-2006 fiscal year. The status of these applications for Specialized Telecommunication Equipment (STE) is as follows as of 6/23/2006.

| Status | Total |
|----------------|--------------|
| Approved | 83 |
| Complete | 873 |
| Incomplete | 204 |
| Denied | 29 |
| Not Active | 3 |
| Total** | 1,192 |

*** Total status count does not match the number of applications received during the FY due to receipt in one fiscal year and processing in the next fiscal year.*

DEFINITIONS:

Approved - Applications approved for which STE has been ordered but is pending delivery during the FY, or applications were approved but STE has yet to be ordered. This is the “waiting list” and identifies customers ready to receive equipment once funds are available.

Completed - Applications were approved and STE was delivered to consumers and paid for during the FY.

Incomplete - Applications are pending receipt of verification. Applications lacking information required to determine eligibility (approval/denial) are returned to the applicant with a request for additional information. Applications are kept pending for one year to allow adequate time to provide necessary verification.

Denied – Applications denied because the applicants did not meet the eligibility criteria in order to receive the STE. Notification is sent to each applicant outlining the reason for ineligibility and an explanation of when the applicant might be eligible (i.e. reapplications for a second piece of equipment may be submitted after four (4) years from receipt of the first piece of equipment.)

Not Active – These applications have been pending verification for more than twelve (12) months. The applicant is notified and given an additional 30 days to submit the missing verification and if no response is received the application is changed to Not Active and archived. A new application is required if reapplication occurs after this determination.

873 applicants received their STE during the 2005-2006 fiscal year.
 A breakdown of these applicants by degree of hearing loss is listed below:

| Degree of Hearing Loss | Total |
|-------------------------------|--------------|
| Deaf | 38 |
| Deaf w/ Limited Vision | 2 |
| Deaf-Blind | 0 |
| Hard-of-Hearing | 546 |
| Late-Deafened | 4 |
| Severely Hard-of-Hearing | 265 |
| Speech-Impaired | 18 |
| Total | 873 |

During FY 05-06 the number of applications has increased within the program during this FY because; consumers are reapplying for equipment after four (4) years, the program has completed public relations advertisement at every opportunity and there was a significant change and increase in the kinds of new equipment available within the program. Outreach partnerships have also been increased during FY 05-06 as has awareness of the programs availability throughout the state. The increase in the number of applications for equipment demanded additional staff time to process during FY 05-06, by two full time state staff and one full time temporary service worker.

The number of hard of hearing individuals in the Commonwealth, which includes those self identified as hard of hearing, severely hard of hearing and late deafened, continues to increase as the population ages. The highest demand for equipment comes from this population, 92%, who are in need of amplified phones, speech strengthening telephones, voice carry over telephones and the CapTel device. Requests for standard TDDs, typically used by deaf constituents, continues to decrease. New innovations in technology (i.e. videoconferencing and web cams) and the increase in usage of internet relay service providers to replace traditional telephone lines, has contributed to this reduction as the deaf population replaces standard telephone equipment with computerized technology for communication.

BellSouth partnered with KCDHH again in FY 05-06 to extend our outreach capabilities by including inserts in their billing invoices twice during the year, and promise to continue this service ongoing into FY 06-07. When equipment choices within the program broadened significantly this spring, a mail out was sent to audiologists, speech pathologists, hearing instrument specialists and professionals that work directly with the deaf and had of hearing throughout the state. This increased incoming applications as professionals became more aware of the program's availability and equipment available

to meet the needs of their consumers. This awareness streamlines the application process for the consumer, allowing him/her to acquire an application and obtain professional verification of his/her hearing loss while visiting the audiologist, speech pathologist or hearing instrument specialist, rather than making another visit. Outreach materials are being expanded to include a videotaped explanation of the application process that can be mailed to professionals rather than traveling throughout the state. Program staff also uses videoconferencing, video relay interpreting, AIM and email, as well as traditional voice lines and interpreters, to explain requirements to professionals and consumers on a daily basis.

Hamilton Telecommunications, Inc., Kentucky's Telecommunications Relay Service (TRS) provider currently, continues to provide training to consumers, on a one-to-one basis, for those who utilize the relay service. This partnership has been a great benefit to both the Commission and the Relay Service in that Hamilton provides data regarding the trainings conducted in each quarterly report presented at the Telecommunications Relay Service (TRS) quarterly advisory board meetings conducted with the Public Service Commission (PSC) and Board members. Consumers receiving amplified telephones are trained upon request by staff, volunteers, Commissioners, and local advocates on a case-by case basis. Written directions and videotaped directions (CapTel) are provided as part of the equipment package to the consumers, so one-on-one training is minimal.

The PSC Relay Service Provider contract expired June 30, 2005 and a Request for Proposal (RFP) was issued and bids received. Hamilton Relay was awarded the state contract effective August 1, 2005 through July 30, 2008 with the potential for another three years renewal through 2011, if both parties agree. Customer satisfaction with Hamilton Relay is well documented.

State budget constraints minimized travel during this fiscal reporting year. The Telecommunications Access Program (TAP) Coordinator attended only one out of state conference during FY 05-06, which was the Telecommunications Equipment Distribution Program Association (TEDPA) National conference, held in Tucson, AZ in September 2005. Kentucky was elected to host the 2006 National TEDPA conference, as well as the National Association of State Relay Administrators (NASRA) conference, which will be held in Louisville, KY from September 6 -13, 2006. Dr. Bobbie Beth Scoggins is serving as state Chair of both conferences and intends to showcase Kentucky's program and other innovative services being considered in Kentucky for incorporation in other state distribution programs.

Equipment vendor contract renewals were processed in April 2006 and one additional piece of equipment related to the CapTel device was added to the service contracts. The

program offers 24 piece of equipment in enough variety to meet the needs of all consumers. Additions to the program or upgrades in technology are consistently pursued throughout the year and can be added to contracts if justified prior to renewal of the contracts each spring.

The TAP Coordinator serves on several Advisory Boards for state, local and national organizations that serve the deaf and hard of hearing population. Meetings are held quarterly for the Bell South Advisory Board, the Kentucky Assistive Technology Service, the Telephone Relay Service providers Advisory Board, and the Lost Chord Society. Written reports are compiled and included in the KCDHH Agency Report, distributed to all KCDHH Commissioners, Cabinet heads and archived as part of the agency's records retention.

A press release was issued from the Shelbyville Senior Citizens Home, announcing a training provided to residents, family and interested public in September of 2005. In May 2006, which was "Better Hearing and Speech" Month, KCDHH issued a press releases which was distributed to local newspapers, distributed within state government by the Education Cabinet and posted on the KY government website. Public Relation efforts were expanded in March 2006 as KCDHH began producing E-blitiz information on a broader base. Information critical to the needs of the community is forwarded to consumers with access to the Internet and email addresses and is received on a much *timelier* base. During the spring of 2006 the KCDHH website was completely revamped and updated and now provides better, more accurate, and *timelier* information to all who have access.

Staff members with the TAP have taken the following trainings during FY 05-06

- FY 05-06 – Online course – "About Deafness – Accessibility Training" – Includes training on captioning, interpreting, CART, Relay services, Traveling with a Cochlear Implant, Hearing Dogs, Assistive Listening Device, ASL, Deaf Professional and Text Communication methods.
- Griffith Laboratories, Inc. provided a workshop and training to staff and Advisory Board members demonstrating the electrolarynx TeleTalk device distributed by the program.
- Hearing Assistive Technology (HAT) training was provided by a Self Help for Hard of Hearing (SHHH) Chapter representative to all KCDHH staff and demonstrated many kinds of devices use to improve the lives of hard of hearing individuals.
- Staff attended several leadership trainings and workshops, and the agency sponsored one such workshop for the Black Deaf Advocates membership to empower this segment of the deaf and hard of hearing population.

Legislative Update:

During FY 05-06 the Telecommunications Access Program (TAP) changed its name. This change was brought about by the consumers who felt this name better represented the whole population served. The previous name, TDD Distribution Program, reflected the type of device used by primarily deaf individuals and was no longer effective.

KCDHH and TAP worked through the Legislative process to present bills for both the name change (SB 88) and to increase the funding (HB 468) and effectiveness of the program. Both bills were successfully passed and are being implemented during FY 06-07 and FY 07-08.

Prior to the passage of HB 468 the funding base, a ten cent surcharge appeared on all residential telephone lines to support the TRS/TAP programs. One cent of the ten cents collected was distributed to the TAP and nine cents was retained by the Telephone Relay Service (TRS) provider, Hamilton. In working with the TRS and the PSC it was realized that the surcharge could be reduced across the board. However, the TAP needed additional funding for expansion and rather than reduce the funding base entirely redistribution was recommended. TRS would retain seven cents of the surcharge and the TAP would be allocated two cents, with the overall surcharge still reduced by one cent to nine cents, an actual reduction for the consumer. This increase is effective from July 1, 2006 through June 30, 2008 unless extended by the General Assembly at a future date.

*The revenues and expenditures of the TDD Distribution Program
For fiscal year 2005-2006*

| REVENUE | Budgeted Expenditures | Actual Expenditures |
|---------------------------------|----------------------------------|--------------------------------|
| FY 2006 Allotment | 252,000 | 251,616 |
| FY 04-05 Rollover funds | <u>3</u> | <u>384</u> |
| TOTAL REVENUE | 252,003 | 252,000 |
| EXPENSES | | |
| PERSONNEL EXPENSES | 69,900 | 69,200 |
| State Employee Salary* | 29,100 | 30,456 |
| State Employee Benefits/Fringe* | 10,500 | 10,309 |
| Other Personnel Services | <u>26,800</u> | 25,893 |
| Other | <u>3,500</u> | 2,542 |
| Total Personnel Services | 69,900 | 69,200 |
| OPERATING EXPENSES | | |
| Utilities | 1,600 | 2,463 |
| Maintenance and Repairs | 16,000 | 20,271 |
| Postage and Related Services | 4,000 | 1,914 |
| Miscellaneous Services | 1,500 | 4,194 |
| Telecommunications | 2,500 | 2,031 |
| Computer Services | 6,000 | 6,533 |
| Supplies | 1,000 | 2,158 |
| TAP Equipment purchases | 146,400 | 138,410 |
| Travel Expense/ Allowances | 2,000 | 3,797 |
| Miscellaneous Commodities | <u>1,100</u> | 645 |
| Total Operating Expenses | 182,100 | 182,416 |
| TOTAL EXPENSES | | 251,616 |
| Rollover FY 05-06 | | 384 |
| 13-33-340-TBOO BALANCE | | As of 6/23/06 |

* KCDHH General Fund paid for state employee's salary and benefits in order that the maximum amount of equipment could be purchased for consumers throughout the year.

Breakdown of expenditures for equipment distributed to consumers:

Cost analysis of equipment distribute during FY 05-06 is below:

| STE | Units | Unit Price | Total |
|-----------------------------------------|-------|------------|-----------------|
| Ultratec 1140 Uniphone | 7 | \$183.00 | \$1,281.00 |
| Superprint 4425 w/ASCII | 15 | \$338.00 | \$5,070.00 |
| Pro 80 Gold | 15 | \$423.00 | \$6,345.00 |
| Pro 80 Gold with LVD | 1 | \$550.65 | \$423.00 |
| Ultratec Crystal Tone Plus | 148 | \$98.00 | \$14,504.00 |
| Ameriphone CL-40 | 306 | \$87.20 | \$26,683.20 |
| Dialogue JV-35 Amp Speakerphone | 44 | \$109.00 | \$3,600.96 |
| Ultratec CapTel | 82 | \$423.50 | \$34,481.00 |
| Starplus 45 | 39 | \$79.98 | \$3,119.22 |
| ClearSounds 40XLC | 51 | \$78.85 | \$4,021.35 |
| Dialogue XL-50 | 37 | \$93.04 | \$3,442.48 |
| Dialogue XL-30 | 6 | \$72.80 | \$436.80 |
| Uniden 7248i Cordless | 91 | \$114.06 | \$10,379.46 |
| Ameriphone VCO | 6 | \$125.00 | \$750.00 |
| RC 200 Speakerphone | 1 | \$375.00 | \$375.00 |
| HC-SPAMP Speech Amplified telephone | 1 | \$60.80 | \$60.80 |
| Compact/C | 1 | \$208.00 | \$208.00 |
| Compact/C-TDD | 1 | \$270.00 | \$270.00 |
| PocketComm TDD | 7 | \$149.50 | \$1,046.50 |
| TeliTalk Speech Aid phone | 11 | \$925.00 | \$10,175.00 |
| Total STE (telephone equipment) | 870 * | | |
| | | | |
| Ultratec Clarity Tone Ringer | 135 | \$19.59 | \$2,644.65 |
| Sonic Alert TR 75 VAS | 211 | \$25.95 | \$5,475.45 |
| ClearSounds HT-CL1 Combo Signaler | 45 | \$33.00 | \$1,485.00 |
| Vibracell Ring – Tactile Signaler | 1 | \$90.00 | \$90.00 |
| Total Signaling Devices | 392 | | |
| Demo Equipment / FM system | | | \$2,042.13 |
| Total Pieces Equipment Purchased | 1,262 | | \$136,367.87 ** |

* Three consumers receive signalers as their only piece of equipment during the FY.

** Total does not include purchases of equipment for demonstration that was not issued to an individual consumer. Additional equipment; including a personal listening device, and FM sound system was purchased with program funds to assist consumers who come into the office and need to communicate effectively.

One visual alert signaler (VAS), Amplified Ringer, Tactile Signaler or Combo Signaler, in addition to the STE (telephone equipment) is distributed per consumer upon completion of the application. Not all applicants request or receive a signaler, ringer or combo unit with their equipment choice and some applicants request only the VAS / Tactile Signaler/ Amplified Ringer / Combo Signaler. **Therefore, the number of applicants does not match the number of pieces of equipment distributed.**

Discussion of any major policy or operational issues:

The TAP Advisory Board meets in person at least once annually, and has met three times during the FY 05-06 due to the activity with the 2006 Legislative session. Information and updates are provided via electronic mail or regular postal mail between face-to-face meetings. Written reports from each meeting are distributed to members, provided to the full Commission for approval and then archived.

Listed below are the current nine voting members, two Ex-Officio members and three TAP staff. Consumer's terms expires on a rotating basis effective June 30th and are replaced as needed through the process of nominating and approving another consumer member to serve on the TAP Advisory Board.

| Last Name | First Name | Membership Status |
|------------------|-------------------|------------------------------------------------------------|
| Ziehr | Jeremiah | Deaf Consumer |
| Green | Bobby | Severely Hard of Hearing Consumer |
| Fowler | Lewis | Deaf Consumer |
| Stuckey | Robert | KCDHH Commissioner Representative, Advisory Board Chair |
| Lawson | Johnny | Speech-impaired Consumer |
| Volk | Thomas | Speech-impaired Consumer |
| Rogers | Judy | Hard of Hearing Consumer |
| Skaggs | Forest | KY Telephone Association Representative |
| Stevens | Jim | Public Service Commission Representative |
| Freeman | Trish | KCDHH Commission Chair |
| Scoggins | Bobbie Beth | KCDHH Executive Director |
| Holloway | Rowena | Program Coordinator |
| White | Sharon | Document Processing Specialist III |
| Bridges | Margie | Database Assistant |

Legislative Plans for FY 06-07:

No Legislative changes are planned during the FY 06-07 session. During 07-08 we plan to file a bill requesting that the two cent increase in funding for TAP be continued ongoing within the budget, or that wireless providers be charged a surcharge to match the residential line charges. The outcome will depend on results from the 2007 conference with wireless providers and if there is buy-in towards the TAP.

Regulations (Statutes) will be updated to reflect the changes implemented by SB 88 and HB 468 by October 1, 2006. The program application is incorporated by reference and

will be revised and reprinted to reflect the name change of the program. Other printed materials, such as brochures, flyers, and announcements will be reprinted as exhausted.

Plans for FY 2006 – 2007, not involving Legislative changes include:

The Program Coordinator and Executive Director will host and attend the National Telecommunications Equipment Distribution Program Association (TEDPA) conference in the fall of 2006. The Executive Director has worked with the Boards of both TEDPA and the National Association of State Relay Administrators (NASRA) organization to plan the 2006 conferences. The Executive Director will attend the NASRA conference in September 2006, where staff from the Federal Communications Council (FCC) will speak on federal mandates, changes and upcoming legislation that will affect Video Relay Service (VRS), Video Relay Interpreting (VRI) and Voice Over Internet Protocol (VoIP) technology.

In partnership with the PSC and the Kentucky Telephone Association (KTA) a conference will be planned and held in the spring of 2007 hosting cellular providers from across the state and encouraging them to learn about the TAP and its services. The goal is to obtain “buy-in” from the cellular providers regarding adding a surcharge on cellular services across the Commonwealth to support the TAP ongoing.

Outreach plans for FY 06-07 include working in partnership with our Relay Service provider, BellSouth, Kentucky Telephone Association, Kentucky Association of the Deaf, Alexander Graham Bell Association, Veterans Administration, Self Help for the Hard of Hearing, American Association of Retired Persons, Kentucky School for the Deaf, Kentucky Department of Education, Commission for Children with Special Health Care Needs, Speech and Language Pathologists, Audiologists, Hearing Instrument Specialists, Area Developmental Districts professionals and other public and private agencies who serve the deaf, speech impaired and hard of hearing population, to provide workshops and educational materials on the availability of the TAP and other KCDHH resources. Outreach will be expanded formally once funding increases are stabilized and the agency is requesting that two additional full-time state positions be added the TAP staff to accommodate the workload.

MEMORANDUM

DATE: July 1, 2007

TO: Robert S. Sherman, Director
Legislative Research Commission

CC: Laura E. Owens, Secretary
Education Cabinet

Beth A. O'Donnell, Executive Director
Public Service Commission

Bobbie Beth Scoggins

FROM: Bobbie Beth Scoggins, Executive Director
Kentucky Commission on the
Deaf and Hard of Hearing

RE: Telecommunications Access Program (TAP) Annual Report
for the Fiscal Year 2006- 2007

Enclosed is the Telecommunications Access Program (TAP) Annual Report for the fiscal year 2006-2007. As per KRS 163.527, this report is to be submitted to the Kentucky General Assembly through the Legislative Research Commission.

If you have any questions, please feel free to contact me at bobbie.scoggins@ky.gov. or at 502-573-2604 (V/T).

The Kentucky Commission on the Deaf and Hard of Hearing

Since its inception in 1995, the Telecommunications Access Program (TAP), administered by the Kentucky Commission on the Deaf and Hard of Hearing (KCDHH), has served 12,709 applicants. From time to time the program has received letters of thanks from grateful recipients. These letters have served as an inspiration to the staff of the TAP, knowing that this program has been very successful in providing a much needed service to constituents of Kentucky.

"I truly cannot thank you enough for the difference receiving a CapTel telephone has made in my life. I always thought people were speaking inconsistently but now I know that I was not hearing the words. With the captions and what little hearing I have left I can hold a conversation without embarrassing myself. Thank you and your staff again for the wonderful telephone!"

(Hard of Hearing Consumer – Louisville)

"I received my new TDD from your program after mine broke from many years of use. I could not have afforded to buy one myself because I live on social security income only. Without your help many deaf would have no place to turn in my area. You do a wonderful service for us all!"

(Deaf Consumer – Fulton)

"Without my new cordless amplified telephone my children would never let me go to the garden again. Now they can check on me while I work. I can't thank you enough for sending it to me.....and FREE at that! What a wonderful service, I'm telling all my friends."

(Hard of Hearing Consumer – Rockholds)

"I love my PocketComm TTY, thank you. Now I can talk to all my friends in high school just like my hearing friends use their cell phones."

(Deaf Consumer – Lawrenceburg)

"I didn't feel a part of society anymore and was becoming more and more isolated. My friends did not call me to tell me what was going on anymore, leaving me lonely. The CapTel telephone you gave me has allowed me to participate in my community again. Thank you!"

(Hard of Hearing Consumer – Richmond)

"At 102 I never thought I'd hear my grand daughter's voice again, but now I can understand her again with the amplified telephone you gave me. Thank you for your service, it's a blessing."

(Hard of Hearing Consumer – Florence)

"The speech-impaired telephone you gave me is a godsend and it has changed my life back to normal again. You are a wonderful agency, please continue the good work."

(Speech Impaired Consumer – Ashland)

**Telecommunications Access Program
Annual Report
Fiscal Year 2006 - 2007**

**Kentucky Commission on the Deaf and Hard of Hearing
Bobbie Beth Scoggins, Ed. D
Executive Director**

In compliance with KRS 163.527, this annual report is submitted to the Kentucky General Assembly through the Legislative Research Commission.

“The Commission on the Deaf and Hard of Hearing shall provide to the General Assembly an annual report on the operation of the Telecommunications Access Program (TAP). The report shall be due on July 1st of each year, beginning July 1, 1995, and, at a minimum, provide:

- (1) The number of persons served and the number of TDDs distributed;
- (2) The revenues and expenditures of the program;
- (3) Discussion of any major policy or operational issues;
- (4) Any changes the Commission plans to make in the program that does not require legislative action; and
- (5) Any proposals for legislative changes in the program.” KRS 163.527

The number of persons served and the number of STE's distributed:

The Telecommunications Access Program (TAP) received **894** new applications during the 2006-2007 fiscal year. The status of all current applications for Specialized Telecommunication Equipment (STE) is as follows as of 6/29/2007.

| Status | Total |
|-----------------|--------------|
| Approved | 63 |
| Complete | 852 |
| Incomplete | 109 |
| Denied | 40 |
| Not Active | 9 |
| Total ** | 1,073 |

** Total status count does not match the number of new applications received during the FY due to receipt of some applications in the previous FY and processing in the current FY, or pending incomplete into the next FY.

DEFINITIONS:

Approved - Applications approved for which STE has been ordered but is pending delivery during the FY, or applications were approved but STE has yet to be ordered. This is the "waiting list" and identifies customers ready to receive equipment once funds are available.

Completed - Applications were approved and STE was delivered to consumers and paid for during the FY.

Incomplete - Applications are pending receipt of verification. Applications lacking information required to determine eligibility (approval/denial) are returned to the applicant with a request for additional information. Applications are kept pending for one year to allow adequate time to provide necessary verification.

Denied - Applications denied because the applicants did not meet the eligibility criteria in order to receive the STE. Notification is sent to each applicant outlining the reason for ineligibility and an explanation of when the applicant might be eligible is included (i.e. reapplications for equipment may be submitted after four (4) years from receipt of the first piece of equipment.)

Not Active - These applications have been pending verification for more than twelve (12) months. The applicant is notified and given an additional 30 days to submit the missing verification and if no response is received the application is changed to Not Active and archived. A new application is required if reapplication occurs after this determination.

907 consumers received their STE during the 2006-2007 fiscal year.
A breakdown of these applicants by degree of hearing loss is listed below:

| Degree of Hearing Loss | Total |
|-------------------------------|--------------|
| Deaf | 46 |
| Deaf w/ Limited Vision | 7 |
| Deaf-Blind | 0 |
| Hard-of-Hearing | 568 |
| Late-Deafened | 11 |
| Severely Hard-of-Hearing | 265 |
| Speech-Impaired | 10 |
| Total | 907 |

During FY 06-07 the number of applications decreased slightly within the program because deaf consumers are moving toward alternate technology (i.e., videoconferencing, web cams and internet relay services) for their telephone communication needs and the program does not currently distribute equipment to meet this need. The decrease in the number of applications and a streamlining of the approval process has resulted in downsizing program staff to one full time and one part time state employee and no temporary employees, allowing more of the program funds to be designated to equipment purchases. Outreach partnerships continue and upcoming public relation efforts, such as participating in the Kentucky State Fair, will continue to increase awareness of the program during FY 07-08 and should result in a higher number of applications.

The number of hard of hearing individuals in the Commonwealth, which includes those self identified as hard of hearing, severely hard of hearing and late deafened, continues to increase as the population ages. The highest demand for specialized equipment comes from this population, (93.5% compared to 92% last FY), who need amplified phones, speech strengthening telephones, voice carry over telephones and the CapTel device. Requests for equipment typically used by deaf constituents, such as Telecommunication Devices for the Deaf (TDD), continues to decrease (6% compared to 8% last FY). The TAP serves less than 1% deaf-blind or speech impaired individuals per FY.

AT&T (formerly BellSouth) partnered with KCDHH again in FY 06-07 to extend our outreach capabilities by including inserts in their billing invoices twice during the year, and this partnership will continue into the 07-08 FY. Program staff also uses videoconferencing, video relay interpreting, AIM and email, as well as traditional voice lines and interpreters, to explain requirements to professionals and consumers on a daily basis. During June 07 a mail out was sent to audiologists, speech pathologists, hearing instrument specialists and professionals that work directly with the deaf and

had of hearing throughout the state. We anticipate this outreach will increase incoming applications as professionals became more aware of the program's availability and the kinds of equipment available to meet the needs of their consumers. During the 07-08 FY video clips will be added to the KCDHH website describing the TAP application process in American Sign Language (ASL), in an attempt to reach deaf constituents who use ASL as their primary language and may find the written application confusing. The video clip will also be converted to a DVD so that professionals contacted by consumers to verify hearing loss can provide the explanation in ASL to those consumers.

Hamilton Telecommunications, Inc., Kentucky's Telecommunications Relay Service (TRS) provider continues to partner with KCDHH to provide training to consumers on a one-to-one basis for those who utilize the relay service. This partnership has been a great benefit to both agencies and Hamilton provides data regarding the trainings in quarterly reports presented at the Telecommunications Relay Service (TRS) advisory board meetings conducted with the Public Service Commission (PSC). Consumers receiving amplified telephones are trained upon request by KCDHH staff, volunteers, and local advocates on a case-by case basis. Consumers are provided with written instructions and videotaped instructions (i.e., Captel) as part of the equipment package, so one-on-one training is minimal.

The contract with Hamilton to provide relay services within Kentucky is effective through July 30, 2008 with the potential for another three years renewal through 2011, if both parties agree. Customer satisfaction with Hamilton Relay is well documented and KCDHH is satisfied with their performance record.

KCDHH and the Telecommunications Access Program (TAP) hosted the 2006 National Telecommunications Equipment Distribution Program Association (TEDPA) conference, as well as the National Association of State Relay Administrators (NASRA) conference, which was held in Louisville, KY from September 6 -13. Dr. Bobbie Beth Scoggins served as state Chair of both conferences and showcased Kentucky's program to the 37 states in attendance at both conferences. Feedback received from attendees indicated the conferences were a success and Kentucky was seen as a role model for state relay and equipment distribution programs.

Public Relation efforts such as E-blitzes, press releases and outreach trainings have been conducted throughout the FY, allowing program information to be dispersed on a broader base and in a timelier manner.

Equipment vendor contract renewals were processed during May 2007 and a modification was made to replace one cordless amplified telephone due to complaints from consumers. The program offers 24 pieces of equipment in enough variety to meet the needs of all consumers. Additions to the program or upgrades in technology are consistently pursued throughout the year and contracts are modified as required.

The KCDHH Internal Policy Analyst III represents the TAP and serves on several Advisory Boards for state, local and national organizations that serve the deaf and hard of hearing population and serves as Secretary for the national TEDPA organization. Meetings are held quarterly for the AT&T Advisory Board, the Kentucky Assistive Technology Service (KATS) Network Advisory Board, the Telephone Relay Service (TRS) providers Advisory Board, and the Lost Chord Society. Written reports from those meetings are compiled and included in the KCDHH quarterly reports which are distributed to all KCDHH Commissioners and Cabinet heads and archived as part of the agency's records retention.

Staff members with the TAP attended the following trainings during FY 06-07:

- About Deafness–Accessibility Training – Online course includes training on captioning, interpreting, Relay services, and Cochlear Implants, Hearing Dogs, Assistive Listening Devices and Assistive Technology, and Sign Language;
- Black Deaf Caucus conference and workshops at Eastern Kentucky University; and
- The Grantsmanship Training Program, which covered all aspects of researching grants, writing grant proposals and negotiating with funding sources.

Legislative Update:

During FY 06 - 07 the Telecommunications Access Program (TAP) filed amendments to the Kentucky Administrative Regulations (KAR) governing the program. The amendments, which incorporated the program name change, became effective on March 9, 2007. The previous name, TDD Distribution Program, reflected the type of device used primarily by deaf individuals and consumers felt the TAP name better represented the whole population served.

With the passage of HB 468 and inclusion of its recommendations in the Governor's Budget language for FY 07 and FY 08, the funding base for the TAP remains at two cents per residential telephone line. Seven cents of the total nine cent surcharge on each residential telephone line is retained by Hamilton, Kentucky's Telephone Relay Service (TRS) provider. This increase for the TAP is effective through June 30, 2008 unless extended by the General Assembly.

During the 2007 Legislative session KCDHH contacted supporters to propose a permanent change to the TAP funding base. After discussions with all parties involved, including our Cabinet liaisons, it was decided that we should wait until the 2008 Legislative session to introduce such a bill.

**The revenues and expenditures of the Telecommunications Access Program
For fiscal year 2006-2007**

| REVENUE | Budgeted Expenditures | Actual Expenditures |
|-----------------------------------|----------------------------------|--------------------------------|
| FY 2007 Allotment | 590,000 | 357,841 |
| Rollover funds | FY 05-06 384 | FY 06-07 232,543 |
| TOTAL REVENUE | 590,384 | 590,384 |
| PERSONNEL EXPENSES | | |
| State Employee Salary | 100,400 | 66,450 |
| State Employee Benefits/Fringe | 45,900 | 19,450 |
| Other Personnel Services | 55,000 | 28,390 |
| Other | 5,500 | 1,539 |
| Total Personnel Services | 206,800 | 115,829 |
| OPERATING EXPENSES | | |
| Utilities | 4,200 | 2,201 |
| Maintenance and Repairs | 22,000 | 21,032 |
| Postage and Related Services | 2,500 | 1,887 |
| Miscellaneous Services | 4,500 | 4,545 |
| Telecommunications | 2,700 | 2,695 |
| Database | 100,000 | 0 |
| Computer Services | 17,000 | 16,142 |
| Supplies | 20,000 | 19,051 |
| TAP Equipment purchases | 200,000 | 154,671 |
| Travel Expense/ Allowances | 2,200 | 1,825 |
| Miscellaneous Commodities | 8,500 | 17,963 |
| Total Operating Expenses | 383,600 | 242,012 |
| TOTAL EXPENSES | 590,400 | 357,841 |
| Rollover FY 06-07 | | 232,543 |
| 13-33-340-TBOO BALANCE | AS OF 6/29/07 | 232,543 |

Breakdown of expenditures for equipment distributed and the cost analysis during FY 06-07 is below:

| STE (Telephone equipment) | Units | Unit Price | Cost per FY |
|----------------------------------------|--------------|-------------------|---------------------|
| Ultratec 1140 Uniphone | 6 | \$183.00 | \$1,098.00 |
| Superprint 4425 w/ASCII | 10 | \$338.00 | \$3,380.00 |
| Pro 80 Gold | 24 | \$423.00 | \$10,152.00 |
| Pro 80 Gold with LVD | 2 | \$423.00 | \$846.00 |
| Ultratec Crystal Tone Plus | 124 | \$98.00 | \$12,152.00 |
| Ameriphone CL-4205 Cordless | 268 | \$137.95 | \$36,970.60 |
| Dialogue JV-35 Amp Speakerphone | 42 | \$81.84 | \$3,437.28 |
| Ultratec CapTel | 90 | \$420.50 | \$37,845.00 |
| Ultratec CapTel with LVD/USB port | 1 | \$485.50 | \$485.50 |
| Starplus 45 | 40 | \$79.98 | \$3,199.20 |
| ClearSounds 40XLC | 76 | \$78.85 | \$5,992.60 |
| Dialogue XL-50 | 68 | \$93.04 | \$6,326.72 |
| Dialogue XL-30 | 3 | \$72.80 | \$218.40 |
| Uniden 7248i Cordless | 134 | \$114.06 | \$15,284.04 |
| Ameriphone VCO | 9 | \$125.00 | \$1,125.00 |
| RC 200 Speakerphone | 0 | \$375.00 | \$0 |
| HC-SPAMP Speech Amplified telephone | 0 | \$60.80 | \$0 |
| Compact/C-TDD | 2 | \$208.00 | \$416.00 |
| PocketComm TDD | 3 | \$149.50 | \$448.50 |
| TeliTalk Speech Aid phone | 6 | \$925.00 | \$5,550.00 |
| Total STE (telephone equipment) | 908 | | \$144,926.84 |
| Signaling Devices | | | |
| Ultratec Clarity Tone Ringer | 144 | \$19.59 | \$2,820.96 |
| Sonic Alert TR 75 VAS | 181 | \$25.95 | \$4,696.95 |
| ClearSounds HT-CL1 Combo Signaler | 62 | \$33.00 | \$2,046.00 |
| Vibracell Ring – Tactile Signaler | 2 | \$90.00 | \$180.00 |
| Total Signaling Devices | 389 | | \$9,743.91 |
| Total Equipment pieces / cost | 1,297 | | \$154,670.75 |

One visual alert signaler (VAS), Amplified Ringer, Tactile Signaler or Combo Signaler, in addition to the STE (telephone equipment) is distributed per consumer upon completion of the application. Not all applicants request or receive a signaler, ringer or combo unit with their telephone equipment choice and some applicants may request a signaler only.

Discussion of any major policy or operational issues:

The TAP Advisory Board, which consists of consumers and agency representatives, meets at least once annually. The board met twice during the FY 06-07. Information and updates are provided via electronic mail or regular postal mail between face-to-face meetings. Written reports from the meetings are provided to the full Commission for approval, the distributed to the advisory board members and archived.

The current voting members*, Ex-Officio members** and TAP staff***are listed below. Consumer's terms expires on a rotating basis effective June 30th and are replaced as needed by the board through the nomination process. In May 2007, elections were held to replace two consumers and an additional position was added for a deaf-blind consumer. One of the speech impaired consumer positions remains vacant. Elected members may serve two consecutive four-year terms, while other member positions are mandated by law. TAP staff to not have voting rights.

| Last Name | First Name | Membership Status | Term Ends |
|-----------|-------------|--------------------------------------------------------------------------------------------|--------------|
| Stuckey | Robert | *KCDHH Commissioner Representative / Hard of Hearing Consumer / Advisory Board Chair | 2009 |
| Ziehr | Jeremiah | *Deaf Consumer | 2009 |
| Green | Bobby | *Deaf / Minority Consumer | 2009 |
| Fowler | Lewis | *Deaf Consumer | 2011 |
| Lawson | Johnny | *Speech-impaired Consumer | 2009 |
| Volk | Thomas | Speech-impaired Consumer | 2007 expired |
| | Vacant | *Speech-impaired Consumer | 2011 |
| Rogers | Judy | Hard of Hearing Consumer | 2007 expired |
| McGirt | Melinda | *Hard of Hearing Consumer | 2011 |
| Caldwell | Shannon | *Deaf-Blind Consumer | 2011 |
| Skaggs | Forest | *KY Telephone Association Representative | Law |
| Stevens | Jim | **Public Service Commission Representative | Law |
| Freeman | Trish | **KCDHH Commission Chair | Law |
| Scoggins | Bobbie Beth | **KCDHH Executive Director | Law |
| Holloway | Rowena | ***Internal Policy Analyst III | Staff |
| White | Sharon | ***Document Processing Specialist III | Staff |

With the passage of the amended regulations during the 06-07 FY the TAP application was updated along with the equipment insert and program brochures. All materials have been reprinted and are currently in use by program staff.

Legislative Plans for FY 06-07:

We have been in dialogue with the Public Service Commission (PSC) and Kentucky's current Relay Service provider, Hamilton, regarding the possibility of continuing to receive two cents of the current nine cents charged on each residential telephone line for TRS/TAP services. Both entities are in agreement that the TAP is beneficial to Kentucky consumers and needs the financial support to continue operations and expand on outreach efforts. KCDHH will file a petition with the PSC during the 07-08 FY, prior to the start of the 2008 legislative session, asking that the increased funding base be made permanent. Should that effort be unsuccessful, we will contact our previous sponsor and ask that a bill be introduced to allow the funding increase to become permanent through the legislative process.

Plans for FY 2006 – 2007, not involving Legislative changes include:

The Executive Director and the Internal Policy Analyst III will attend the National Telecommunications Equipment Distribution Program Association (TEDPA) conference in the fall of 2007. The Internal Policy Analyst III currently serves as Secretary of the TEDPA National Board and is assisting in the planning of the conference which will be held in Montana. The Executive Director will also attend the National Association of State Relay Administrators (NASRA) 2007 conference, where staff from the Federal Communications Council (FCC) will speak on federal mandates, changes in funding and upcoming legislation that will affect the technology that supports alternate communication modes such as videoconferencing.

Outreach plans for FY 07 - 08 include partnerships with the following entities:

- Hamilton Relay Service;
- AT&T;
- Kentucky Telephone Association;
- Kentucky Association of the Deaf;
- Alexander Graham Bell Association;
- Lost Cord Society;
- Veterans Administration;
- Hearing Loss Association of America;
- American Association of Retired Persons;
- Kentucky School for the Deaf;
- Kentucky Department of Education;
- Commission for Children with Special Health Care Needs;
- Kentucky Speech Language and Hearing Association;
- Heuser Hearing Institute;
- Speech and Language Pathologists;
- Audiologists, Hearing Instrument Specialists; and
- Area Developmental Districts

Professionals, public and private agencies who serve the deaf, speech impaired, deaf blind and hard of hearing population are also part of the ongoing TAP outreach. Staff provides informational workshops and educational materials throughout the year to educate the public and professionals about the availability of services from both KCDHH and TAP.

A consumer satisfaction survey will be added to the KCDHH website by the end of 2007 to obtain feedback on the services provided through TAP. If consumers do not have access to the internet a hardcopy form will be mailed to obtain survey results. Results will be used to improve the services of KCDHH and TAP for all consumers.

**Statistical analysis of specialized equipment distributed through the
Telecommunications Access Program (TAP)**

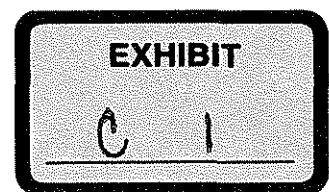
FY 02-03 through FY 06-07 with anticipated numbers for FY 07-08

| Fiscal Year / FY | Applications Received | * Equipment Distributed | % Deaf | % Hard of Hearing | % Speech Impaired | Average Cost per piece |
|------------------------------|------------------------------|--------------------------------|---------------|--------------------------|--------------------------|-------------------------------|
| 02 - 03 | 627 | 562 | 15 | 84.5 | .5 | \$ 171 |
| 03 - 04 | 1,018 | 879 | 9 | 90 | 1 | \$ 165 |
| 04 - 05 | 1,132 | 1,060 | 7 | 92 | 1 | \$ 198 |
| 05 - 06 | 1,060 | 1,263 | 4.5 | 93.5 | 2 | \$ 174 |
| 06 - 07 | 910 | 1,297 | 6 | 93 | 1 | \$ 171 |
| 07 - 08 July - Sept | 360 | 252 | 1 | 98 | 1 | \$ 132 ** |
| Anticipated Oct - June 08 | 1,152 | 1,108 | > | < | > | *** |

* Total includes telephone equipment + signaling device.

** Price per unit has decreased because deaf and speech-impaired individuals are not being effectively served by the current equipment choices.

*** Price per unit will increase as wireless devices are distributed to meet the demand from of the community for access to communications.

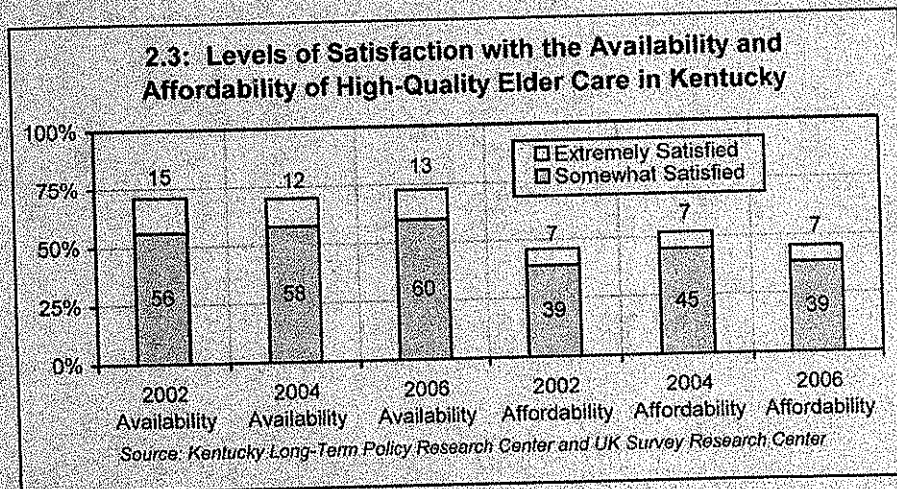


2.3

Elder Care

While many individuals live independently as they age, the average age upon admission to a nursing home is about 80. Kentucky's population aged 80 years and older is projected to number almost 220,000 by 2030, a significant increase from 126,000 in 2000. Our ability to meet the many and varied needs of elders will become an increasingly important aspect of family success. Access to high-quality elder care services, from all levels of institutional care to in-home support, is critical to the well-being of older citizens. Here, our surveys show that about 73 percent of Kentuckians express high levels of satisfaction with the availability of quality elder care services, but only 46 percent express satisfaction with the affordability of these services. Thus, availability becomes a relative term for Kentuckians who cannot afford quality elder care but whose incomes are too high to qualify for assistance from Medicaid.

KENTUCKY
LONG-TERM POLICY
RESEARCH CENTER



Statistical Demographics Deaf and Hard of Hearing Individuals in Kentucky

| County | Number of Persons* | Total Number of Deaf or HOH** |
|--------------|--------------------|-------------------------------|
| Adair | 17,244 | 2,759 |
| Allen | 17,800 | 2,848 |
| Anderson | 19,111 | 3,058 |
| Ballard | 8,286 | 1,326 |
| Barren | 38,033 | 6,085 |
| Bath | 11,085 | 1,774 |
| Bell | 30,060 | 4,810 |
| Boone | 85,991 | 13,759 |
| Bourbon | 19,360 | 3,098 |
| Boyd | 49,752 | 7,960 |
| Boyle | 27,697 | 4,432 |
| Bracken | 8,279 | 1,325 |
| Breathitt | 16,100 | 2,576 |
| Breckenridge | 18,648 | 2,984 |
| Bullitt | 61,236 | 9,798 |
| Butler | 13,010 | 2,082 |
| Caldwell | 13,060 | 2,090 |
| Calloway | 34,177 | 5,468 |
| Campbell | 88,616 | 14,179 |
| Carlisle | 5,351 | 856 |
| Carroll | 10,155 | 1,625 |
| Carter | 26,889 | 4,302 |
| Casey | 15,447 | 2,472 |
| Christian | 72,265 | 11,562 |
| Clark | 33,144 | 5,303 |
| Clay | 24,556 | 3,929 |
| Clinton | 9,634 | 1,541 |
| Crittenden | 9,384 | 1,501 |
| Cumberland | 7,147 | 1,144 |
| Daviess | 91,545 | 14,647 |
| Edmonson | 11,644 | 1,863 |
| Elliott | 6,748 | 1,080 |
| Estill | 15,307 | 2,449 |
| Fayette | 260,512 | 41,682 |
| Fleming | 13,792 | 2,207 |
| Floyd | 42,441 | 6,791 |

EXHIBIT
E 14

*Census data extrapolated from results of the 2000 Census, as conducted by the U. S. Census Bureau. Issue: Sept. 2002

** Estimates based on household interviews of a sample of the civilian non-institutionalized population as reported by the National Health Interview Survey, 2005.

Updated 2006

Statistical Demographics Deaf and Hard of Hearing Individuals in Kentucky

| County | Number of Persons* | Total Number of Deaf or HOH** |
|------------|--------------------|-------------------------------|
| Franklin | 47,687 | 7,630 |
| Fulton | 7,752 | 1,240 |
| Gallatin | 7,870 | 1,259 |
| Garrard | 14,792 | 2,367 |
| Grant | 22,384 | 3,581 |
| Graves | 37,028 | 5,924 |
| Grayson | 24,053 | 3,848 |
| Green | 11,518 | 1,843 |
| Greenup | 36,891 | 5,903 |
| Hancock | 8,392 | 1,343 |
| Hardin | 94,174 | 15,068 |
| Harlan | 33,202 | 5,312 |
| Harrison | 17,985 | 2,878 |
| Hart | 17,445 | 2,791 |
| Henderson | 44,829 | 7,173 |
| Henry | 15,060 | 2,410 |
| Hickman | 5,262 | 842 |
| Hopkins | 46,519 | 7,443 |
| Jackson | 13,495 | 2,159 |
| Jefferson | 693,604 | 110,977 |
| Jessamine | 39,041 | 6,247 |
| Johnson | 23,445 | 3,751 |
| Kenton | 151,464 | 24,234 |
| Knott | 17,649 | 2,824 |
| Knox | 31,795 | 5,087 |
| Larue | 13,373 | 2,140 |
| Laurel | 52,715 | 8,434 |
| Lawrence | 15,569 | 2,491 |
| Lee | 7,916 | 1,267 |
| Leslie | 12,401 | 1,984 |
| Letcher | 25,277 | 4,044 |
| Lewis | 14,092 | 2,255 |
| Lincoln | 23,361 | 3,738 |
| Livingston | 9,804 | 1,569 |
| Logan | 26,573 | 4,252 |
| Lyon | 8,080 | 1,293 |
| McCracken | 65,514 | 10,482 |

*Census data extrapolated from results of the 2000 Census, as conducted by the U. S. Census Bureau. Issue: Sept. 2002

** Estimates based on household interviews of a sample of the civilian non-institutionalized population as reported by the National Health Interview Survey, 2005.

Updated 2006

Statistical Demographics Deaf and Hard of Hearing Individuals in Kentucky

| County | Number of Persons* | Total Number of Deaf or HOH** |
|------------|--------------------|-------------------------------|
| McCreary | 17,080 | 2,733 |
| McLean | 9,938 | 1,590 |
| Madison | 70,872 | 11,340 |
| Magoffin | 13,332 | 2,133 |
| Marion | 18,212 | 2,914 |
| Marshall | 30,125 | 4,820 |
| Martin | 12,578 | 2,012 |
| Mason | 16,800 | 2,688 |
| Meade | 26,349 | 4,216 |
| Menifee | 6,556 | 1,049 |
| Mercer | 20,817 | 3,331 |
| Metcalfe | 10,037 | 1,606 |
| Monroe | 11,756 | 1,881 |
| Montgomery | 22,554 | 3,609 |
| Morgan | 13,948 | 2,239 |
| Muhlenberg | 31,839 | 5,094 |
| Nelson | 37,477 | 5,996 |
| Nicholas | 6,813 | 1,090 |
| Ohio | 22,916 | 3,667 |
| Oldham | 46,178 | 7,388 |
| Owen | 10,547 | 1,688 |
| Owsley | 4,858 | 777 |
| Pendleton | 14,390 | 2,302 |
| Perry | 29,390 | 4,702 |
| Pike | 68,736 | 10,998 |
| Powell | 13,237 | 2,118 |
| Pulaski | 56,217 | 8,995 |
| Robertson | 2,266 | 363 |
| Rockcastle | 16,582 | 2,653 |
| Rowan | 22,094 | 3,535 |
| Russell | 16,315 | 2,610 |
| Scott | 33,061 | 5,290 |
| Shelby | 33,337 | 5,334 |
| Simpson | 16,405 | 2,625 |
| Spencer | 11,766 | 1,883 |
| Taylor | 22,927 | 3,668 |
| Todd | 11,971 | 1,915 |

*Census data extrapolated from results of the 2000 Census, as conducted by the U. S. Census Bureau. Issue: Sept. 2002

** Estimates based on household interviews of a sample of the civilian non-institutionalized population as reported by the National Health Interview Survey, 2005.

Updated 2006

Statistical Demographics Deaf and Hard of Hearing Individuals in Kentucky

| County | Number of Persons* | Total Number of Deaf or HOH** |
|--------------|--------------------|-------------------------------|
| Trigg | 12,597 | 2,016 |
| Trimble | 8,125 | 1,300 |
| Union | 15,637 | 2,502 |
| Warren | 92,522 | 14,804 |
| Washington | 10,916 | 1,747 |
| Wayne | 19,923 | 3,188 |
| Webster | 14,120 | 2,259 |
| Whitley | 35,865 | 5,738 |
| Wolfe | 7,065 | 1,130 |
| Woodford | 23,208 | 3,713 |
| TOTAL | 4,041,771 | 646,683 |

**Census data extrapolated from results of the 2000 Census, as conducted by the U. S. Census Bureau. Issue: Sept. 2002*

*** Estimates based on household interviews of a sample of the civilian non-institutionalized population as reported by the National Health Interview Survey, 2005.*

Updated 2006





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October 19, 2007

Ms. Elizabeth O'Donnell, Executive Director
Public Service Commission
PO Box 615
211 Sower Boulevard
Frankfort, KY 40602-0615

Ms. Beth O'Donnell

Title IV of the Americans with Disabilities Act (ADA) required that the Telecommunications Relay Services (TRS) be established in 1990 and the Federal Communications Commission (FCC) required that each common carrier providing telephone voice transmission services provide TRS throughout the area in which it offers service effective July 1993. TRS Services have been operating in Kentucky since 1991.

The Telecommunications Access Program (TAP), which is administered by the KCDHH, was implemented in 1995 as a result of legislation enacted by the General Assembly. The TAP is essential in that it distributes specialized telecommunications equipment to deaf, hard of hearing, deaf-blind and speech impaired individuals to provide equal access to telecommunications. KRS 278.548 instructs the Public Service Commission (PSC) to assist the Kentucky Commission on the Deaf and Hard of Hearing (KCDHH) in the TAP pursuant to KRS 163.525 and requires the PSC to determine the appropriate funding mechanism for both the TRS and the TAP.

Wireless subscriber lines have increased proportionately with 2.4 million reported in Kentucky as of July 1, 2007 per the Commercial Mobile Radio Service (CMRS) Annual Report FY 06-07. That trend is expected to continue as many consumers substitute wireless service for landline service and other consumers move to broadband Internet service for their communication needs. Today, 13.7 percent of all inbound calls and approximately 9 percent of all minutes can be attributed to wireless callers.

Hamilton Telecommunications, Kentucky's Relay Service provider, supports the KCDHH petition to revise the funding mechanism for both TRS and TAP to equitably collect funds from subscribers of all telecommunication services within the Commonwealth, including wireless providers. Funds collected would be used for the purpose of providing specialized telecommunication devices to deaf, hard of hearing and speech-impaired residents of Kentucky and to ensure that these users are provided access to the Relay Service.

Please contact me if you have any questions concerning this support letter.

Sincerely,

Dixie Ziegler by AC
Dixie Ziegler
Vice President Hamilton Relay

