

**PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PA 17105-3265**

**AT&T Communications of Pennsylvania, LLC  
TRS Rate Element Increase**

**Public Meeting -  
April 22, 2010  
2130384-FUS  
Docket No. R-2009-2130384**

**STATEMENT OF VICE CHAIRMAN TYRONE J. CHRISTY**

The filing before us today involves a rate increase by AT&T Communications of Pennsylvania, LLC (AT&T) in the session price per minute for providing intrastate relay service for Pennsylvania citizens. AT&T filed a proposed supplement to its Telecommunications Relay Service (TRS) Tariff Pa. P.U.C. No. 24 on September 10, 2009 to reflect an increase in the price per session minute of use that AT&T charges the TRS Fund for Traditional, Speech-to-Speech, and Spanish Relay in Pennsylvania. Since the early 1990s, AT&T has been the sole provider of TRS in Pennsylvania, pursuant to a certificate of public convenience issued by this Commission.

The current proposed tariff supplement before us has been subject to a protracted discovery process in order that Commission staff has sufficient information to evaluate AT&T's proposed rate increase. With no opposition to this rate increase filed at the Commission, AT&T has suspended the effective date of the filing several times in order to further supply and discuss the underlying data to derive the proper session price per minute that AT&T eventually remits to Pennsylvania's TRS Fund. Unfortunately, the discovery process in this matter has been arduous and, at times, the necessary data to support the new rate proposed by the Company was lacking in its thoroughness.<sup>1</sup> However, through earnest efforts on the part of this Commission and AT&T, sufficient documentation has been submitted to provide historical and forecasted costs in order that staff could further analyze the proposed rate increase in the session price per minute.

While I support granting AT&T's rate request in part, I believe that, among many reasons, the increase is warranted because labor costs continue to increase while the volume of TRS minutes steadily decline. AT&T indicates that alternative technologies for communicating, such as text messaging, e-mail and instant messaging, have TRS volumes steadily decreasing thereby resulting in lower revenues for AT&T, which means that AT&T's overhead costs, building expenses, power and equipment, must be recovered from a smaller base of minutes.<sup>2</sup> The provision of TRS is a labor intensive service requiring an operator or Communications Assistant to be connected to every call for the duration of the call.<sup>3</sup> AT&T affirms this fact in its October 29, 2009 response to BFUS-DR-10, Set I, that the primary driver of TRS costs is labor costs. AT&T states that its employees providing TRS service have received annual wage

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<sup>1</sup> In response to Commission staff data requests, AT&T has indicated that the merger of SBC has caused certain costs not to be available to AT&T. These costs include building and IT/Engineering costs. AT&T Response to October 6, 2009 BFUS-DR-17, Set I filed March 5, 2010.

<sup>2</sup> AT&T Communications of Pennsylvania, LLC Supplement No. # to Tariff Pa. P.U.C. No. 24, filed September 10, 2009.

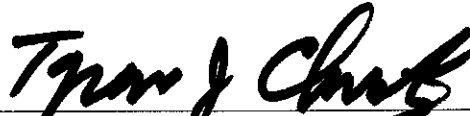
<sup>3</sup> Pennsylvania Public Utility Commission v. AT&T Communications of PA, Inc., Docket No. R-00943024 (Order entered May 4, 1994).

increases averaging 3% per year and will continue to do so under the current International Brotherhood of Electrical Workers (IBEW) labor contract.<sup>4</sup> AT&T further indicates that, since 1997, the wage rate per employee has increased 38% yet AT&T's TRS rate remained constant.<sup>5</sup>

AT&T provides a valuable and essential service to the deaf and hard of hearing communities nationally through only three relay centers – New Castle, Pennsylvania, Norton, Virginia and the third in Augusta, Georgia. The relay center in western Pennsylvania employs approximately 170 management and non-management employees who provide this valuable service to Pennsylvanians as well as other residents across the country in the deaf, hard-of-hearing, and speech-disabled communities. We are fortunate to have had this TRS center located in Pennsylvania for nearly 20 years. AT&T remains one of the top 50 employers in Lawrence County despite the fact that the average unemployment rate for this county has been increasing over the past several years and has outpaced the rural unemployment rate in Pennsylvania.<sup>6</sup> I believe that we must strive to keep the current TRS center in Pennsylvania so that these key jobs and essential services are provided through this Commonwealth's resources. I look forward to working with AT&T management to explore all opportunities to maintain the Pennsylvania TRS center that provides such a valuable and essential service to so many members of our society.

4-22-10

DATE



TYRONE J. CHRISTY, VICE CHAIRMAN

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<sup>4</sup> AT&T indicates that the IBEW's website stated that the wage increases in the recently ratified contract represent a 9% increase compounded annually over 3 years. The wage increase information is as follows: 3% increase retroactive to June 27, 2009, 3% increase in year 2 and 2.75% plus a COLA increase in year 3. See October 16, 2009 AT&T Response to October 6, 2009 BFU-DR-17, Set I. See also <http://www.ibew21.org/attcontract/index.html>.

<sup>5</sup> AT&T Communications of Pennsylvania, LLC Supplement No. # to Tariff Pa. P.U.C. No. 24, filed September 10, 2009.

<sup>6</sup> See [www.lawrencecounty.com](http://www.lawrencecounty.com) and Rural Economic Snapshot, Second Quarter 2005 to Second Quarter 2006, published 2007 by the Pennsylvania Center for Rural Pennsylvania, <http://www.rural.palegislature.us/publications/factsheets>.