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STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

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Illinois Telecommunications Access)
 Corporation)
)
 Petition for approval of Amplified)
 Telephone Purchase Agreement)
 pursuant to 83 Ill. Adm. Code 755.135(b).)

No. 04- 0422

ILLINOIS
 COMMERCE COMMISSION
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PETITION

To the Commission:

The Illinois Telecommunications Access Corporation ("ITAC") hereby requests, pursuant to 83 Ill. Adm. Code 755.135(b), that the Commission approve the Amplified Telephone Purchase Agreement ("Agreement"), attached hereto as Appendix A, between ITAC and Teltex, Inc. ("Teltex").

In support of this petition, ITAC respectfully states as follows:

(1) ITAC is a not-for-profit corporation formed by all Illinois local exchange telecommunications carriers ("carriers"), pursuant to the authorization and direction of the Commission, to implement the programs mandated under Section 13-703 of the Public Utilities Act, 220 ILCS 5/13-703, and Parts 755 and 756 of the Commission's rules. All Illinois wireline carriers are members of ITAC. Among other programs, ITAC is required to provide telecommunications devices to eligible recipients with permanent hearing and/or speech disabilities, and to provide a telecommunications relay service ("TRS") which permits individuals with a speech and/or hearing disability using a TTY or other telecommunications device to communicate over the standard telecommunications network with a hearing or speaking individual. ITAC provides TRS

in Illinois under a contract ("TRS Agreement") with Sprint Communications Company, L.P. ("Sprint") that was approved by the Commission on January 4, 2000 in Docket Nos. 99-0442 and 99-0443.

(2) Amplified telephones allow hard-of-hearing telephone users with good speech skills to communicate over the telephone network in a manner that is functionally equivalent to standard telephone processing. Amplified telephone users do not utilize the Illinois Relay Service. Instead, they speak and listen directly over the telephone network with the aid of amplification in the receiver unit of the telephone. For hard-of-hearing telephone users with sufficient residual hearing and good speech skills, amplified telephones are lower cost, less intrusive alternatives to TTYs (text telephones) and CapTel (captioned telephone) service.

(3) Effective January 1, 2004, the Commission's regulations (83 Ill. Adm. Code 755.120) permit ITAC to distribute amplified telephones and other assistive telecommunications equipment for the first time. Pursuant to Section 755.120, ITAC must evaluate the equipment on eleven factors:

- a) Whether the equipment allows persons who are deaf or hard-of-hearing, deaf-blind, hearing-sight disabled, or speech or speech-sight disabled access to the telecommunications network to send or receive messages;
- b) Whether the equipment falls within the scope of the Program pursuant to legislative mandates;
- c) The financial impact on the Program and on the intended recipients of procuring the equipment, and the cost-effectiveness of the equipment;
- d) Whether the equipment meets an identified need;
- e) The ease of availability of the equipment;
- f) The durability, reliability, and quality of the equipment;

- g) The cost, ease, and feasibility of training persons, including disabled persons as defined in Section 755.10, in the use of the equipment;
- h) The cost, ease, and feasibility of equipment repair;
- i) The availability of warranties upon the equipment;
- j) Ease of use of the equipment by persons with a disability; and
- k) Compatibility of the equipment with other ITAC equipment and other telecommunications technology.

(4) In order to evaluate amplified telephones, ITAC convened a committee to review and test amplified telephones. The committee consisted of eight persons who are hard-of-hearing. The committee tested and reviewed six models of amplified telephone, and ultimately selected four models to include in ITAC's equipment distribution program. The selected models are the William Sound Teletalker Tel 040, Ameriphone (Clarity) Dialogue XL-50, Ameriphone (Clarity) Dialogue XL-40, and ClearSounds® (Hitec) 40XLC amplified telephones. The committee intentionally selected telephones with varying degrees of amplification in order to meet the needs of a range of potential users in the hard-of-hearing community.

(5) Based on the reviews of the committee, ITAC determined that each of the selected models of amplified telephones meets the eleven criteria of Section 755.120.

(6) The selected models of amplified telephones all permit persons who are hard-of-hearing access to the telecommunications network to send and receive messages, as required by Section 755.120(a). The equipment is less intrusive and more natural than TTYs or CapTel telephones for persons with sufficient residual hearing to utilize amplified telephones.

(7) As required by Section 755.120(b), these amplified telephone models fall within the scope of the program mandated by 220 ILCS 5/13-703 (a), which directs carriers to provide telecommunications devices “capable of servicing the needs of those persons with a hearing or speech disability together with a single party line, at no charge additional to the basic exchange rate”. Consistent with Section 755.120(d), ITAC further determined that provision of the selected amplified telephones will meet an identified need, by serving the hard-of-hearing population that has traditionally not been well served by current ITAC equipment options. Moreover, for those persons for whom an amplified telephone is appropriate, it will serve their needs more cost-effectively and at a lower cost to the program than other available alternatives, including CapTel telephones and TTYs, as required by Section 755.120(c).

(8) Pursuant to Sections 755.120(e) and (f), ITAC ascertained that the selected models of amplified telephones are readily available, and that they are durable, reliable and of high quality. Further, in its Purchase Agreement for the amplified telephones, ITAC has specified that Teltex must supply reports on the repair record of the selected amplified telephones in the ITAC program, and ITAC may discontinue purchases of any model if ITAC finds that the model is not sufficiently durable and reliable.

(9) Consistent with Sections 755.120(g) and (j), the four models of amplified telephones selected by ITAC are relatively easy to use and to learn to use. Moreover, ITAC has assured, in its purchase agreement with Teltex, that users have access during standard working hours, via a toll-free voice and text telephone number, to a customer service facility that can answer questions regarding the equipment and help users determine if it needs to be returned for repair.

(10) As required by Sections 755.120(h) and (i), the selected equipment all comes with a standard manufacturer's warranty. Moreover, ITAC selected Teltex as its vendor because, among other reasons, Teltex offered the most cost-effective repair service after expiration of the standard warranty, and is a national repair center for warranty repairs. To further ease the burden of equipment repairs, Teltex also agreed to provide return shipping for repairs and will not require submission of a warranty card or other documentation in order for the warranty to be honored when items are returned for repair.

(11) Consistent with Section 755.120 (k), the selected amplified telephones are compatible with other ITAC equipment and other telecommunications technology. Importantly, because these telephones connect users directly over the telephone network without the assistance of the Illinois Relay Service, hard-of-hearing amplified telephone users will not have to utilize relay or CapTel service and ITAC will not incur the cost of relay or CapTel calls for hard-of-hearing users who can be better served by amplified telephones.

(12) Section 755.100(b) requires ITAC to offer a voucher program for equipment distribution no later than July 1, 2005. ITAC has determined that the amplified telephones purchased pursuant to the attached purchase agreement with Teltex will be distributed under the new voucher program for several reasons. First, unlike the CapTel telephone and Braille phones, amplified telephones are a relatively low-cost piece of assistive equipment and therefore more appropriate for a voucher program. Second, ITAC anticipates a large volume of users to request amplified telephones. Pursuant to Section 755.110(b), under its voucher program, ITAC will not provide maintenance,

training or exchange services. Provision of these services could be prohibitive in view of ITAC's small staff, if amplified telephones were offered under ITAC's loan program.

(13) Although Section 755.100(b) does not require that ITAC offer a voucher program until July, 2005, ITAC believes it is preferable to begin its voucher program with amplified telephones as soon as possible. ITAC recently began distribution of CapTel telephones through its loan program, as authorized by the Commission in Docket No. 03-0777. CapTel telephones are appropriate for certain users who are hard-of-hearing, but they are costly and CapTel relay service adds an additional cost. Some potential users of the CapTel telephones and service could be as well served or better served, at a much lower cost, with an amplified telephone that does not require either CapTel or standard relay service. Consequently, ITAC intends to offer amplified telephones through its voucher program as soon as it obtains Commission approval in order to provide an alternative to the CapTel telephone to those hard-of-hearing users for whom amplified telephones are more appropriate. Moreover, prior to amendment of the Commission's regulations, ITAC did not have the authority to offer amplified telephones as part of its distribution program. As a result, the hard-of-hearing community has historically not been optimally served by ITAC. ITAC desires to begin offering amplified telephones through its voucher program as soon as possible in order to address this situation.

(14) As required by 83 Ill. Adm. Code 755.130(a), ITAC solicited bids for the provision of amplified telephones. Requests for Proposals were sent to nine vendors and posted on ITAC's website. Bids were received from four vendors.

(15) ITAC reviewed and evaluated the bids for the provision of amplified telephones as required by 83 Ill. Adm. Code 755.130(b). Weighing the initial cost of the amplified telephones to ITAC, the out-year costs to users for repair services, and administrative efficiency, ITAC determined that the overall best choice among the bidders, consistent with the criteria in Section 755.130(b), was Teltex.

(16) Teltex has been in business since 1994, and has a national service center that services every item it sells. It employs 7 full-time and 3 part-time service technicians with over 75 years combined experience in electronics. Teltex maintains a large in-house inventory of assistive devices serving the needs of the deaf and hard-of-hearing communities. It currently has contracts with distribution programs in Missouri, Kentucky, Maryland, Arizona, Washington and Arkansas to provide both equipment and repairs. In addition, Teltex supplies or has supplied equipment to voucher programs in Texas, Kansas, Nebraska, Iowa, Arizona Technology Access Program, and Wisconsin. Its national service center has serviced many distribution programs, including Minnesota, Florida Telecommunications Relay, Inc. and California Telecommunications Access Program.

(17) ITAC and Teltex have entered into a one-year Amplified Telephone Purchase Agreement, contingent on the approval of the Commission. The Purchase Agreement is attached hereto as Appendix A. Under the Purchase Agreement, ITAC may, subject to agreement with Teltex on pricing, renew the Agreement for up to four additional one-year terms. Teltex has committed to provide all four models of FCC-compliant amplified telephone sought by ITAC and to repair all models, both under the manufacturer's warranty and for a fee after expiration of the standard warranty. Teltex's

obligation to repair amplified telephones after expiration of the standard warranty continues until four years from the date of shipment of the last telephone under the Agreement, ensuring that all users can obtain repairs for the term of their voucher. Under the Purchase Agreement, Teltex will supply ITAC with amplified telephones to serve as models in each of ITAC's distribution or selection centers. When a user selects a model of amplified telephone, ITAC will order the amplified telephone and Teltex will drop-ship the telephone directly to the user.

The Purchase Agreement does not commit ITAC to purchase any minimum quantity of amplified telephones or to purchase each model. This provision enables ITAC to remove models from its voucher program if they prove not to be appropriate for the program. The cost of the amplified telephones range from \$67.00 to \$80.46, depending on the model, plus \$7.00 shipping and handling. Two models come with a standard warranty of one year, one model with a two-year manufacturer's warranty, and one model with a standard warranty of five years, during which time Teltex will repair or replace all broken or defective telephones without charge. After the expiration of the one-year and two-year warranties, Teltex will provide repair service for \$35.00 per repair. ITAC seeks approval of this Purchase Agreement pursuant to 83 Ill. Adm. Code 755.135(b).

(18) Under Sections 755.100(b) and 755.135(a)(2), the terms and conditions of a voucher program must be specified in ITAC's tariff. Upon approval of ITAC's amplified telephone purchase agreement, ITAC will file a tariff with the Commission detailing the terms and conditions of the amplified telephone voucher program.

(20) In light of the desirability of commencing distribution of amplified telephones soon as reasonably possible to give users the benefit of the new product and allow an appropriate choice between amplified telephones and CapTel service, and the strong support of the ITAP Advisory Council and the hard-of-hearing community for the provision of amplified telephones, ITAC respectfully requests that the Commission enter an order in this proceeding without a hearing.

WHEREFORE, ITAC respectfully requests that the Commission enter an order, without a hearing, approving the Amplified Telephone Purchase Agreement attached hereto as Appendix A and granting ITAC such further and additional relief as may be appropriate or necessary.

Respectfully submitted,

ILLINOIS TELECOMMUNICATIONS
ACCESS CORPORATION

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June 4, 2004

STATE OF ILLINOIS)
) SS
COUNTY OF SANGAMON)

VERIFICATION

Trudy Snell, being first duly sworn, states that she is Executive Director for the Illinois Telecommunications Access Corporation, that she has read the attached and foregoing Petition, and that the facts and matters set forth therein are true to the best of her knowledge and belief.

Trudy Snell

Subscribed and sworn to before me
this 4th day of June, 2004.

Lisa A Pinkham
Notary Public

My Commission expires: 9-15-05

