

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSIONER SMITH
COMMISSION SECRETARY
LEGAL
WORKING FILE

FROM: GRACE SEAMAN

DATE: NOVEMBER 5, 2015

RE: PROPOSAL BY HAMILTON TELEPHONE COMPANY DBA
HAMILTON TELECOMMUNICATIONS TO EXTEND THE
TELEPHONE RELAY SERVICE CONTRACT FOR ONE-YEAR; CASE
NO. GNR-T-10-05.

BACKGROUND

On September 22, 2010, the Administrator, Bob Dunbar, entered into a three-year contract with Hamilton Telephone Company dba Hamilton Telecommunications (“Hamilton” or “Company”) as the service provider for the Idaho Telephone Relay Service (TRS). This Commission-approved¹ agreement allowed for three (3) one-year extensions with renegotiated rates. *See* Order No. 32069. The initial three-year contract expired on December 1, 2013. On August 6, 2013, the Commission approved Hamilton’s proposal to renew the contract for the first one-year extension with a rate increase from \$1.76 to \$1.99 per conversation minute for both the traditional and captioned telephone services. The Commission approved the second one-year contract extension with no rate changes on May 19, 2014.

On July 16, 2015, Hamilton submitted a letter to the Administrator giving notice that it wished to renew the current contract for the third 12-month period pursuant to Section 3.0 of the contract. During this renewal period, Hamilton will provide Idaho TRS at the rate of \$2.29 per conversation minute for traditional relay service and \$2.19 per conversation minute for captioned telephone service. This per minute increase of \$0.30 and \$0.19, respectively, reflects the current interstate TRS rates adopted by the FCC.

¹ *Idaho Code* § 61-1303(1)(b)(v and vi) provides that the Commission shall approve the contract between the Administrator and the relay provider.

The TRS Administrator is responsible for evaluating and making recommendations to the Commission regarding contracts with the relay service provider. The Administrator compared the new rates proposed by Hamilton with the rates imposed on other states served by Hamilton as well as other service providers. The Administrator believes Hamilton's one-year contract rates are reasonable and recommends that the current TRS contract be extended for another year (until December 1, 2016) at the proposed rates. Hamilton's rates includes all equipment, personnel, facilities, software, features, and services (*i.e.* such as Speech to Speech, Spanish translations to English and English to Spanish, in-state outreach program, and etc.).

STAFF ANALYSIS AND RECOMMENDATION

Staff has reviewed Hamilton's proposal and the Administrator's recommendation. The current relay usage is approximately 30% traditional and 70% captioned telephone. Assuming that the percentage of traditional and captioned telephone usage remains the same, the rate changes will increase the TRS monthly billing by approximately 10%. The fund's cash balance as of September 30, 2015 is approximately \$290,000, and is sufficient to accommodate the proposed rates without raising the TRS contributions. Staff believes the proposed rates are reasonable and that it is in the public interest to maintain the existing service contract with Hamilton. Staff also believes that Hamilton has provided quality service to Idaho relay users and supports the Administrator's recommendation to enter into a one-year contract extension at the proposed rates.

COMMISSION DECISION

1. Does the Commission approve the one-year extension (until December 1, 2016) to Hamilton's relay contract at the rate of \$2.29 per conversation minute for traditional relay and \$2.15 for captioned telephone service?

2. Does the Commission authorize the TRS Administrator to execute an amendment to the existing relay contract to extend the contract for twelve months (until December 1, 2016) at the proposed rates of \$2.29 per conversation minute for traditional relay and 2.19 for captioned telephone service?

3. Does the Commission agree with the Administrator and Staff's analysis that the fund balance is sufficient to cover the proposed rate increase without raising TRS contributions?


Grace Seaman

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