

DECISION MEMORANDUM

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

FROM: GRACE SEAMAN

DATE: NOVEMBER 18, 2005

RE: TELECOMMUNICATIONS RELAY SERVICE AGREEMENT
BETWEEN THE TRS ADMINISTRATOR AND HAMILTON
TELECOMMUNICATIONS; CASE NO. GNR-T-05-08.

BACKGROUND

On October 14, 2005, the Commission approved the recommendations of the Telecommunications Relay Services (TRS) Advisory Committee and the TRS Administrator to award the TRS service provider Request for Proposal (RFP) to Hamilton Telecommunications (Hamilton). The Commission directed the Administrator to negotiate a new three-year contract with the option of two one-year extensions. The TRS Administrator was directed to proceed with negotiations to secure a contract before the current contract's expiration date of December 1, 2005. The TRS agreement between Hamilton and the TRS Administrator was finalized on November 17, 2005. *Idaho Code* § 61-1303(1)(b)(vi), requires Commission approval of the contract between the TRS Administrator and Hamilton. Therefore, the TRS service provider agreement is presented to the Commission for approval without the attachments Exhibit A (Request for Proposal) and Exhibit B (Hamilton's RFP response). The agreement is attached for your review.

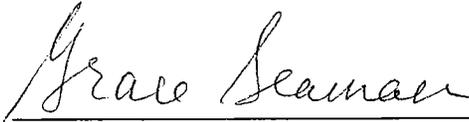
STAFF REVIEW

Staff and Legal have reviewed the TRS service agreement and find that the terms and conditions of the agreement are in compliance with the TRS RFP and Hamilton's RFP response. The Staff believes the agreement to be reasonable and in the public interest. Therefore, Staff

recommends Commission approval of the three-year TRS service agreement with the option for two additional one-year extensions. The effective date of the agreement is December 1, 2005.

COMMISSION DECISION

Does the Commission approve the TRS service agreement between the Administrator and Hamilton with an effective date of December 1, 2005?


Grace Seaman

udmemos/2005 trs contract approval

**IDAHO TELECOMMUNICATIONS RELAY SERVICE
AGREEMENT**

This Agreement is made and entered into on this 17TH day of November, 2005, by and between Hamilton Telephone Company d/b/a Hamilton Telecommunications, (hereinafter referred to as the "Relay Service Provider") and the Idaho Telephone Relay Service, (hereinafter referred to as the "Administrator").

WHEREAS, the Idaho Legislature has directed the Idaho Public Utilities Commission to establish a statewide telecommunications relay service for the deaf, hearing and/or speech impaired population of the State of Idaho.

WHEREAS, the Commission has approved the selection of Robert D. Dunbar as the Idaho TRS Administrator (hereinafter referred to as the "Administrator") and the Hamilton Telecommunications as the Relay Service Provider.

THEREFORE, the Administrator and the Relay Service Provider enter into the following contract.

Section 1

The Fund

1.1 Receipt of Funds. The Administrator shall act as custodian under the terms of this Agreement for monies received for the provision of the relay service. There is hereby created the Idaho Telephone Relay System Fund. The Relay System Fund shall be used to provide a statewide relay service.

1.2 Maintenance of Records. The Administrator shall maintain records and books of account relating to the relay service which shall record the receipt of monies; disbursements to the Relay Service Provider, including a statement of the call volume as reported by the Relay Service Provider and a copy of the Relay Service Provider's invoice; disbursements, receipts and income relating to investment of the Relay Service Fund proceeds; and any other relevant matters.

1.3 Report to Administrator. All records and reports specified in the Request for Proposal shall be provided to the Administrator within fifteen (15) days of the end of each month. The Administrator may request call volumes on a more frequent basis than once a month. The Relay Service Provider shall provide an annual statement on the status of the relay service, including a statement for each month of the preceding twelve (12) month period.

1.4 Incorporating the Request for Proposal. This Agreement incorporates the Request for Proposal, Exhibit "A" and the Proposal submitted by the Hamilton Telecommunications, Exhibit "B". This Agreement, the Request for Proposal and the Proposal represent the complete and entire understanding between the parties hereto. There are no promises, representations, conditions, warranties or other agreements, express or implied, oral or written, made or relied upon, except those contained herein.

Section 2

Relay Service Provider's Compensation

2.1 Disbursement of Funds. The Relay Service Provider shall deliver to the Administrator, no more frequently than monthly, a statement of the monthly invoice including the actual call volume handled by the relay service center, and pursuant to the Request for Proposal, an invoice for relay services. Within thirty (30) days of receipt of the monthly invoice, the Administrator shall disburse from the Relay System Fund amounts necessary to pay such invoice.

2.2 Shortage of Funds. If no funds are available to the Administrator for the purpose of paying for Relay Service Provider, this Agreement shall terminate at the election in writing of either party thereto.

2.3 Compensation. The Relay Service Provider shall be entitled to receive compensation for services rendered hereunder at the rate of \$1.31 per conversation minute (in accordance with the price quotation section) of Hamilton Telecommunications' Proposal.

Section 3

Miscellaneous

3.1 Term of Agreement. This Agreement shall have an initial term of three years beginning December 1, 2005, and ending November 30, 2008. This Agreement shall automatically renew for two additional one-year terms unless either party has given written notice of its desire to

terminate the Agreement on or before June 1, 2008. Renewal of the Agreement may be at different prices, terms and conditions than the initial three-year term.

3.2 Governing Law. This Agreement is made under and in accordance with, and shall be governed by, the laws of the State of Idaho.

3.3 Compliance With Laws. The parties at all times shall comply with any applicable federal, state and municipal laws, regulations and rules, including the obtaining and continuance of any governmental approvals, consents, authorization, certificates and/or licenses as may be necessary to carry out the purposes of this Agreement. The parties hereto recognize that this Agreement must be approved by the Idaho Public Utilities Commission before it becomes effective. Any subsequent modification, amendment or other revision hereto is effective only upon receipt of the express, written approval of the Administrator and Commission.

3.4 Penalty. Hamilton Telecommunications will be required to implement service by December 1, 2005. The actual damages to the Idaho TRS for any delay will be difficult or impossible to determine. Therefore, in lieu of damages, Hamilton Telecommunications shall pay to the Idaho TRS as fixed, agreed and liquidated damages for each calendar day of the delay, the amount of One Thousand Dollars (\$1,000.00) per day, up to a maximum of thirty (30) days. Should Hamilton Telecommunications be unable to complete the installation at the end of the thirty (30) day period, the Idaho TRS may treat the contract as breached, terminate the contract, and seek such additional relief as provided by law. Hamilton Telecommunications shall not be charged for liquidated damages when the delay arises out of causes beyond the control and

without the fault or negligence of Hamilton Telecommunications. If the Administrator or Commission changes the date for its own convenience, adjustments to the bid price will be allowed so the Hamilton Telecommunications is able to recover any additional costs.

3.5 New FCC Requirements. Hamilton Telecommunications will comply with all applicable state and federal laws and regulations governing the provision of TRS Service. In the event that the regulations governing the provision of TRS are modified by the Federal Communications Commission or the Idaho Public Utilities Commission during the Term of this Agreement, the Relay Service Provider will meet those requirements provided there is an adjustment in the per-minute price commensurate with the cost of the modifications required.

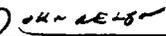
IN WITNESS THEREOF, the Hamilton Telecommunications, and the Idaho Public Utilities Commission, intending to be legally bound, have caused this Agreement to be executed by their duly authorized officers, by signature below as of today's date.

IDAHO TRS ADMINISTRATOR

By:  Date: 11/17/05
ROBERT D. DUNBAR

RELAY SYSTEM PROVIDER

HAMILTON TELECOMMUNICATIONS

By:  Date: 11/10/05
JOHN NELSON, Vice President of Operations