

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF REVIEWING THE )  
ADMINISTRATOR’S 2010 ANNUAL ) CASE NO. GNR-T-11-02  
REPORT AND ESTABLISHING THE )  
FUNDING LEVELS TO SUPPORT THE )  
TELECOMMUNICATIONS RELAY ) ORDER NO. 32230  
SERVICE (TRS) PROGRAM )**

On February 22, 2011, the Idaho Telecommunications Relay Service (TRS) Administrator submitted his calendar year 2010 Annual Report to the Commission. The TRS program allows citizens who are hearing or speech impaired to engage in telephone communications “in a manner functionally equivalent to that of individuals without hearing or speech impairments.” *Idaho Code* § 61-1301. Pursuant to TRS Rules 202 and 205, the Commission reviews the Administrator’s Annual Report and determines the appropriate funding levels necessary to meet the program’s expenses on a prospective basis. IDAPA 31.46.02.202 and 205. In this Order we accept the Administrator’s 2010 Report and maintain the TRS contributions at their current levels effective May 1, 2011.

**THE 2010 ANNUAL REPORT**

The Administrator reported that the relay center handled 70,995 minutes of traffic in calendar year 2010. This represents nearly a 24% decrease from calendar year 2009.<sup>1</sup> Captioned telephone service (CapTel)<sup>2</sup> use also dropped by 37% with the amount of use stabilizing mid-year and increasing in the last quarter of 2010. The relay center operated by Hamilton Telecommunications converts or “relays” oral conversations to text-type and vice versa. The relay center also provides speech-to-speech, Spanish-to-Spanish, video, and Internet relay services.

Disbursements from the TRS fund to Hamilton in 2010 also decreased by about 25% from the previous year to \$142,013. In-state relay traffic and Captioned Telephone (CapTel) service are reimbursed by Idaho’s TRS fund, while the National Exchange Carrier Association

---

<sup>1</sup> By way of comparison, there were 263,327 minutes of traffic in 2006. Order No. 30273 at 1.

<sup>2</sup> CapTel allows hard-of-hearing users to hear the conversation as well as read the words on the phone’s built-in screen. A trained operator “re-voices” the conversation from a caller into the voice recognition technology that converts the words into a text message and provides the CapTel user with a more natural conversation.

(NECA) reimburses Hamilton for interstate calls (including intrastate Internet relays and Internet video relay service). The 2010 average answer time by Hamilton was 0.9 seconds.

1. 2010 Expenses. The Idaho TRS fund is supported by assessments on local telephone service (residential and business) access lines and on billed intrastate long-distance minutes. TRS expenses for 2010 total \$217,455. The Administrator reported that disbursements to Hamilton were \$142,013. The administrative fees and expenses for the reporting year were \$75,442 and included a \$9,087 refund to AT&T. The carrier reported in April 2010 that it had applied an incorrect rate for intrastate long-distance service in 2009. The Administrator's fees were also higher because of the expiration of the prior relay contract and issuance of the RFP for the new relay contract. Hamilton's new contract was approved by the Commission in Order No. 32069 (Dec. 2010).

2. 2010 Revenues and Allocations. During 2010, the average monthly number of telephone access lines reported to the TRS Administrator was approximately 531,190, a decrease of about 57,850 lines from the prior year. The number of intrastate toll minutes for 2010 totaled more than 297 million minutes, down from 362 million minutes in 2009. The table below shows 2010 TRS contribution sources and amounts.

<u>2010 Revenue Sources</u>	<u>Amount</u>	<u>Percentage of Total</u>
Local Service Providers (\$0.02/month/line)	\$120,207	67%
MTS/WATS Providers (\$0.0002/min)	59,442	33%
Interest Earned on Funds	31	
TOTAL	\$179,680	100%

The 2010 year-end balance of the TRS fund was \$331,395.

3. Proposed 2011 Budget. The Administrator projected an annual operating budget for 2011 of about \$182,300. The budget includes a decrease in traditional relay usage reflecting user migration to Internet and video relay services, as well as instant messaging services. The Administrator also expects the line count and long-distance billed minutes to decrease about 10-13%. The Administrator anticipated that both the revenue and usage will continue to decline. He also anticipates that expenses will hold steady with the new contract term of \$1.78 per conversation rate for both traditional and CapTel services. If the assessment rates remain the

same, the Administrator calculates that the end-of-year reserve fund will decrease by approximately \$25,300.

4. Proposed TRS Funding Levels. Based upon the proposed budget for 2011 and current reserves, the Administrator recommended that the existing TRS funding levels be maintained for 2011. He recommended the per-line assessment be continued at \$0.02 per month, and the per-minute assessment for intrastate toll minutes be continued at \$0.002 per minute. This will maintain a cushion if unexpected expenses or changes occur.

#### **STAFF RECOMMENDATION**

Following its review of the Administrator's Report, Staff recommended the Commission adopt the Report and the Administrator's projected budget for 2011. Staff also concurred with the Administrator's recommendation that existing TRS contribution levels should be continued.

#### **DISCUSSION**

In this Order, the Commission formally adopts the Administrator's 2010 Annual Report. Based upon our review of the Report, we find that the 2010 expenses are reasonable. Idaho citizens continue to be well served by the Administrator and the relay services provided by Hamilton Telecommunications.

The Commission also finds that the 2011 budget projection of \$182,300 is reasonable based upon the anticipated TRS expenses this year. The Commission further finds that the projected revenue together with the current fund balance should be sufficient to meet 2011 expenses.

Based upon our review of the Annual Report and the Staff's recommendations, we find that it is just and reasonable to maintain the TRS contributions at their current funding levels. The TRS contributions shall be set at \$0.02 per access line per month and \$0.0002 per intrastate MTS/WATS minute. The Commission further finds that the projected 2011 allocation between local service and toll service is just and reasonable given the estimates in the number of access lines and toll minutes.

## ORDER

IT IS HEREBY ORDERED that the TRS funding obligation of telephone corporations providing local service in Idaho be maintained at the existing level of \$0.02 per month per access line.

IT IS FURTHER ORDERED that the TRS funding obligation for telephone corporations providing intrastate MTS/WATS service be maintained at the existing level of \$0.0002 per intrastate billed minute.

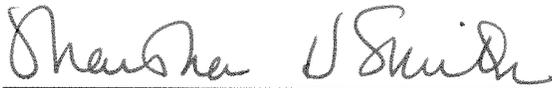
IT IS FURTHER ORDERED that the TRS Administrator continue to monitor expenditures, revenues, and FCC actions. Anytime revenues will not cover expenditures, the TRS Administrator is to immediately notify the Commission so that we may evaluate whether changes in the existing TRS funding obligations are necessary.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. GNR-T-11-02 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in this case. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* §§ 61-626, 61-1305, and 62-619.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 21<sup>st</sup>  
day of April 2011.

  
\_\_\_\_\_  
PAUL KJELLANDER, PRESIDENT

  
\_\_\_\_\_  
MACK A. REDFORD, COMMISSIONER

  
\_\_\_\_\_  
MARSHA H. SMITH, COMMISSIONER

ATTEST:

  
\_\_\_\_\_  
Jean D. Jewell  
Commission Secretary

bls/O:GNR-T-11-02\_dh