

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF REVIEWING THE)
ADMINISTRATOR’S 2011 ANNUAL) CASE NO. GNR-T-12-01
REPORT AND ESTABLISHING THE)
FUNDING LEVELS TO SUPPORT THE)
TELECOMMUNICATIONS RELAY) ORDER NO. 32524
SERVICE (TRS) PROGRAM)**

On February 15, 2012, the Idaho Telecommunications Relay Service (TRS) Administrator submitted his calendar year 2011 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 2011 Report and maintain the TRS contributions at their current levels effective May 1, 2012.

THE 2011 ANNUAL REPORT

The Administrator reported that the relay center handled 60,346 minutes of traffic in calendar year 2011. This represents a 15% decrease from calendar year 2010.¹ However, captioned telephone service (CapTel)² use increased by 11% to 37,100 minutes. The Administrator also reported that the number of CapTel sets increased by 22%. 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 2011 also decreased slightly from \$142,013 for the previous year to \$141,590 in 2011. In-state relay traffic and Captioned Telephone (CapTel) service are reimbursed by Idaho’s TRS fund, while the National Exchange

¹ By way of comparison, there were 70,905 minutes of traffic in 2010. Order No. 32230 at 1.

² 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.

Carrier Association (NECA) reimburses Hamilton for interstate calls (including intrastate Internet relays and Internet video relay service). The 2011 average answer time by Hamilton improved to 0.7 seconds.

1. 2011 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 2011 totaled \$184,124. The Administrator reported that disbursements to Hamilton were \$141,591. The administrative fees and expenses for the reporting year were lower, \$42,533.

An audit of the TRS fund was also completed during 2011. An independent accounting firm audited TRS’s general financial statements for the years ended on December 31, 2008 through 2010. The audit determined that the accounting and reporting policies of the TRS fund conform to generally accepted accounting principles applicable to state and local governments.

2. 2011 Revenues and Allocations. During 2011, the average monthly number of telephone access lines reported to the TRS Administrator was 506,830, a decrease of about 4.5% from the prior year. The number of intrastate toll minutes for 2011 totaled more than 289 million minutes, down from about 297 million minutes in 2010. The table below shows 2011 TRS contribution sources and amounts.

<u>2011 Revenue Sources</u>	<u>Amount</u>	<u>Percentage of Total</u>
Local Service Providers (\$0.02/month/line)	\$115,294	66.5%
MTS/WATS Providers (\$0.0002/min)	57,812	33.5%
Interest Earned on Funds	30	
TOTAL	\$173,136	100%

The 2011 year-end balance of the TRS fund was \$320,406.

3. Proposed 2012 Budget. The Administrator projected an annual operating budget slightly higher than last year’s – \$185,300. Although relay minutes may flatten out, he insisted the current trend is for longer relay calls as texting and other services have replaced shorter messages. 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

anticipated that revenues will continue to decline. If the assessment rates remain the same, the Administrator calculates that the end-of-year balance of the fund will decrease by approximately \$25,300.

4. Proposed TRS Funding Levels. Based upon the proposed budget for 2012 and current reserves, the Administrator recommended that the existing TRS funding levels be maintained for 2012. 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 2012. 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 2011 Annual Report. Based upon our review of the Report, we find that the 2011 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 2012 budget projection of \$185,300 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 2012 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 2012 allocation between local service and toll service is just and reasonable given the estimates in the number of access lines and toll minutes.

O R D E R

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-12-01 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.

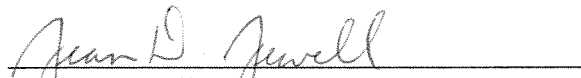
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 19th
day of April 2012.


PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER


MARSHA H. SMITH, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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