

## BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF REVIEWING THE	)	
ADMINISTRATOR'S 2012 ANNUAL	)	CASE NO. GNR-T-13-02
REPORT AND ESTABLISHING THE	)	
FUNDING LEVELS TO SUPPORT THE	)	
TELECOMMUNICATIONS RELAY	)	ORDER NO. 32768
SERVICE (TRS) PROGRAM	)	

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On February 19, 2013, the Idaho Telecommunications Relay Service (TRS) Administrator submitted his calendar year 2012 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 2012 Report and maintain the TRS contributions at their current levels effective May 1, 2013.

### THE 2012 ANNUAL REPORT

The Administrator reported that the relay center handled 48,685 minutes of traffic in calendar year 2012. This represents a 19% decrease from calendar year 2011.<sup>1</sup> Although the number of captioned telephone service (CapTel)<sup>2</sup> sets increased by 10%, usage decreased by 22% to 28,818 minutes. 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 2012 also decreased from \$141,590 for the previous year to \$110,760 in 2012. In-state relay traffic and captioned telephone (CapTel) service are reimbursed by Idaho’s TRS fund, while the National Exchange Carrier Association (NECA) reimburses Hamilton for interstate calls (including intrastate

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<sup>1</sup> By way of comparison, there were 70,905 minutes of traffic in 2010 and 60,346 in 2011.

<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.

Internet relays and Internet video relay service). The 2012 average answer time by Hamilton improved to 0.6 seconds.

1. 2012 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 2012 totaled \$156,256. The Administrator reported that disbursements to Hamilton were \$110,762. The administrative fees and expenses for the reporting year were \$45,494 including \$6,075 for the 2011 audit.

2. 2012 Revenues and Allocations. During 2012, the average monthly number of telephone access lines reported to the TRS Administrator was 449,080, a decrease of about 11% from the prior year. The number of intrastate toll minutes for 2012 totaled more than 241.6 million minutes, down from about 289 million minutes in 2011. The table below shows 2012 TRS contribution sources and amounts.

<u>2012 Revenue Sources</u>	<u>Amount</u>	<u>Percentage of Total</u>
Local Service Providers (\$02/month/line)	\$102,019	67.8%
MTS/WATS Providers (\$0002/min)	48,327	32.2%
Interest Earned on Funds	35	
TOTAL	\$15,381	100%

The 2012 year-end balance of the TRS fund was slightly lower at \$314,524.

3. Proposed 2013 Budget. The Administrator projected a decrease in the annual operating budget from last year – \$139,670. The budget reflects a decrease in traditional relay usage as users migrate to Internet and video relay services, as well as instant messaging services. The Administrator also anticipated that revenues will continue to decline by about 10%. If the assessment rates remain the same, the Administrator calculates that the end-of-year balance of the fund will decrease slightly to \$310,000.

4. Proposed TRS Funding Levels. Based upon the proposed budget for 2013 and current reserves, the Administrator recommended that the existing TRS funding levels be maintained for 2013. 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.

5. The Federal Communications Commission (FCC) Five-Year Certification. Every five years state relays must submit information to the FCC to verify that the relay meets all technical functional standards pursuant to FCC rules. On September 25, 2012, the Administrator and Hamilton Telecommunications submitted an application to the FCC for renewal of the Idaho TRS verification. The current certification expires on July 25, 2013. In the FCC application, Mr. Dunbar stated that the Idaho TRS continues to meet all of the FCC's technical<sup>3</sup> and functional<sup>4</sup> requirements for the relay system. The application also outlines Idaho TRS's operational, funding, features and functions, and promotional information. The FCC is expected to grant the five-year certification before July 25, 2013.

### **STAFF RECOMMENDATION**

Following its review of the Administrator's Report, Staff recommended the Commission adopt the Report and the Administrator's projected budget for 2013. Staff also concurred with the Administrator's recommendation that existing TRS contribution levels should be continued.

### **DISCUSSION AND FINDINGS**

In this Order, the Commission formally adopts the Administrator's 2012 Annual Report. Based upon our review of the Report, we find that the 2012 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 2013 budget projection of \$139,670 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 2013 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 2013 allocation between local service and toll service is just and reasonable given the estimates in the number of access lines and toll minutes.

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<sup>3</sup> §64.604(a) Technical Standards.

<sup>4</sup> §64.604(c) Functional Standards.

## 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. Any time it appears that revenues will not cover expenditures, the TRS Administrator is to immediately notify the Commission so 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-13-02 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 26<sup>th</sup>  
day of March 2013.

  
PAUL KJELLANDER, PRESIDENT

  
MACK A. REDFORD, COMMISSIONER

  
MARSHA H. SMITH, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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