

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF REVIEWING THE)	
ADMINISTRATOR'S 2013 ANNUAL)	CASE NO. GNR-T-14-02
REPORT AND ESTABLISHING THE)	
FUNDING LEVELS TO SUPPORT THE)	
TELECOMMUNICATIONS RELAY)	ORDER NO. 32999
SERVICE (TRS) PROGRAM)	

On January 30, 2014, the Idaho Telecommunications Relay Service (TRS) Administrator submitted his calendar year 2013 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 2013 Report and maintain the TRS contributions at their current levels effective May 1, 2014.

THE 2013 ANNUAL REPORT

The Administrator reported that the relay center handled 38,724 minutes of traffic in calendar year 2013. This represents nearly a 20% decrease from calendar year 2012.¹ Although the number of captioned telephone service (CapTel)² sets increased by 7%, usage decreased by 9% to 25,041 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 2013 also decreased from \$110,760 for the previous year to \$92,131 in 2013. In-state relay traffic and captioned telephone (CapTel) service are reimbursed by Idaho’s TRS fund, while the firm of Rolka Loube Saltzer Associates, LLC reimburses Hamilton for interstate calls (including intrastate Internet relays and

¹ By way of comparison, there were 60,346 minutes of traffic in 2011 and 48,685 minutes in 2012.

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.

Internet video relay service). The 2013 average answer time by Hamilton improved to 0.4 seconds.

1. 2013 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 2013 decreased from the prior year to \$133,336. The Administrator reported that disbursements to Hamilton were \$92,131. The administrative fees and expenses for the reporting year decreased to \$41,205.

2. 2013 Revenues and Allocations. During 2013, the average monthly number of telephone access lines reported to the TRS Administrator was 398,843, a decrease of about 11% from the prior year. The number of intrastate toll minutes for 2013 also decreased to about 221.79 million minutes, down from about 241 million minutes in 2012. The table below shows 2013 TRS contribution sources and amounts.

<u>2013 Revenue Sources</u>	<u>Amount</u>	<u>Percentage of Total</u>
Local Service Providers (\$0.02/month/line)	\$94,966	68%
MTS/WATS Providers (\$0.0002/min)	44,090	32%
Interest Earned on Funds	31	
TOTAL	\$139,087	100%

The 2013 year-end balance of the TRS fund was about \$320,277.

3. Proposed 2014 Budget. The Administrator projected a further decrease in the annual operating budget from last year to \$123,600. 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 remain near current levels.

4. Proposed TRS Funding Levels. Based upon the proposed budget for 2014 and current reserves, the Administrator recommended that the existing TRS funding levels be maintained for 2014. 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 \$0.0002 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 certification. The FCC recertified Idaho's TRS in June 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 2014. Staff concurred with the Administrator's recommendation that existing TRS contribution levels should be continued.

Staff also reported on FCC actions which may affect Idaho's TRS program. The FCC regulates and funds a nationwide TRS program, which compensates carriers that provide interstate TRS over traditional wireline facilities, as well as Voice over Internet Protocol (VoIP) services.³ One form of TRS that uses VoIP is the Internet Protocol Captioned Telephone Service (IP CTS). Staff disclosed that the FCC is now considering whether it should transfer responsibility for the administration of IP CTS to state authorities.⁴ Idaho does not administer IP CTS and does not currently have a funding mechanism in place if the FCC transfers responsibility for oversight and funding of this program to state jurisdictions.

The FCC has also approved a number of trials or experiments for preserving traditional communications-related values, such as public safety, consumer protection, competition, and universal access. These experiments include changes to the TRS, which will have a direct impact on the Idaho relay. Idaho's current Time-Division Multiplying (TDM) relay system and the users' equipment are not compatible with a IP-based, packet-switched network. Additionally, Idaho has an aging population of TRS users that may not be comfortable switching to IP-compatible equipment. Staff recommended that it and the Administrator continue to monitor the results of the TRS experiments and advise the Commission should the FCC require state TRS networks to partially or fully transition to the IP TRS model.

³ Report and Order and Further Notice of Proposed Rulemaking, *In the Matter of Misuse of Internet Protocol Captioned Telephone Service and Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CC Docket No. 13-24 and CC Docket No. 03-123 (FCC 13-118), August 26, 2013.

⁴ *Id.* at ¶ 4.

DISCUSSION AND FINDINGS

In this Order, the Commission formally adopts the Administrator's 2013 Annual Report. Based upon our review of the Report, we find that the 2013 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 2014 budget projection of \$123,600 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 2014 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 2014 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. 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-14-02 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 21st day of March 2014.


PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER


MARSHA H. SMITH, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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