

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF REVIEWING THE )  
ADMINISTRATOR’S 2014 ANNUAL ) CASE NO. GNR-T-15-02  
REPORT AND ESTABLISHING THE )  
FUNDING LEVELS TO SUPPORT THE )  
TELECOMMUNICATIONS RELAY ) ORDER NO. 33256  
SERVICE (TRS) PROGRAM )**

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On January 29, 2015, the Idaho Telecommunications Relay Service (TRS) Administrator submitted his calendar year 2014 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 2014 Report and maintain the TRS contributions at their current levels effective May 1, 2015.

**THE 2014 ANNUAL REPORT**

The Administrator reported that the relay center handled 32,254 minutes of traffic in calendar year 2014. This represents a 14% decrease from calendar year 2013.<sup>1</sup> The number of captioned telephone service (CapTel)<sup>2</sup> sets increased by 8%, and usage increased by 24% to 30,947 minutes from 25,041 minutes the previous year. 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 2014 increased from \$92,131 for the previous year to \$108,394 in 2014. In-state relay traffic and captioned telephone (CapTel) service are reimbursed by Idaho’s TRS fund, while the firm of Rolka Loube Saltzer Associates,

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<sup>1</sup> By way of comparison, there were 48,685 minutes of traffic in 2012 and 38,724 minutes in 2013.

<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.

LLC reimburses Hamilton for interstate calls (including intrastate Internet relays and Internet video relay service). The 2014 average answer time by Hamilton improved to 0.24 seconds.

1. 2014 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 2014 totaled \$147,243. The Administrator reported that disbursements to Hamilton were \$108,394. The administrative fees and expenses for the reporting year decreased to \$38,849 from \$41,205 the previous year.

2. 2014 Revenues and Allocations. During 2014, the average monthly number of telephone access lines reported to the TRS Administrator was 382,843, a decrease of about 4% from the prior year. The number of intrastate toll minutes for 2014 also decreased to about 175.55 million minutes, down from about 221.8 million minutes in 2013. The table below shows 2014 TRS contribution sources and amounts.

<u>2014 Revenue Sources</u>	<u>Amount</u>	<u>Percentage of Total</u>
Local Service Providers (\$0.02/month/line)	\$91,728	73%
MTS/WATS Providers (\$0.0002/min)	34,678	27%
Interest Earned on Funds	31	
TOTAL	\$126,437	100%

The 2014 year-end balance of the TRS fund was \$299,491.

3. Proposed 2015 Budget. The Administrator projected an annual operating budget of \$151,100. The budget reflects a stable traditional relay usage in 2015 and includes the cost of the triennial audit conducted in the fourth quarter of 2014. If the assessment rates remain the same, the Administrator calculates that the 2015 end-of-year fund balance will remain near current levels.

4. Proposed 2015 TRS Funding Levels. Based upon the proposed budget for 2015 and current reserves, the Administrator recommended that the existing TRS funding levels be maintained for 2015. 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.

## STAFF RECOMMENDATION

Following its review of the Administrator's Report, Staff recommended the Commission adopt the Report and the Administrator's projected budget for 2015. 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.<sup>3</sup> One form of TRS that uses VoIP is the Internet Protocol Captioned Telephone Service (IP CTS). Staff advised that the FCC is still assessing whether it should transfer responsibility for the administration of IP CTS to state authorities.<sup>4</sup> 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 an 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.

## DISCUSSION AND FINDINGS

In this Order, the Commission formally adopts the Administrator's 2014 Annual Report. Based upon our review of the Report, we find that the 2014 expenses are reasonable. Idaho citizens continue to be well served by the Administrator and the relay services provided by Hamilton Telecommunications.

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<sup>3</sup> 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.

<sup>4</sup> *Id.* at ¶ 4.

The Commission also finds that the 2015 budget projection of \$151,100 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 2015 expenses.

Based upon our review of the Annual Report and 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 2015 allocation between local service and toll service is just and reasonable given the estimates in the number of access lines and toll minutes.

### **ORDER**

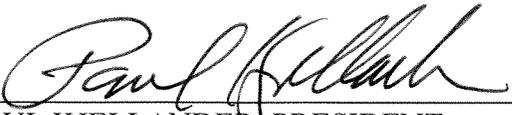
IT IS HEREBY ORDERED that the TRS funding obligation of telephone corporations providing local service in Idaho be maintained at the existing level of \$0.02 per month per access line.

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.

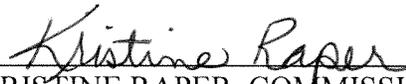
IT IS FURTHER ORDERED that the TRS Administrator continue to monitor expenditures, revenues, and FCC actions. Any time it appears that revenues will not cover expenditures, the TRS Administrator is to immediately notify the Commission so we may evaluate whether changes in the existing TRS funding obligations 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-15-02 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.

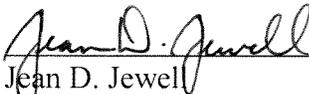
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 24<sup>th</sup>  
day of March 2015.

  
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PAUL KJELLANDER, PRESIDENT

  
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MACK A. REDFORD, COMMISSIONER

  
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KRISTINE RAPER, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

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