

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF REVIEWING THE)
ADMINISTRATOR’S 2016 ANNUAL REPORT) CASE NO. GNR-T-17-02
AND ESTABLISHING THE FUNDING)
LEVELS TO SUPPORT THE)
TELECOMMUNICATIONS RELAY SERVICE) ORDER NO. 33730
(TRS) PROGRAM)**

On February 10, 2017, the Idaho Telecommunications Relay Service (TRS) Administrator submitted the calendar year 2016 Annual Report and 2017 TRS Budget to the Commission. Each year, the Commission reviews the Administrator’s Annual Report and determines the appropriate funding levels necessary to meet the TRS program’s expenses on a prospective basis. IDAPA 31.46.02.202 and .205. In this Order we accept the Administrator’s 2016 Report and maintain the TRS contributions at their current levels effective May 1, 2017.

BACKGROUND

The Idaho Legislature established the TRS Act in 1992 in accordance with Title IV of the federal Americans with Disabilities Act. 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. The Idaho TRS service provider is Hamilton Telecommunications. Hamilton operates the relay center where oral conversations are converted or “relayed” to text-type and vice versa. The relay center also provides speech-to-speech, Spanish-to-Spanish, video, and Internet relay services. The Commission authorized the Administrator to renew the relay contract with Hamilton, and the contract was signed July 2016. *See Minutes, June 20, 2016, Decision Meeting.*

The Idaho TRS fund is supported by assessments on local telephone service (residential and business) access lines and on billed intrastate long-distance minutes. In-state relay traffic and captioned telephone (CapTel)¹ services 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 Internet video relay service).

¹ 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.

THE 2016 ANNUAL REPORT

The Administrator reported that the relay center handled 15,175 minutes of traffic in calendar year 2016. This represents a 29% decrease from calendar year 2015.² The number of CapTel units increased by 6%, while usage decreased by 6% to 25,562 minutes from the previous year. The 2016 average answer time by Hamilton was 0.40 seconds.

1. 2016 Expenses. TRS expenses for 2016 totaled \$117,040. The Administrator reported that disbursements to Hamilton in 2016 were \$77,195 (compared to \$85,515 in 2015). The administrative fees and expenses for 2016 were \$39,845 (compared to \$39,051 in 2015), and included the \$12,675 expense for the service provider Request for Proposal that was issued and re-awarded to Hamilton in 2016. The TRS fund's 2016 year-end balance was \$284,569.

2. 2016 Revenues and Allocations. During 2016, the average monthly number of telephone access lines reported to the TRS Administrator was 391,132, an increase of about 3% from 2015. The number of intrastate toll minutes for 2016 decreased 23% to about 158.5 million minutes. The table below shows 2016 TRS contribution sources and amounts.

| <u>2016 Revenue Sources</u> | <u>Amount</u> | <u>Percentage of Total</u> |
|------------------------------------------------|---------------|----------------------------|
| Local Service Providers (\$0.02/month/line) | \$78,264 | 71% |
| MTS/WATS Providers (\$0.0002/min) | 31,707 | 29% |
| TOTAL | \$109,971 | 100% |

The 2016 total TRS fund contributions of \$109,971 is a 6% decrease from 2015.

3. Proposed 2017 Budget. The Administrator projected an annual operating budget of \$101,840. The budget reflects a continued decline in traditional relay usage, plus a triennial audit expense of about \$7,000. If the assessment rates remain the same, the Administrator calculated that the 2017 end-of-year fund balance would remain near its current level.

4. Proposed 2017 TRS Funding Levels. Based on the proposed budget for 2017 and current reserves, the Administrator recommended that the existing TRS funding levels be maintained for 2017. 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.

² By way of comparison, there were 32,254 minutes of traffic in 2014 and 21,397 minutes in 2015.

STAFF RECOMMENDATION

Following its review of the Administrator's Report, Staff recommended that the Commission adopt the Report and the Administrator's projected budget for 2017. Staff also reported on FCC actions which may affect Idaho's TRS program. Staff noted that in June 2015, AT&T petitioned the FCC to update accessibility rules to allow Real-Time Text (RTT) to replace text telephone (TTY) technology over IP-based networks. TTY is a traditional relay service that Hamilton continues to provide to Idaho users. In December 2016, the FCC released a Report and Order and Further Notice of Proposed Rulemaking, amending its rules to facilitate a transition from TTY to RTT technology, and seeking comments on a sunset date for TTY support.

DISCUSSION AND FINDINGS

In this Order, the Commission formally adopts the Administrator's 2016 Annual Report. Based upon our review of the Report, we find that the 2016 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 2017 budget projection of \$101,840 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 2017 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 2017 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 2017 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, effective May 1, 2017.

IT IS FURTHER ORDERED that the 2017 TRS funding obligation for telephone corporations providing intrastate MTS/WATS service be maintained at the existing level of \$0.0002 per intrastate billed minute.

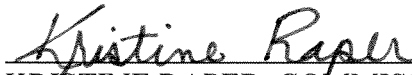
IT IS FURTHER ORDERED that the TRS Administrator continue to monitor expenditures, revenues, and FCC actions. Any time it appears that revenues will not cover expenditures, the TRS Administrator is to immediately notify the Commission so we may evaluate whether changes in the existing TRS funding obligations 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 *22ND* day of March 2017.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

bls/O:GNR-T-17-02_djh