(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF AN EMERGENCY ADJUSTMENT TO THE FUNDING LEVELS FOR THE TELECOMMUNICATIONS RELAY SERVICES PROGRAM. | ))))) | CASE NO. GNR-T-97-23ORDER NO.  27276 |

Pursuant to requirements of the Americans with Disabilities Act (Public Law 101-336), the Idaho Legislature in 1992 established a Telecommunications Relay Services (TRS) program “for individuals who are hearing impaired or speech impaired that will allow them to engage in telephone communication in a manner functionally equivalent to that of individuals without hearing or speech impairments.”  Idaho Code § 61-1301.  The Commission is required to contract with an administrator to operate the program, and to promulgate rules as may be necessary to govern administration of the program.  Idaho Code § 61-1306.  Pursuant to the statutes and the Commission’s rules, the administrator is required to provide annual and quarterly reports to the Commission.  The Commission establishes funding levels for the TRS program and determines the appropriate local and toll surcharge rates necessary to generate the necessary TRS funds.  In addition, “the Commission may issue an order revising funding levels at other times in order to preserve the integrity of the fund.”  IDAPA 31.46.02.202.01.

On October 19, 1997, the TRS Administrator filed a request with the Commission for an emergency increase in the TRS rates and funding.  The Administrator identified three factors necessitating an increase: (1) growth rate of 15% in the use of TRS services has increased expenses; (2) implementation of extended area service (EAS) calling areas in southern Idaho has reduced toll contributions to the TRS fund; and (3) billing errors by Hamilton Telecommunications, the TRS provider, have resulted in an unexpected increase in the amount due to National Exchange Carrier Association, the entity involved in the national administration of TRS services.

The Administrator projected a revenue shortfall for 1997 of approximately $3,386 and a revenue shortfall of approximately $170,000 for 1998 if the current surcharges are maintained.  Consequently, the Administrator requested an immediate increase in the TRS rates.  The current rates, in effect since 1995, are $.03 per month per access line of local telephone service providers and $.00045 per intrastate billed minute on intrastate MTS/WATS minutes.  The Administrator requested an increase in those rates to $.04 per month per local access line and $.0007 per minute for all billed intrastate toll calls (MTS/WATS).

DISCUSSION

The Commission Staff reviewed the Administrator’s request and the current funding levels for the TRS program.  It has recommended approval of the Administrator’s request for an immediate increase in the TRS rates and funding levels in order to maintain the integrity of the TRS fund.

Based on the report of the TRS Administrator and the Staff’s review, we find that an immediate increase in the TRS funding level is necessary in order to preserve the integrity of the fund.  With the demand for TRS services increasing, the projected revenue shortfalls are significant and could seriously jeopardize the integrity of the fund and the availability of TRS services.   We further find that the creation of U S WEST’s regional calling areas has significantly reduced intrastate toll minutes, and thus, TRS revenues. Accordingly, we find that it is fair, just and reasonable to increase the TRS rates to $.04 per access line per month and $.0007 per minute on intrastate MTS/WATS toll calls within twenty (20) days from the date of this Order.  These rates shall remain in effect pending the annual report of the Administrator, which is due no later than February 15, 1998 (IDAPA 31.46.02 - Rule 204), and review of that report by the Commission.

Since its inception, the TRS program has been funded by per minute charges on intrastate toll calls and flat rate charges on access lines operated by local exchange carriers.  Initially, the contribution levels were $.12 per access and $.0016 per billed intrastate MTS/WATS minute, and the Commission has steadily reduced those rates since 1993.  With the implementation of large EAS calling areas in southern Idaho, as well as other changes in the telecommunications industry, it may be time to review the funding mechanisms for TRS services.  Accordingly, the Commission requests that the Administrator review these traditional funding mechanisms and provide a funding mechanism recommendation to the Commission as part of his annual report to the Commission on or before February 15, 1998.

O R D E R

IT IS HEREBY ORDERED that the TRS funding obligation of telephone corporations providing local exchange service in Idaho be $.04 per month per access line, effective no later than twenty (20) days from the date of this Order.

IT IS FURTHER ORDERED that the TRS funding obligation of telephone corporations providing intrastate MTS/WATS service in Idaho be $.0007/intrastate billed minute, effective no later than twenty (20) days from the date of this Order.

IT IS FURTHER ORDERED that the TRS Administrator provide a recommendation to the Commission regarding the apportionment of TRS funding between local and toll as part of his annual report to the Commission on or before February 15, 1998.

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-97-23 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 No. GNR-T-97-23.  Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration.  See Idaho Code § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of December 1997.

                                                                                                                                       DENNIS S. HANSEN, PRESIDENT

                                                                                            RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

December 19, 1997