

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF REVIEWING THE )  
ADMINISTRATOR’S 2017 ANNUAL REPORT ) CASE NO. GNR-T-18-02  
AND ESTABLISHING THE FUNDING )  
LEVELS TO SUPPORT THE )  
TELECOMMUNICATIONS RELAY SERVICE ) ORDER NO. 34019  
(TRS) PROGRAM )**

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On February 28, 2018, the Idaho Telecommunications Relay Service (TRS) Administrator submitted the calendar year 2017 Annual Report and 2018 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 2017 Report, 2018 Budget and maintain TRS contributions at their current levels effective May 1, 2018.

**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). 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, and runs through November 30, 2019. *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)<sup>1</sup> services are reimbursed by Idaho’s TRS fund,

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<sup>1</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.

while the firm of Rolka Loube Saltzer Associates, LLC reimburses Hamilton for interstate calls (including intrastate Internet relays and Internet video relay service).

**THE 2017 ANNUAL REPORT**

The Administrator reported that the relay center handled 12,135 minutes of traffic in calendar year 2017. This represents a 20% decrease from calendar year 2016.<sup>2</sup> The number of CapTel units increased by 3%, while usage decreased by 2% to 24,997 minutes from the previous year. The 2017 average answer time by Hamilton was 2 seconds.

1. 2017 Expenses. The TRS expenses for the year totaled \$106,965. Disbursements to Hamilton were \$84,528. The administrative fees and expenses for the reporting year were \$22,140. The end-of-year fund balance was \$273,987.

2. 2017 Revenues and Allocations. The TRS fund is supported by assessments on local exchange telephone service (residential and business) access lines and on billed intrastate long distance minutes. The total number of intrastate long distance minutes reported by the telephone companies decreased by 21% from approximately 158,535,000 minutes in 2016 to approximately 124,961,000 minutes in 2017. The average monthly number of telephone lines reported decreased by 24% from 391,132 in 2016, to 297,462 in 2017.

The 2017 annual total contribution to the TRS fund was \$96,384, a decrease of \$13,587 (13%) from 2016. Local exchange services contributed \$71,391 (74%) and MTS/WATS contributed \$24,992 (26%). In Commission Order No. 33730, the per-line and per-minute assessments for 2017 were maintained at \$0.02 and \$0.0002, respectively. The table below shows 2017 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)	\$71,391	74%
MTS/WATS Providers (\$0.0002/min)	24,992	26%
TOTAL	\$96,384	100%

3. Proposed 2018 Budget. The Administrator projects an annual operating budget of \$110,650. This budget reflects a continued decline in traditional relay usage as well as a triennial audit expense of approximately \$7,000 since it will be paid during 2018. If assessment

<sup>2</sup> By way of comparison, there were 21,397 minutes in 2015, and 15,175 minutes in 2016.

rates remain unchanged, the Administrator calculates the 2018 end-of-year fund balance will continue to have a reasonable reserve (2018 year-end balance is projected to be approximately \$250,000).

4. Proposed 2018 TRS Funding Levels. Based on the proposed budget for 2018 and the 2017 end-of-year reserves, the Administrator recommends that the Commission maintain the assessment rates at the current level for local exchange lines at \$.02 per month and \$.0002 per intrastate MTS/WATS billed minute. This will provide a cushion should unexpected expenses or program changes occur at the Federal Communications Commission (FCC).

#### **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 2018. Staff noted the Idaho citizens continue to be well served by the Administrator and the relay services provided by Hamilton. Staff also noted that the 2018 budget projection of \$110,650 is acceptable based on the anticipated TRS expenses. The projected revenue together with the current fund balance should be sufficient to meet 2018 expenses, including any unforeseen events. Staff, therefore, agreed with the Administrator's recommendation to maintain the TRS contributions at the current funding levels of \$0.02 per access line per month and \$0.0002 per intrastate MTS/WATS minute.

#### **DISCUSSION AND FINDINGS**

In this Order, the Commission formally adopts the Administrator's 2017 Annual Report. Based upon our review of the Report, we find that the 2017 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 2018 budget projection of \$110,650 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 2018 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 2018 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 Commission accepts the Administrator's 2017 annual report and 2018 budget.

IT IS FURTHER ORDERED that the 2018 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, 2018.

IT IS FURTHER ORDERED that the 2018 TRS funding obligation for telephone corporations providing intrastate MTS/WATS service be maintained at the existing level of \$0.0002 per intrastate billed minute.

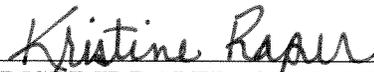
IT IS FURTHER ORDERED that the TRS Administrator continue to monitor expenditures, revenues, and FCC actions. Any time it appears that revenues will not cover expenditures, the TRS Administrator is to immediately notify the Commission so we may evaluate whether changes in the existing TRS funding obligations 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-18-02 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 <sup>yeh</sup> day of April 2018.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian  
Commission Secretary

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