

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF REVIEWING THE )  
ADMINISTRATOR’S 2019 ANNUAL REPORT ) CASE NO. GNR-T-20-10  
AND ESTABLISHING THE FUNDING )  
LEVELS TO SUPPORT THE IDAHO ) ORDER NO. 34613  
TELECOMMUNICATIONS SERVICE )  
ASSISTANCE PROGRAM (ITSAP) )**

Each year, the Administrator of the Idaho Telecommunications Service Assistance Program (ITSAP) reports on the ITSAP’s activities and status from the prior year. The ITSAP helps decrease the cost of basic local exchange telephone service for eligible residents. ITSAP is funded through a uniform, Commission-ordered surcharge on all end-user business, residential, and wireless access service lines. The Idaho Department of Health and Welfare administers the ITSAP with federal programs to “grant limited federal ‘lifeline’ contributions to low-income customers.” *See Idaho Code* § 56-901(1).

Idaho telephone companies provide a monthly \$2.50 discount to eligible applicants. *Idaho Code* § 56-902. If the Commission has designated a company as an Eligible Telecommunications Carrier, the company may be reimbursed from the ITSAP fund for the assistance provided. 47 C.F.R. § 54.201(a)(1). ITSAP beneficiaries must be the head of a household and meet the Department of Health and Welfare’s narrowly targeted eligibility criteria. *Idaho Code* § 56-903.

**THE 2019 ITSAP ANNUAL REPORT**

ITSAP Administrator Alyson Anderson’s March 12, 2020 annual report reported a 12% decrease in wireline access lines, a 2% decrease in wireless lines, and an 18% decrease in ITSAP recipients from the previous year. The Administrator reported the gross surcharge revenue for the year to be \$0.

Based on information provided by Idaho telephone companies, the Administrator also reported the average number of wireline access lines per month to be 215,906 in 2019, compared to 244,988 in 2018, and the average number of wireless access lines per month to be 304,298 in 2019, compared to 310,248 in 2018. Overall, the total average monthly lines subject to the ITSAP surcharge decreased by about 35,032 lines from 2018 to 2019 (from 555,236 lines per month in

2018 to 520,204 lines per month in 2019). These numbers are inflated because some wireless providers did not report line counts due to the surcharge suspension. *See* Order No. 33732.

The average number of reported ITSAP recipients per month in 2019 (1,471) decreased by 18% from 2018 (1,787). Telecommunications companies received \$44,143 in reimbursement for ITSAP credits they gave to eligible recipients in 2019, compared to \$56,822 in reimbursement received in 2018. Companies were reimbursed for \$11,394 in administrative costs in 2019, down from the \$12,635 they received in 2018.

The Administrator reported \$5,093 in fees and expenses for 2019. The ITSAP had a \$1,167,999 cash balance at the end of 2019.

### **2020 BUDGET AND TRENDS**

The ITSAP Administrator expects the funding requirements for 2020 will continue to decrease. The Administrator estimated companies would receive \$46,720 in ITSAP reimbursements, and that the ITSAP Administrator's expenses would be \$9,400.

To establish the 2020 budget, the Administrator estimated that 445,466 access lines per month would be subject to the surcharge while the average number of ITSAP recipients would decrease to 1,557 per month. Based on this data, the Administrator projected the ITSAP funding requirement for 2020 would be \$67,397, and the ITSAP fund's end-of-year balance would be \$1,100,602.

The Administrator reported another significant drop in credit recipients during 2019. The Administrator recommended that the surcharge rate continue to be suspended an additional year, and that all companies be directed to report access lines to her during this period. The Administrator affirmed that the fund balance will be more than enough to reimburse companies for assistance credits provided while maintaining an adequate balance for unexpected occurrences. The estimated balance for the end-of-year 2020 is projected to be \$1,100,602.

Staff reviewed the 2019 annual report, the 2020 budget, and the funding recommendation. Staff agreed with the Administrator's assessment and supports the Administrator's recommendation to continue suspending the surcharge rates for all wireline and wireless access lines for another year. Staff believes the fund balance will suffice to meet the 2020 expenses while covering any unforeseen changes to the number of ITSAP recipients. Staff thus recommended that the Commission approve the Administrator's 2020 budget and proposal to

suspend the surcharge rates for budget year 2020. Staff also recommended the Commission direct all companies to report access line counts to the Administrator while the surcharge is suspended.

### **COMMISSION FINDINGS**

The Commission has reviewed the Administrator's 2019 annual report, proposed 2020 budget, and Staff's comments. We find the Administrator's recommendations to be fair, just and reasonable. We find it appropriate to continue suspending the surcharge rate for budget year 2020, and that doing so will not deplete the fund of a sufficient balance even if unanticipated program changes occur. Accordingly, we accept the Administrator's 2019 annual report and proposal to suspend the monthly ITSAP surcharge rate for budget year 2020, and we approve the Administrator's 2020 budget. We further find that all reporting companies should continue to file regular reports with the Administrator. We direct the Administrator to notify all reporting companies that they must continue to report and that surcharge rates will continue to be suspended for budget year 2020, subject to further Commission order.

### **ORDER**

IT IS HEREBY ORDERED that the Commission accepts the Administrator's 2019 annual report and 2020 budget.

IT IS FURTHER ORDERED that the monthly ITSAP surcharge rate shall remain suspended until the next annual budget review.

IT IS FURTHER ORDERED that the Administrator shall notify all reporting companies that their reporting requirements are ongoing and that the surcharge rate remains suspended for budget year 2020 subject to further Commission order.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code § 61-626.*

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DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 3rd day of April 2020.

  
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PAUL KJELLANDER, PRESIDENT

  
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KRISTINE RAPER, COMMISSIONER

  
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ERIC ANDERSON, COMMISSIONER

ATTEST:

  
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Diane M. Hanian  
Commission Secretary

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