

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSIONER ANDERSON
COMMISSION SECRETARY
LEGAL
WORKING FILE**

FROM: DANIEL KLEIN

DATE: MARCH 19, 2021

**RE: 2020 IDAHO TELECOMMUNICATIONS RELAY SERVICE ANNUAL
REPORT; CASE NO. GNR-T-21-02**

BACKGROUND

Each February, the Administrator of the Idaho Telecommunications Relay Service (“TRS” or “relay”) files a report detailing the activities and status of the program during the previous year. The Administrator also determines the funding requirements for the following year and submits a recommended budget with the annual report.

In 1992, the Idaho Legislature established the Telecommunications Relay Service Act (TRS Act) in accordance with the federal Title IV of the American with Disabilities Act. The TRS enables 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. Under the Idaho TRS Act, all telephone corporations providing local or long-distance service (not including wireless or VoIP services) must provide TRS as set forth in the program and pay into the TRS Fund based upon an allocation methodology adopted by the Commission. *Idaho Code* § 61-1305. Pursuant to TRS Rule 202, the Commission sets the TRS funding levels each year based upon the Administrator’s Annual Report. IDAPA 31.46.02.202.

The Idaho TRS service provider, 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 2020 ANNUAL REPORT

On February 16, 2021, the TRS Administrator, Ms. Kathleen Toohill, submitted the 2020 TRS Annual Report and the 2021 TRS Budget for Commission approval. During 2020, the Administrator reported that the relay center handled 2,106 calls in 2020 an overall increase of 26%. There was 11,847.98 session minutes reported for Caption Telephone Service, 18,761.19 Session Minutes for TRS, and 1365.07 Session minutes for Speech to Speech in 2020. The increase has been attributed to the global pandemic and relay users relying on the service more as opposed to making in person visits. The number of Captioned Telephone (CapTel)¹ units held steady. An amendment was made with Hamilton's contract which changed the price per minute and compensation from conversation² to session minutes.³

Disbursements from the TRS fund to Hamilton increased from \$60,558.62 in 2019 to \$123,081.74 in 2020, an increase of 103%. In-state traditional relay and CapTel services are reimbursed by Idaho's TRS fund, while the firm of Rolka Loube Saltzer Associates, LLC reimburses Hamilton for out-of-state relay calls as well as intrastate Internet relay and Internet video relay service usage. Hamilton's 2020 average answer time was .85 seconds. This was an increase from past years due to the increased usage due to the global pandemic. Hamilton was granted a FCC waiver for call answer times starting March 16, 2020 which is still in affect currently. Communications Assistants were also granted permission to work from home due to the pandemic.

2020 Expenses

The TRS expenses for the year totaled \$163,039.94. Disbursements to Hamilton were \$123,081.74. The administrative fees and expenses for the reporting year were \$39,958.20. The end-of-year fund balance was \$180,933.83.

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.

² A conversation minute shall include the time the calling party is connected to the called party or to an answering machine at the called party's number or to a recorded message or intercept for the called number. A call minute does not include time in queue (call is ringing, waiting for a live answer), call set-up, call wrap-up, or calls that have reached numbers that are busy or received no answer.

³ A session minute is defined as the time from the moment a Communications Assistant (CA) connects to an incoming relay call until the moment the CA disconnects the last party. This includes incoming calls (busy, no answer, or wrong number) that do not reach the intended called party and includes call set-up and wrap-up.

2020 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 18% from approximately 100,128,800 minutes in 2019 to approximately 82,015,033 minutes in 2020. The average monthly number of telephone lines reported decreased by 41% from 215,423 in 2019 to 126,760 in 2020. The 2020 annual contribution to the TRS fund was \$66,837.81, a decrease of \$4,889.39 (7%) from 2019. Local exchange services contributed \$32,750.55 (49%) and MTS/WATS contributed \$34,087.77 (51%). In Commission Order No. 34615, the per-line and per-minute assessments for 2020 were increased to \$0.03 and \$0.0008, respectively.⁴

Proposed 2021 Budget

The Administrator projects an annual operating budget of \$173,760. This budget reflects a change in administrative costs due to the change in the administrators contract as well as the higher costs of the Hamilton contract extension.⁵ The budget also includes \$8,350 for a contractual audit of the fund. If assessment rates remain unchanged, the Administrator calculates the 2021 end-of-year fund balance will continue to have a reasonable reserve (2021 year-end balance is projected to be approximately \$95,529.83).

Proposed 2021 TRS Funding Levels

Based on the proposed budget for 2021 and the 2020 end-of-year reserves, the Administrator presents the following options:

1. Continue the present rates of contribution to ITRS at \$0.03 per line and \$0.0008 per minute. With the trends of recent years of diminishing inventory of landlines, 2021 Local Exchange Lines can be estimated to be approximately 101,408 (2020's count of 126,760 x 80% = 101,408 due to 20% decrease). 2021's Long Distance Minutes can be estimated at 64,811,226 (2020 Long Distance Minutes 80,811,226 x 80% = 64,811,226 due to 20% decrease). Therefore, revenue can be estimated with the current contributions to ITRS at \$88,356. With a 2021 budget of \$173,760 and a

⁴ The new rates did not go into effect until May 1, 2020, before that it was \$0.02 per line and \$0.0002 per min.

⁵ The Hamilton contract extension changed the billing from conversation minutes to session minutes and created a separate monthly charge for outreach services.

2020 year-end balance of \$180,933.83, with the projected contributions, that could reduce the fund balance to \$95,529;


2. Continue with the current \$0.0008 long distance per minute rate and raise the per line rate (currently assessed at \$0.03) to \$0.05. If the lines reported are 101,408 (80% of 126,760 – 2020’s assessed lines), and the split were 52/48 for 0.02 and 0.0005 then the fund balance would be reduced to \$119,867; and
3. Raise both rates, the \$0.03 line charge and the \$0.0008 rate, and find rates that will result in more of a 48/52 split, by raising the rates to \$0.05 per line and \$0.001 per minute which would result in a fund balance of \$132,829. These rate changes ensuring longevity of the fund balance.

STAFF’S RECOMMENDATION

Staff has reviewed the Administrator’s Annual Report. Staff believes the Idaho citizens continue to be well served by the Administrator and the relay services provided by Hamilton Telecommunications. Staff also believes that the 2021 budget projection of \$173,760 is acceptable based on the anticipated TRS expenses. The projected revenue together with the current fund balance should be sufficient to meet 2021 expenses, including any unforeseen events. Staff, therefore, agrees with the Administrator’s recommendation in option 3 to raise the TRS contributions to \$0.05 per access line per month and \$0.001 per intrastate MTS/WATS minute.

COMMISSION DECISION

1. Does the Commission wish to accept the Administrator’s recommendation to raise the current TRS assessment rates \$0.05 per access line per month and \$0.001 per intrastate MTS/WATS minute?
2. Does the Commission wish to accept the annual report and adopt the Administrator’s budget for 2021?


Daniel Klein