

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF REVIEWING THE)
ADMINISTRATOR’S 2020 ANNUAL REPORT) CASE NO. GNR-T-21-03
AND ESTABLISHING THE FUNDING)
LEVELS TO SUPPORT THE IDAHO) ORDER NO. 34998
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 2020 ITSAP ANNUAL REPORT

ITSAP Administrator Kathleen Toohill’s February 16, 2021 annual report reported a 19% decrease in wireline access lines, a 30% decrease in wireless lines, and a 20% decrease in ITSAP recipients from the previous year. The Administrator reported the gross surcharge revenue for the year to be \$53.

Based on information provided by Idaho telephone companies, the Administrator also reported the average number of wireline access lines per month to be 173,928 in 2020, compared to 215,906 in 2019, and the average number of wireless access lines per month to be 211,938 in 2020, compared to 304,298 in 2019. Overall, the total average monthly lines subject to the ITSAP surcharge decreased by about 134,338 lines from 2019 to 2020 (from 520,204 lines per month in

2019 to 385,866 lines per month in 2020). These numbers are under-reported 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 2020 (1,180) decreased by 20% from 2019 (1,471). Telecommunications companies received \$35,521 in reimbursement for ITSAP credits they gave to eligible recipients in 2020, compared to \$44,143 in reimbursement received in 2019. Companies were reimbursed for \$8,893 in administrative costs in 2020, down from the \$11,394 they received in 2019.

The Administrator reported \$9,972 in fees and expenses for 2020. The ITSAP had a \$1,103,646 cash balance at the end of 2020.

2021 BUDGET AND TRENDS

The ITSAP Administrator expects the funding requirements for 2021 will increase for the first time in years. The Administrator estimates companies will receive \$309,456 in ITSAP reimbursements, and that the ITSAP Administrator's expenses would be \$17,750.

To establish the 2021 budget, the Administrator estimated that 385,866 access lines per month would be subject to the surcharge while the average number of ITSAP recipients would increase to 7,180 per month. Based on this data, the Administrator projected the ITSAP funding requirement for 2021 would be \$327,206, and the ITSAP fund's end-of-year balance would be \$776,439.

The Administrator reported another significant drop in credit recipients during 2020. 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 remain adequate to reimburse companies for assistance credits provided while maintaining a sufficient balance for unexpected occurrences. The estimated balance for the end-of-year 2021 is projected to be \$776,439.

STAFF REVIEW

Staff reviewed the 2020 annual report, the 2021 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 believed the fund balance would cover the 2021 expenses and any unforeseen changes to the number of ITSAP recipients. Staff recommended Commission approval of the Administrator's 2021 budget and proposal to suspend the surcharge

rates for budget year 2021. Staff also recommended the Commission direct all companies to report access line counts to the Administrator while the surcharge is suspended. Staff noted it would continue to monitor the number of ITSAP recipients and recommend changes if needed.

COMMISSION FINDINGS

The Commission has reviewed the Administrator's 2020 annual report, proposed 2021 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 2021, 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 2020 annual report and proposal to suspend the monthly ITSAP surcharge rate for budget year 2021, and we approve the Administrator's 2021 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 access line counts and that surcharge rates will continue to be suspended for budget year 2021, subject to further Commission order.

ORDER

IT IS HEREBY ORDERED that the Commission accepts the Administrator's 2020 annual report and 2021 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 2021 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 15th day of April 2021.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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