

**ADMINISTRATOR'S REPORT CASE NO. GNR-T-23-03**  
**IDAHO TELECOMMUNICATIONS SERVICE**  
**ASSISTANCE PROGRAM**  
**YEAR ENDED – DECEMBER 31, 2022**

**SURCHARGE REVENUES**

The Idaho Telecommunications Service Assistance Program (ITSAP) surcharge is assessed on all residential, business, and wireless end users not receiving the ITSAP credit. Most companies actually remit net surcharge revenue, which is gross surcharge revenue less any assistance credits provided to eligible customers and the company's administrative costs. The ITSAP surcharge rate remained suspended during 2022, and no gross or net surcharge revenue was collected or deposited during the year ended December 31, 2022.

**DISBURSEMENTS**

**ASSISTANCE CREDITS/COMPANY ADMINISTRATIVE EXPENSES**

Telecommunications companies reported \$201,731 in credits provided to eligible subscribers, and reported \$24,975 in costs for administration of the program for the year ended December 31, 2022. That comes to approximately 6,725 credit recipients per month/80,692 per year. Throughout the year, ITSAP reimbursed companies for net monthly discounts provided to eligible subscribers and costs of administering the program, so checks were written in the amount of \$226,705.38.

**ADMINISTRATIVE FEES AND EXPENSES**

Administrative fees and expenses paid during the year ended December 31, 2022 were \$9083.60 paid to the current Administrator, Kathleen Toohill. Currently the bank is not assessing any bank fees.

**INVESTMENTS AND FUNDS**

**CASH**

As of December 31, 2021, the Idaho Telecommunications Service Assistance Program had a cash balance of \$839,112.87 and then one year later closed with checks clearing at \$603,650.78. The following is a table showing the quarterly cash balances for the year of 2022:

<b>CASH BALANCE 12/31/21</b>	<b>CASH BALANCE 3/31/22</b>	<b>CASH BALANCE 6/30/22</b>	<b>CASH BALANCE 9/30/22</b>	<b>CASH BALANCE 12/31/22</b>
\$839,112.87	\$ 782,140.54	\$ 738,186.36	\$ 648,934.23	\$ 603,650.78

**INTEREST**

No interest was earned on funds during the year ended December 31, 2022.

**ADMINISTRATOR'S RECOMMENDATION**

Currently, the surcharge rate is suspended, or \$0.00 per access line and the assistance credit amount is \$2.50 per customer per month. Some companies report on a monthly basis while some other companies report on a quarterly basis. During 2022, the number of credit recipients was almost 8 times the previous reported year due to one company providing free government benefit phone service.

In 2012, the Idaho Department of Health and Welfare introduced legislation amending Idaho Code §56-902. This legislation reduced the amount of the monthly ITSAP assistance credit from \$3.50 to \$2.50. The impact of this legislation combined with the 2012 fund balance indicated a need to reduce the surcharge rate, however there was a

cautious approach to reducing the surcharge rate for the following reasons: 1) The unknown impact of wireless ETCs that had not begun marketing the ITSAP and Lifeline discounts in Idaho; 2) The long-term impact of the ITSAP database reconciliation; and 3) The possibility that some companies not currently requesting reimbursement of program administrative costs may do so in the future. For the most part, these events did not occur, making it unlikely that the current fund balance will be reduced. The current fund balance indicates continued suspension of the ITSAP surcharge is necessary.

During 2022, the fund balance declined approximately \$235,462. One particular company receives a significant portion of payments due to all of its customers qualifying as credit recipients; this company provides free government benefit phone service plus the related company fund administration costs. The surcharge can remain suspended for one more year, and I continue to recommend that companies report access lines. Average lines per month reported by telecommunications companies for residential and business were almost 140,000 lines combined with wireless about 222,362 per month. Residential lines could drop by about 100 and be about 70,000 per month. The fund balance remaining should prove sufficient for another year of the projected credit recipients, company administrative costs, and fund administration with about \$235,000 estimated for the 2023 budget. December 2023 could realize an estimated ending balance of \$335,000.00 with approximately **6725** credit recipients estimated per month and the related fund administration costs. 2024 will be a year to look at the potential of reinstating the surcharge

	Credit recipients	Assistance credit	Program Admin	Check Totals	Fund Admin.
Q1 2022	19,270	\$48,175.25	\$6,511.58	\$56,972.83	\$2,286.00
Q2 2022	14,850	\$37,125.00	\$4,533.98	\$41,668.98	\$2,285.20
Q3 2022	31,187	\$77,967.50	\$8,991.58	\$86,866.08	\$2,286.00
Q4 2022	15,297	\$38,242.50	4,754.95	42,997.45	\$2,286.00
2022 Total	80,604	\$201,510.25	\$24,808.64	\$226,318.89	\$9,143.20