

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF REVIEWING THE )  
ADMINISTRATOR'S 2009 ANNUAL ) CASE NO. GNR-T-10-03  
REPORT AND ESTABLISHING THE )  
FUNDING LEVELS TO SUPPORT THE )  
TELECOMMUNICATIONS RELAY ) ORDER NO. 31050  
SERVICE (TRS) PROGRAM )**

On February 9, 2010, the Idaho Telecommunications Relay Service (TRS) Administrator submitted his calendar year 2009 Annual Report to the Commission. 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. Pursuant to TRS Rules 202 and 205, the Commission reviews the Administrator's Annual Report and determines the appropriate funding levels necessary to meet the program's expenses on a prospective basis. IDAPA 31.46.02.202 and 205. In this Order we accept the Administrator's 2009 Report and maintain the TRS contributions at their current levels effective May 1, 2010.

**THE 2009 ANNUAL REPORT**

The Administrator reported that the relay center handled 93,165 minutes of traffic in calendar year 2009. This represents nearly a 32% decrease from calendar year 2008. The relay center operated by Hamilton Telecommunications converts or "relays" oral conversations to text-type and vice versa. The relay center also provides speech-to-speech, Spanish-to-Spanish, video, and Internet relay services. Disbursements from the TRS fund to Hamilton in 2009 also decreased by about 18% from the previous year. In-state relay traffic and Captioned Telephone (CapTel) service are reimbursed by Idaho's TRS fund, while the National Exchange Carrier Association (NECA) reimburses Hamilton for interstate calls (including intrastate video and Internet relays).

The Administrator also reported that traditional relay usage decreased in 2009 while usage of CapTel devices remained about the same. CapTel allows hearing-impaired 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. In 2009, traditional relay service comprised 45% of the total TRS-billed minutes and CapTel calls comprised 55% of the calls. Since the 2006 introduction of CapTel in Idaho, the increase in CapTel usage has offset the decreases in traditional relay services. However, CapTel usage appears to have leveled off in 2009.

1. 2009 Expenses. The Idaho TRS fund is supported by assessments on local telephone access lines and on billed intrastate long-distance minutes. TRS expenses for 2009 total \$237,714, about 13% less than the previous year. The Administrator reported that disbursements to Hamilton were \$190,109. The administrative fees and expenses for the reporting year were \$46,605 and included a \$4,000 charge for the third-party audit conducted in late 2008.

2. 2009 Revenues and Allocations. During 2009, the average monthly number of telephone access lines reported to the TRS Administrator was approximately 589,047, an increase of about 3,000 lines from the prior year. The number of intrastate toll minutes for 2009 totaled more than 362 million minutes. The amount of toll minutes increased by about 11% from the prior year. The table below shows 2009 TRS contribution sources and amounts.

<u>2009 Revenue Sources</u>	<u>Amount</u>	<u>Percentage of Total</u>
Local Service Providers (\$ .02/month/line)	\$128,291	63%
MTS/WATS Providers (\$ .0002/min)	72,446	37%
Interest Earned on Funds	34	
<b>TOTAL</b>	<b>\$200,771</b>	<b>100%</b>

The 2009 year-end balance of the TRS fund was \$369,172.

3. Proposed 2010 Budget. The Administrator projected an annual operating budget for 2010 of \$256,355. The budget includes a decrease in traditional relay usage reflecting user migration to Internet and video relay services, as well as instant messaging services. The Administrator also expects the line count and long-distance billed minutes to stay about the same. The Administrator anticipated that both the revenue and usage will remain the same as it was in 2009. If assessment rates remain the same, the Administrator calculates that the end-of-year reserve fund will decrease by approximately \$52,000. He also expressed concern that lowering the TRS rate could deplete the fund reserve.

The Administrator also advised the Commission that the TRS contract with Hamilton Telecommunications for relay and CapTel services expires on December 1, 2010. Consequently, the Administrator envisions additional expense for the preparation of a Request for Proposal (RFP) as well as expenses in evaluating and awarding the new service provider contract.

4. Proposed TRS Funding Levels. Based upon the proposed budget for 2010 and current reserves, the Administrator recommended that the existing TRS funding levels be maintained for 2010. He recommended the per-line assessment be continued at \$0.02 per month, and the per-minute assessment for intrastate toll minutes be continued at \$0.002 per minute. This will maintain a small cushion if unexpected expenses or changes occur.

#### **STAFF RECOMMENDATION**

Following its review of the Administrator's Report, Staff recommended the Commission adopt the Report and the Administrator's projected budget for 2010. Staff also concurred with the Administrator's recommendation that existing TRS contribution levels should be continued. Staff also noted that the Administrator will incur additional expenses this year caused by the issuance of the RFP for relay and CapTel services.

#### **DISCUSSION**

In this Order, the Commission formally adopts the Administrator's 2009 Annual Report. Based upon our review of the Report, we find that the 2009 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 2010 budget projection of \$256,355 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 2010 expenses.

Based upon our review of the Annual Report, the Administrator's contribution alternatives 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 2010 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 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.

IT IS FURTHER ORDERED that the 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. Anytime that revenues will not cover expenditures, the TRS Administrator is to immediately notify the Commission so that 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-10-03 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 14<sup>th</sup>  
day of April 2010.

  
JIM D. KEMPTON, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
MACK A. REDFORD, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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