

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities)
Structure and Practices of the Video Relay Service Program)
CG Docket No. 03-123
CG Docket No. 10-51

ORDER

Adopted: June 28, 2019

Released: June 28, 2019

By the Chief, Consumer and Governmental Affairs Bureau:

I. INTRODUCTION AND BACKGROUND

1. This order adopts per-minute provider compensation rates for telecommunications relay services (TRS) that are supported by the Interstate Telecommunications Relay Services Fund (TRS Fund, or Fund) for the Fund Year beginning July 1, 2019 and ending June 30, 2020. This order also determines, for the 2019-20 Fund Year, the total size of the TRS Fund and the contribution factor, i.e., the percentage of interstate and international end-user revenues that telecommunications carriers and other covered service providers must contribute to the TRS Fund.

2. Effective July 1, 2019, the per-minute compensation rates for interstate TRS,1 shall be: (1) for traditional TRS, \$3.1107; (2) for speech-to-speech relay service (STS), \$4.2417; and (3) for captioned telephone service (CTS), \$2.2795. These rates are based on recommendations of the current Fund administrator, Rolka Loube Associates, LLC (Rolka Loube) and our review of the relevant data.2

1 TRS enables an individual who is deaf, hard of hearing, deaf-blind, or who has a speech disability to communicate by telephone or other device through the telephone system. See 47 U.S.C. § 225(a)(3). TRS is provided in a variety of ways. Currently, interstate TRS calls and all Internet Protocol (IP) based TRS calls, both intrastate and interstate, are supported by the Fund. See Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, CG Docket No. 03-123, Declaratory Ruling, 22 FCC Rcd 379, 379-81, 390, paras. 3-6, 25 (2007).

2 See Rolka Loube, Interstate Telecommunications Relay Services Fund Payment Formula and Fund Size Estimate, CG Docket Nos. 03-123 and 10-51, (filed May 1, 2019), https://ecfsapi.fcc.gov/file/10501392602495/2019%20TRS%20Fund%20Annual%20Report.pdf (2019 TRS Rate Filing). Under the Commission's TRS rules, the Fund administrator is required to file TRS payment formulas and revenue requirements with the Commission on May 1st of each year, to be effective the following July 1st. 47 CFR § 64.604(c)(5)(iii)(E), (H). On May 13, 2019, the Consumer and Governmental Affairs Bureau (Bureau) released a public notice seeking comment on Rolka Loube's proposed compensation rates, revenue requirement, and contribution factor for the 2019-20 Fund Year. Rolka Loube Associates Submits Payment Formulas and Funding Requirement for the Interstate Telecommunications Relay Services Fund for the 2019-20 Fund Year, Public Notice, DA 19-407 (CGB 2019) (2019 TRS Rate Filing Public Notice). The Commission received comments from USTelecom – the Broadband Association (USTelecom), Hamilton Relay, Inc. (Hamilton), and CaptionCall, LLC

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3. The per-minute compensation rate for Internet-based TRS shall be: (1) for Internet protocol (IP) CTS, \$1.58; (2) for IP Relay, \$1.67; and (3) for video relay service (VRS) providers the following tiered rates:

Tier (by Minutes of Use)	2019-20 Fund Year (per minute rate)
Emergent (1 st 500,000 monthly minutes) for VRS providers with 500,000 or fewer minutes in a month	\$5.29
Tier I (1 st 1,000,000 monthly minutes) for VRS providers with more than 500,000 minutes in a month	\$4.82
Tier II (1,000,001 to 2,500,000 monthly minutes)	\$3.97
Tier III (monthly minutes exceeding 2,500,000)	\$2.63

The rate for IP Relay is set as described below. The rates for IP CTS and VRS are set by orders of the Federal Communications Commission (Commission).³

4. Based on these compensation rates, projected demand for the services, and projected Fund administration expenses, we adopt a funding requirement of \$1,413,980,374 and a carrier contribution factor of .02779.⁴

II. DISCUSSION

A. Compensation Rates for Traditional TRS, STS, and CTS

5. For traditional TRS, STS, and CTS, we adopt Rolka Loube's proposed per-minute compensation rates for the 2019-20 Fund Year: \$3.1107 for interstate traditional TRS; \$4.2417 for interstate STS; and \$2.2795 for interstate CTS. These rates represent, respectively, decreases of approximately 4.6% for traditional TRS and 3.4% for STS, and an increase of 14% for CTS, relative to the 2018-19 Fund Year rates for those services.⁵ Rolka Loube developed each of these rates by applying

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and Sorenson Communications, Inc. (collectively, CaptionCall) and reply comments from Sprint Corporation (Sprint).

³ See *Structures and Practices of the Video Relay Service Program; Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket Nos. 10-51 and 03-123, Report and Order and Order, 32 FCC Rcd 5891, 5916-24, paras. 49-63 (2017) (*2017 VRS Rate Order*) (setting a four-year, tiered rate structure for VRS compensation); *Misuse of Internet Protocol (IP) Captioned Telephone Service; Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket Nos. 13-24 and 03-123, Report and Order, Declaratory Ruling, Further Notice of Proposed Rulemaking, and Notice of Inquiry, 33 FCC Rcd 5800, 5810-16, paras. 19-26 (June 8, 2018) (*IP CTS Modernization and Reform Order*) (establishing interim IP CTS compensation rates for the 2018-19 and 2019-20 Fund Years).

⁴ USTelecom requests that the Commission establish a longer timeframe between when the final rates and budget size are announced and the effective date, noting that the timeframe does not allow sufficient time for carriers to plan for changes in costs. USTelecom Comments at 3 (rec. May 28, 2019) (USTelecom Comments). While USTelecom's request may merit consideration, due to the current requirement for the Fund administrator to file TRS payment formulas and revenue requirements with the Commission on May 1st of each year, it would not be practicable to obtain informed public comment and complete review of these matters at a substantially earlier date, absent a Commission rulemaking.

⁵ 2019 TRS Rate Filing at 17-18. Consistent with rate determinations in past years, the STS rate includes a supplemental per-minute amount (\$1.1311) to be used for STS outreach. See *2007 TRS Compensation Methodology Order*, 22 FCC Rcd at 20170, para. 57.

the Multi-State Average Rate Structure (MARS) methodology adopted in the *2007 TRS Compensation Methodology Order*.⁶ The MARS rate is calculated by collecting each state's intrastate TRS, STS, and CTS rates and minutes of use data and averaging the state data to determine the appropriate interstate rates for these services.⁷ No party opposes Rolka Loube's recommended rates.⁸ We conclude that these rates correctly apply the MARS methodology and should be adopted.

B. Compensation Rates for IP CTS

6. For IP CTS, the per-minute compensation rate for the 2019-20 Fund Year is \$1.58, a 10% reduction from the 2018-19 rate of \$1.75.⁹ In the *IP CTS Modernization and Reform Order*, the Commission terminated use of the MARS methodology for IP CTS and adopted interim rates for the provision of IP CTS for Fund Years 2018-19 and 2019-20.¹⁰ Rolka Loube estimates that this 10% reduction will save the TRS Fund approximately \$99 million in the 2019-20 Fund Year.¹¹ Further, the \$1.58 rate set by the Commission, which moves IP CTS provider compensation closer to average cost, will save the TRS Fund approximately \$409 million for IP CTS provided in the July 2019 – June 2020 period, compared to the \$2.2795 rate that would have applied if the Commission had retained the MARS methodology.¹² The \$1.58 rate is not subject to modification in this Order.¹³

⁶ See *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, Report and Order and Declaratory Ruling, 22 FCC Rcd 20140, 20151-61, paras. 16-38 (2007) (*2007 TRS Compensation Methodology Order*).

⁷ Rolka Loube requests authorization to identify the rates and demand by states in future annual reports, unless the reporting state requests confidentiality. Alternatively, Rolka Loube requests authority to file a confidential version of the requested data. 2019 TRS Rate Filing at 16. Hamilton opposes this request, asserting that all state rate and demand information is justifiably nonpublic because it contains sensitive competitive bid information subject to various state laws protecting commercially sensitive information. Hamilton Comments at 6-7 (rec. May 28, 2019) (Hamilton Comments). While due consideration will be given to Rolka Loube's request, it need not be addressed in this Order.

⁸ Hamilton supports the TRS Fund administrator's proposed rates for traditional TRS, CTS, and STS service. Hamilton Comments at 1-2.

⁹ *IP CTS Modernization and Reform Order*, 33 FCC Rcd at 5816, para. 26.

¹⁰ *Id.* at 5810-16, paras. 19-26.

¹¹ 2019 TRS Rate Filing at 22 (stating that maintaining the rate at last year's \$1.75 level would have increased the cash requirements of the Fund to \$1,513,097,002).

¹² If the Commission had continued using the MARS methodology to set IP CTS provider compensation, the administrator estimates that the compensation rate for 2019-20 would be \$2.2795, \$0.6995 higher than the \$1.58 rate. *Id.* at 19-20. The estimated savings are calculated by multiplying this \$0.6995 differential by 584,367,465 minutes, the projected IP CTS demand for the July 1, 2019 – June 30, 2020 period. (Due to the two-month "lag" between the provision of service and program payments, the demand figure used in this calculation is somewhat higher than the 568,474,075 minutes used in calculating projected IP CTS expenditures for the 2019-20 Fund Year. See 2019 TRS Rate Filing, Exh. 2 (estimating IP CTS demand of 86,535,788 minutes for May-June 2019 and 481,938,288 minutes for July 2019 – April 2020, which totals 568,474,075).)

¹³ Sprint filed a petition for partial reconsideration of the *IP CTS Modernization and Reform Order*, urging that the IP CTS rate be "frozen" at the \$1.9467 level applicable in the 2017-18 Fund Year. Sprint, Petition for Reconsideration, CG Docket Nos. 13-24 and 03-123 (filed July 27, 2018), <https://ecfsapi.fcc.gov/file/107272931103590/Sprint%20Petition%20for%20Reconsideration%20REDACTED%20VERSION%20filed%20072718.pdf> (Sprint Petition for Reconsideration). The iTRS Advisory Council separately filed a letter supporting a rate freeze at the \$1.75 level, and CaptionCall, Hamilton, MezmoCorp (d/b/a InnoCaption) (InnoCaption), and Sprint support such a rate freeze. Letter from Ron Bibler, Chair, iTRS Advisory Council to Marlene H. Dortch, Secretary, FCC, CG Docket Nos. 13-24 and 03-123 (filed Dec. 4, 2018); Letter from Dixie Ziegler, Vice President of Hamilton Relay; Scott R. Freiermuth, Counsel, Government Affairs Federal Regulatory,

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C. Compensation Rates for VRS

7. For VRS, the per-minute compensation rates for the 2019-20 Fund Year are the applicable tiered rates set forth in the four-year compensation plan adopted by the Commission in 2017, effective from July 1, 2017, through June 30, 2021.¹⁴ For VRS providers with more than 500,000 monthly minutes, the applicable per-minute VRS compensation rates for the 2019-20 Fund Year are: \$4.82 per completed conversation minute for a provider's first 1,000,000 monthly minutes (Tier I), no change from the 2018-19 rate; \$3.97 per completed conversation minute for a provider's monthly minutes between 1,000,001 and 2,500,000 (Tier II), no change from the 2018-19 rate; and \$2.63 per completed conversation minute for a provider's monthly minutes exceeding 2,500,000 (Tier III), a 7.1% reduction from the 2018-19 rate of \$2.83.¹⁵ For VRS providers with 500,000 or fewer monthly minutes, the applicable per-minute VRS compensation rate for the 2019-20 Fund Year is \$5.29 per completed conversation minute (Emergent Tier), no change from the 2018-19 rate.¹⁶ We estimate that these compensation rates will save the TRS Fund approximately \$22.4 million for VRS provided in the July 2019 – June 2020 period, compared to the rates in effect in June 2017. As the Commission adopted these rates in the 2017 VRS Rate Order, they are also not subject to modification in this Order.

D. Compensation Rates for IP Relay

8. For IP Relay, we adopt a per-minute compensation rate for the 2019-20 Fund Year is \$1.67, 19.3% higher than the 2018-19 rate of \$1.40. IP Relay is subject to a price-cap-like methodology, and the 2019-20 Fund Year will begin a new three-year rate cycle.¹⁷ For the previous cycle, which began in 2016, the Bureau set a base rate of \$1.30 per minute, which included an allowance for costs of outreach efforts necessary to reach consumers who are deaf-blind.¹⁸ Subsequently, the Bureau increased the

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Sprint; Bruce Peterson, Vice President of Government & Community Relations, CaptionCall; Cristina Duarte, Director of Regulatory Affairs, InnoCaption, to Marlene H. Dortch, Secretary, FCC, CG Docket Nos. 13-24 and 03-123 (filed Feb. 28, 2019). In comments on the 2019 TRS Rate Filing, some parties restate their support for a service-wide rate freeze. Hamilton Comments at 3-5; CaptionCall Comments at 1-3 (rec. May 28, 2019) (CaptionCall Comments); Sprint Reply Comments at 5-7 (rec. June 7, 2019) (Sprint Reply Comments). Because the IP CTS rate for 2019-2020 was set by a Commission-level rulemaking decision, our *2019 TRS Rate Filing Public Notice* determined not to seek comment on this rate, reconsideration of which is outside the scope of the Bureau's delegated authority. See 47 C.F.R. § 1.429(a). After the close of the comment cycle, InnoCaption filed a request for an individual waiver of the IP CTS compensation rate, whereby InnoCaption alone would continue to receive compensation at the \$1.75 level. InnoCaption, Emergency Petition for Interim Waiver, CG Docket Nos. 13-24 and 03-123 (filed June 14, 2019). Due to the late timing of this waiver request, it is not addressed in this Order.

¹⁴ *2017 VRS Rate Order*, 32 FCC Rcd at 5891, para. 1.

¹⁵ *Id.* at 5935, Appx. A.

¹⁶ *Id.* at 5916-17, para. 49-50.

¹⁷ Under the price-cap-like methodology adopted for IP Relay, a base compensation rate is set at the beginning of the rate cycle, and the rate is adjusted for subsequent periods based on an inflation factor and an efficiency (or "X") factor. *2007 TRS Compensation Methodology Order*, 22 FCC Rcd at 20159-60, paras. 43-46; *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket No. 03-123, Order, 25 FCC Rcd 8689, 8700, paras. 25-26 (2010). The inflation factor is Gross Domestic Product – Price Index (GDP-PI). *2007 TRS Compensation Methodology Order*, 22 FCC Rcd at 20163, paras. 43-44. The rate is also subject to adjustment to allow recovery of exogenous costs. *Id.* at 20163, paras. 43-44.

¹⁸ To enable such outreach, the Bureau granted a limited waiver of the rule disallowing TRS Fund compensation for IP Relay outreach costs. *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities; Structure and Practices of the Video Relay Service Program*, CG Docket Nos. 10-51 and 03-123, Order, 31 FCC Rcd 7246, 7250-52, paras. 13-20 (CGB 2016) (*2016 TRS Rate Order*).

allowance for such outreach to reflect increased outreach expenditures.¹⁹ As a result, the compensation rate for the 2018-19 Fund Year is \$1.40 per minute.²⁰

9. Sprint, currently the sole provider of IP Relay service,²¹ requested a rulemaking be initiated to change the Commission's methodology for setting IP Relay compensation, contending that under the current rate Sprint is unable to justify continuing to offer the service.²² In the interim, Sprint requests that the Commission take steps, including waiving certain Commission rules, to increase the IP Relay compensation rate and permit near-term recovery of Sprint's current costs, plus a reasonable operating margin.²³

10. If the Bureau calculated a new base rate for IP Relay using the same approach applied in setting the base rate for the previous three-year cycle—adding an 11.25% return on investment to allowable reported costs plus the costs of deaf-blind outreach allowed pursuant to waiver—the new base rate would be \$1.47. However, to align IP Relay rate-setting with recent Commission precedent and to address gaps in the national outreach program, we make a number of adjustments to the rate calculation. These adjustments result in a new base compensation rate of \$1.67 for the 2019-20 Fund Year, 13.6% higher than the \$1.47 rate that would otherwise apply.²⁴ We estimate that the new rate will increase TRS

¹⁹ *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities; Structure and Practices of the Video Relay Service Program*, CG Docket Nos. 10-51 and 03-123, Order, 32 FCC Rcd 5142, 5145-46, paras. 11-13 (CGB 2017) (*2017 TRS Rate Order*); *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities; Structure and Practices of the Video Relay Service Program*, CG Docket Nos. 10-51 and 03-123, Order, 33 FCC Rcd 6300, 6304-05, paras. 12-13 (CGB 2018) (*2018 TRS Rate Order*).

²⁰ *2018 TRS Rate Order*, 33 FCC Rcd at 6304-05, paras. 12-13.

²¹ For many years, IP Relay was offered by multiple providers. However, beginning in 2013, when the Commission launched investigations of some IP Relay providers' user registration practices, companies successively terminated their provision of this service until, by 2015, only one IP Relay provider—Sprint—remained. *See, e.g., IP CTS Modernization and Reform Order*, 33 FCC Rcd at 5818, para. 30 & n.102.

²² *See* Petition for Rulemaking of Sprint Corporation, CG Docket No. 03-123 and RM-11820, (filed Nov. 1, 2018), <https://ecfsapi.fcc.gov/file/1101203244827/Sprint%20IP%20Relay%20Rate%20Petition%20-%20REDACTED%20-%205BAS%20FILED%20-%202011.1.2018.pdf> (Sprint Petition for Rulemaking).

²³ Request for Interim Waivers, CG Docket Nos. 10-51 and 03-123, at 1 (filed Mar. 21, 2019), <https://ecfsapi.fcc.gov/file/10321798025208/Request%20for%20Waiver%20-%20REDACTED%20plus%20attachment.pdf> (Sprint Request For Waivers). On March 28, 2019, the Bureau released a public notice seeking comment on Sprint's request. *Consumer and Governmental Affairs Bureau Seeks Comments on Request by Sprint Corporation for Interim Waivers Regarding the Compensation Rate for Internet Protocol Relay Service*, Public Notice, DA 19-223 (CGB Mar. 28, 2019). On April 9, 2019, Sprint filed a supplement clarifying some aspects of its waiver request. Supplement to Request for Interim Waivers, CG Docket Nos. 10-51 and 03-123 (filed Apr. 9, 2019), <https://ecfsapi.fcc.gov/file/10409989730840/Sprint%20IP%20Relay%20Waiver%20Supplement%20-%20REDACTED%20-%202004.09.2019%20AS-FILED.pdf> (Sprint Supplement).

²⁴ Rolka Loube recommended a rate of \$1.6334 for IP Relay, based on somewhat different underlying assumptions, including consideration of projected costs only, adoption of a 10% operating margin, and no expansion of Sprint's outreach waiver. 2019 TRS Rate Filing at 25. Sprint opposes Rolka's proposed rate, asserting that it would not compensate Sprint for the costs sought through its pending Request for Waivers. Sprint Reply Comments at 1-2. No other parties commented on Rolka Loube's or Sprint's proposed compensation rate. The new base compensation rate will be applicable for a new three-year price cap cycle, subject to any Commission action on Sprint's petition for rulemaking that may result in a different compensation rate. Subject to that same contingency, we also adopt Rolka Loube's recommendation to continue setting the efficiency factor equal to inflation. 2019 TRS Rate Filing at 25.

Fund expenditures by approximately \$1.67 million for IP Relay provided in the July 2019 – June 2020 period, compared to the previous \$1.40 rate.

11. *Operating Margin.* To harmonize the setting of an IP Relay compensation rate with recent Commission policy determinations on TRS compensation, we adopt Rolka Loube’s recommendation to replace the allowed rate of return on capital investment with an allowed operating margin, which permits recovery of a designated percentage of average expenses, as a supplement to recovery of average expenses.²⁵ Given the service sector similarities between VRS and IP Relay,²⁶ and in the absence of evidence supporting an alternative range, we select an operating margin for IP Relay within the same “zone of reasonableness” established for VRS, a range between 7.6% and 12.35%.²⁷

12. For the purpose of setting a new base rate, we apply an operating margin of 12.35%, at the high end of the zone of reasonableness, and higher than the 10% margin recommended by Rolka Loube.²⁸ Given that only one TRS provider currently offers IP Relay, that demand for the service has fluctuated widely in the past, and that current demand is much lower than for other forms of Internet-based TRS, we conclude that the business risk involved in offering this service justifies allowing an operating margin at the high end of the zone of reasonableness, on an interim basis, pending the Commission’s adoption of a permanent rate methodology.

13. *Research and Development.* We also conclude that the research and development costs described in Sprint’s waiver request are allowable expenses that may be recovered without the necessity of a waiver. Sprint states that these expenses were incurred to update and upgrade the functionality and security of the IP Relay web portal and mobile application, to improve the pacing functionality of its IP Relay service, and to provide users with access to a list of “frequently dialed” numbers via the Sprint website.²⁹ Upgrading software to enhance security and ensure the compatibility of IP Relay with third party equipment and operating systems will maintain consumers’ continued access to relay service and are directed to the provision of service to the consumers in accordance with the Commission’s TRS rules.³⁰ Similarly, enhancing IP Relay to allow users to easily adjust pacing and access a frequently

²⁵ See 2019 TRS Rate Filing at 25; 2017 VRS Rate Order, 32 FCC Rcd at 5903-05, paras. 24-26; see also IP CTS Modernization and Reform Order, 33 FCC Rcd at 8813-14, para. 23. Sprint advocates use of an operating margin, and requests that any contrary Commission rule or policy be waived. Sprint Request for Waivers at 4-5. Because the inclusion of operating margin aligns IP Relay with current Commission policy for other forms of Internet-based TRS and does not require a rule change, Sprint’s request for waiver to allow the use of operating margin is moot.

²⁶ For example, IP Relay and VRS both have high labor costs involving the use of professional communications assistants, and payment for both services is made through a government-created entity. See 2017 VRS Rate Order, 32 FCC Rcd at 5904, para. 25.

²⁷ *Id.* at 5903-05, paras. 24-26. The Commission determined this range was reasonable after reviewing operating margins for companies in analogous service sectors.

²⁸ See 2019 TRS Rate Filing at 25. The Commission has not yet determined a specific allowed operating margin for VRS or IP CTS. Because the Commission is following a transitional glide-path approach for reducing VRS and IP CTS compensation to cost-based levels, the rates set for these services to date remain higher than average costs, regardless of which specific operating margin might be applicable within the zone of reasonableness. See 2017 VRS Rate Order, 32 FCC Rcd at 5903-05, para. 26; 2018 IP CTS Modernization and Reform Order, 33 FCC Rcd at 5814-15, para. 24.

²⁹ Sprint Request for Waivers at 10-12; Sprint Supplement at 4; see also Consumer Groups Comments at 11-12 (supporting allowing compensation for the identified research and development expenses).

³⁰ See *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket No. 03-123, Declaratory Ruling and Further Notice of Proposed Rulemaking, 21 FCC Rcd 5442, 5449, para. 41 (2006) (*2006 Declaratory Ruling*); see also Sprint Request for Waivers at 10-11; Consumer Group Comments at 12 (stating that functional equivalence includes the ability to communicate using the same up-to-date platforms used by persons without speech or hearing disabilities).

dialled numbers list are developments directed at ensuring the service's availability to users who are deaf-blind, in accordance with TRS rules.³¹ Accordingly, we conclude that the described expenses are fairly characterized as directed at the provision of service to the consumer as required by the rules, and as such are recoverable from the TRS Fund.³²

14. *Cost Averaging.* Consistent with recent Commission policy determinations regarding other forms of TRS, in setting a new base compensation rate for IP Relay we rely on a cost calculation that averages Sprint's projected costs for 2019 with its historical costs reported for 2018.³³ This approach guards against the risk of overcompensating TRS providers based on projections of future costs or demand that can turn out to be inaccurate.³⁴ Sprint argues that averaging its projected costs for 2019 and 2020 is more consistent with the approach to IP Relay rate setting in prior years and will better enable Sprint to recover its actual costs.³⁵ Although the Administrator's previous recommendations for IP Relay compensation have been based on averaging projected costs for two calendar years, the Commission has not mandated that projected costs only be used, and the Commission has recently reaffirmed and expanded its use of an approach that averages historical and projected costs.³⁶ Therefore, we conclude that the use of the same approach for IP Relay will bring the determination of TRS Fund compensation for that service into closer harmony with current Commission policy. In some instances, this approach results in a compensation rate that is lower than a rate based on projections only, but in other cases it may result in a higher compensation rate. Although in this instance the result is a lower rate, we are unpersuaded that Sprint will be impeded from recovering its actual expenses in 2019-20. The current rate is not only 27 cents higher than the previous year's rate, but it also provides Sprint with an operating margin within the Commission's zone of reasonableness regardless of whether costs are computed based on a projected-historical average or a projected-costs-only average.³⁷

15. *Waiver Standard.* In considering Sprint's requests for waiver of various rules on allowability of costs, we note that the Commission's rules may be waived for good cause shown.³⁸ The

³¹ See Sprint Request for Waivers at 11-12; Consumer Group Comments at 12.

³² *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket No. 03-123, Declaratory Ruling and Further Notice of Proposed Rulemaking, 21 FCC Rcd 5442, 5449, para. 41 (2006). Research and development expenses are non-allowable to the extent that they are directed at the provision of enhancements that go beyond the applicable minimum TRS standards. *Id.*

³³ The Commission recently affirmed the use of this blended approach for setting VRS compensation rates, and it also followed this approach in setting interim compensation for IP CTS providers. See *2017 VRS Rate Order*, 32 FCC Rcd at 5928-29, para. 69; *2018 IP CTS Modernization and Reform Order*, 33 FCC Rcd at 5813, para. 23. The Commission has found that using an average of projected costs for the calendar year in which a rate is established (in this case 2019) and historical costs for the preceding calendar year (in this case 2018) is a reasonably accurate predictor of actual costs incurred for the Fund Year. *2017 VRS Rate Order*, 32 FCC Rcd at 5928-29, para. 69.

³⁴ See, e.g., *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket No. 03-123, Order, 25 FCC Rcd 8689, 8694, para. 9 (2010) (noting wide disparities in prior years between VRS providers' projected and actual costs and demand).

³⁵ Sprint Reply Comment at 3-4.

³⁶ See *2017 VRS Rate Order*, 32 FCC Rcd at 5928-29, para. 69; *2018 IP CTS Modernization and Reform Order*, 33 FCC Rcd at 5813, para. 23.

³⁷ As an exception to this approach, in calculating the reasonable costs of outreach efforts not directed to the deaf-blind community, we do not consider historical costs for purposes of this Order, because we grant a waiver that allows Sprint to recover such outreach costs for the first time since 2013. See *infra* paras. 16-18. Therefore, in this instance, Sprint's historical costs are not relevant to determining Sprint's actual costs of such outreach in the 2019-20 Fund Year.

³⁸ 47 CFR § 1.3.

Commission may exercise its discretion to waive a rule where the particular facts make strict compliance inconsistent with the public interest.³⁹ In determining whether to grant a waiver, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis.⁴⁰ Waiver of the Commission's rules is appropriate if special circumstances warrant a deviation from the general rule and if such a deviation will serve the public interest.⁴¹

16. *Outreach to the Deaf-Blind Community.* We renew for one year the partial waiver of the Commission's prohibition on outreach cost recovery,⁴² which was initially granted in 2016, and renewed in 2017 and 2018, to permit recovery of costs for specific IP Relay outreach efforts to meet the TRS needs of people who are deaf-blind.⁴³ IP Relay is often relied upon by people who are deaf-blind as their sole or primary means of communicating by telephone.⁴⁴ Outreach to such consumers helps make them aware of service availability and improvements and provides an opportunity for feedback on ways to make IP Relay more accessible and usable by such consumers.⁴⁵ This requires specifically targeted efforts that take account of these consumers' unique disabilities.⁴⁶ Based on the quarterly reports filed by Sprint regarding its service improvements and outreach expenditures focused on the deaf-blind community,⁴⁷ we find that Sprint's outreach activities have been appropriate and continue to be needed for the above purposes.⁴⁸ For example, in its quarterly reports, Sprint notes that it hired a second outreach manager and full time interpreter, continues to use contractor services to support the outreach managers, made presentations at numerous deaf-blind community events across the United States, made informational

³⁹ *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990).

⁴⁰ *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969); *Northeast Cellular*, 897 F.2d at 1166.

⁴¹ *Northeast Cellular*, 897 F.2d at 1166.

⁴² See *2013 VRS Reform Order*, 28 FCC Rcd at 8634-39, 8696, paras. 31-39, 192 (disallowing the recovery of outreach expenses in VRS and IP Relay compensation). The need for IP Relay outreach can be further addressed at a Commission-level proceeding, as requested in Sprint's petition for rulemaking.

⁴³ See *2016 TRS Rate Order*, 31 FCC Rcd at 7251-52, para. 19; see also *2017 TRS Rate Order*, 32 FCC Rcd at 5145-46, paras. 11-13; *2018 TRS Rate Order*, 33 FCC Rcd at 6304, para. 11.

⁴⁴ See, e.g., *2016 TRS Rate Order*, 31 FCC Rcd at 7250, para. 14.

⁴⁵ *Id.* at 7251-52, para. 19; see also *2017 TRS Rate Order*, 32 FCC Rcd at 5145-46, paras. 11-13.

⁴⁶ See *2016 TRS Rate Order*, 31 FCC Rcd at 7250, 7251-52, paras. 14, 18-19. Individuals who are deaf-blind access IP Relay using specialized equipment and assistive devices, which are available to low income individuals through the National Deaf-Blind Equipment Distribution Program. See generally *Implementation of the Twenty-First Century Communications and Video Accessibility Act of 2010, Section 105, Relay Services for Deaf-Blind Individuals*, CG Docket No. 10-210, Report and Order, 31 FCC Rcd 9178, 9178, para. 1 (2016) (*2016 NDBEDP Order*).

⁴⁷ These reports were a condition of each prior outreach waiver. *2018 TRS Rate Order*, 33 FCC Rcd at 6304, para. 11.

⁴⁸ See Letters from Scott R. Freiermuth, Counsel, Government Affairs, Federal Regulatory, Sprint Corporation to Eliot Greenwald, Deputy Chief, Disability Rights Office, Consumer and Governmental Affairs Bureau, FCC and David Rolka, Rolka Loube, TRS Fund Administrator (filed Aug. 30, 2018, Dec. 3, 2019, Mar. 1, 2019, Jun. 3, 2019) (confidential) (each with an attachment entitled "Sprint IP Relay, Service Improvements & Outreach Activities, Quarterly Report"). Further, Sprint's quarterly reports indicate that Sprint's outreach to the deaf-blind community is focused primarily on education about IP Relay, rather than Sprint's specific service or brand. Sprint's position as the sole IP Relay provider increases the likelihood that this will continue to be the case and reduces any concern that provider-directed outreach expenditures in the IP Relay context will duplicate outreach efforts of other providers. See *2013 VRS Reform Order*, 28 FCC Rcd at 8635, para. 31.

material available in accessible formats, and collected feedback from the deaf-blind community.⁴⁹ We find that these outreach efforts and the additional efforts proposed by Sprint are reasonable and are tailored to the needs of consumers who are deaf-blind.⁵⁰ As in previous orders, our renewal of this limited waiver is conditional on Sprint's filing of quarterly reports on its service improvements and outreach expenditures focused on the deaf-blind community.⁵¹

17. *Other Outreach Expenses.* We also find good cause to grant a one-year waiver of the outreach recovery prohibition, permitting Sprint to recover costs for other forms of IP Relay outreach.⁵² By contrast with its previous attempt to justify such a waiver,⁵³ Sprint's current request sets forth a particularized showing as to why broader-scope outreach by Sprint is necessary and will not duplicate activities of the National Outreach Program. First, we agree with Sprint that there may be a lack of understanding in the potential user community about the availability of IP Relay.⁵⁴ Second, it appears that outreach efforts of the National Outreach Program have been focused more on educating hearing individuals about TRS than informing potential eligible users about the availability of TRS, and particularly IP Relay.⁵⁵

18. In addition, given that Sprint is now the only IP Relay provider, we conclude it is more likely—compared to when the outreach ban was adopted—that provider-driven outreach will be effective in reaching new-to-category users (rather than merely attracting existing users from competing providers).⁵⁶ Further, we do not anticipate that allowing compensation for general outreach will result in abuse of the service by ineligible users. The IP Relay registration safeguards previously adopted by the Commission will continue to protect IP Relay from individuals who would misuse the program.⁵⁷ In

⁴⁹ See Sprint IP Relay, Service Improvements & Outreach Activities, Quarterly Report at 1-3 (Mar. 1, 2019); Sprint IP Relay, Service Improvements & Outreach Activities, Quarterly Report at 1-3 (Dec. 3, 2018).

⁵⁰ See Sprint Request for Waivers at 4.

⁵¹ In the event that Sprint seeks to continue receiving reimbursement for outreach to the deaf-blind community in IP Relay compensation for Fund Year 2020-21, and the Commission has not acted in the interim to amend the rate or rate methodology for IP Relay, Sprint must file a timely request for waiver containing detailed supporting information. Grant of any such request is not routine, and Sprint must establish good cause for waiver.

⁵² See *2013 VRS Reform Order*, 28 FCC Rcd at 8634-39, 8696, paras. 31-39, 192 (disallowing the recovery of outreach expenses in VRS and IP Relay compensation).

⁵³ *2016 TRS Rate Order*, 31 FCC Rcd at 7251, para. 17 (concluding that Sprint did not demonstrate with particularity that general outreach expenses “are necessary expenditures for measures that would not otherwise be addressed through the National Outreach Program” or that recovery of such costs by Sprint is critical to achieving IP Relay program purposes).

⁵⁴ Sprint Requests for Waiver at 5; see also 2019 TRS Rate Filing at 25.

⁵⁵ Sprint Request for Waivers at 5; see also Consumer Groups Comments at 11 (agreeing that the National Outreach Program does not address the need to educate potential IP Relay users).

⁵⁶ See Sprint Requests for Waivers at 7; Consumer Groups Comments at 11.

⁵⁷ See, e.g., *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities; E911 Requirements for IP-Enabled Service Providers*, CG Docket No 03-123, WC Docket No. 05-196, Report and Order and Further Notice of Proposed Rulemaking, 23 FCC Rcd 11591, 11625-26, paras. 92-94 (2008) (*First TRS Numbering Order*); *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities; E911 Requirements for IP-Enabled Service Providers*, CG Docket Nos. 03-123 and 98-67, WC Docket No. 05-196, Second Report and Order and Order on Reconsideration, 24 FCC Rcd 791, 809-10, paras. 37-38 (2008) (*Second TRS Numbering Order*); *Structure and Practices of the Video Relay Service Program*, CG Docket No. 10-51, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 5545 (2011); *Structure and Practices of the Video Relay Service Program*, CG Docket No. 10-51, Second Report and Order and Order, 26 FCC Rcd 10898 (2011); *Misuse of Internet Protocol (IP) Relay Service*;

(continued....)

addition, as noted above, Sprint's quarterly reports indicate that its outreach efforts to the deaf-blind community have been appropriately targeted to eligible users.⁵⁸

19. In summary, we find that special circumstances warrant a limited waiver of the prohibition against compensation for IP Relay outreach costs. This waiver (1) will serve the public interest by enabling outreach to potential IP Relay users not currently being reached by the National Outreach Program; and (2) will not undermine the policy underlying the rule because Sprint, as the sole provider of IP Relay service, has little incentive to divert outreach funds to branded marketing. As with previous waivers granted for outreach to the deaf-blind community, this waiver is conditioned to ensure that the costs incurred and activities undertaken pursuant to this waiver are as described and advance the purposes of the TRS program. Sprint shall provide quarterly reports on its general outreach expenditures in each quarter of Fund Year 2019-20, with an itemized list of each new hire and each outreach activity conducted, identifying the specific groups targeted or met with, the dates and amounts expended for each item, and an explanation of any expense allocations between general outreach and outreach to the deaf-blind community. To assist the Commission in gauging the ultimate impact of outreach on subscribership, the reports also shall include a count of active registered users as of the end of the reported quarter (i.e., all registered users who have placed or received at least one IP Relay call in the last 12 months). These reports shall be filed with the TRS Fund administrator and CGB and shall be due on September 3, 2019, December 2, 2019, March 2, 2020, and June 1, 2020.⁵⁹

20. *Indirect Overhead.* We deny Sprint's request for a waiver to enable recovery of indirect overhead costs in the IP Relay compensation rate. Sprint has not demonstrated with particularity good cause to depart from the general rule, adopted in 2007, providing that overhead costs recoverable from the TRS Fund are limited to those costs directly related to and directly supporting the provision of relay service,⁶⁰ and that indirect overhead costs incurred by an entity (e.g., a TRS provider's corporate parent) that provides services other than TRS may not be attributed to TRS based on a non-cost-causative allocation formula.⁶¹ The Commission adopted this rule specifically for application to service providers that, like Sprint, "operat[e] an extensive portfolio of non-TRS communications offerings."⁶² It may well

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Telecommunications Relay Services for Individuals with Hearing and Speech Disabilities, CG Docket Nos. 12-38 and 03-123, First Report and Order, 27 FCC Rcd 7866 (2012) (*2012 IP Relay Misuse Order*); *Misuse of Internet Protocol (IP) Relay Service*; *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket Nos. 12-38 and 03-123, Order, 29 FCC Rcd 4807 (CGB 2014); *Misuse of Internet Protocol (IP) Relay Service*; *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket Nos. 12-38 and 03-123, Order, 30 FCC Rcd 6202 (CGB 2015).

⁵⁸ See *supra* para. 15.

⁵⁹ These reports may be combined with the reports on outreach to the deaf-blind community, but the information shall be presented separately and shall clearly delineate expenses for general outreach and for outreach to the deaf-blind community.

⁶⁰ *2007 TRS Compensation Methodology Order*, 22 FCC Rcd at 20169, para. 75.

⁶¹ *Id.*

⁶² Sprint Request for Waivers at 8; *2007 TRS Compensation Methodology Order*, 22 FCC Rcd at 20169, para. 75. At the time the rule was adopted, a number of telecommunications carriers were offering some form of TRS, and the Commission had expressed concern, for example, "about the extent to which some salaries of corporate officers and executives have been included in submitted costs" for TRS. *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CC Docket Nos. 90-571 & 98-67, CG Docket No. 03-123, *Report and Order, Order on Reconsideration, and Further Notice of Proposed Rulemaking*, 19 FCC Rcd 12475, 12544, para. 182 n.520 (2004) (*2004 TRS Report & Order*).

be that Sprint derives significant efficiencies by combining the overhead for multiple lines of business.⁶³ Regardless of such efficiencies, however, the Commission has determined that overhead costs may not be attributed to TRS if they cannot be shown to directly support TRS.⁶⁴ Because Sprint has not shown that the burden of tracking directly attributable overhead costs are substantially greater than for other carriers, or that the rule is otherwise unusually burdensome to Sprint in ways not considered when the rule was adopted, we conclude that Sprint has not shown good cause for waiver of this rule.

E. The Carrier Contribution Factor and Funding Requirement

21. Rolka Loube proposes a funding requirement of \$1,413,754,532 and a contribution factor of 0.02779 for the 2019-20 Fund Year.⁶⁵ The Fund administrator calculates the annual funding requirement by adding together the projected payments to TRS providers for each form of TRS, based on the proposed rates and projected minutes of use, plus administrative expenses and other funding requirements noted herein, less surplus amounts from the previous Fund Year that can be used to offset the 2019-20 Fund Year requirement.⁶⁶ The contribution factor is based on the ratio between the net funding requirement and total interstate and international end-user revenues for the prior calendar year.⁶⁷

22. For traditional TRS, STS, and CTS, Rolka Loube projected demand using recent historical data, an approach that has provided reasonably accurate results for these services.⁶⁸ For VRS, IP Relay, and IP CTS, Rolka Loube relied on the providers' demand projections for 2019-20, an approach that in recent years has generally provided reasonably accurate results for VRS and IP Relay.⁶⁹ Rolka Loube considers the consolidated industry demand projections for IP CTS to be reasonably valid. Although Rolka Loube notes that recently, the forecast demand for IP CTS has been higher than reported actual monthly demand, Rolka Loube also notes that demand for IP CTS service continues to increase at a very fast rate.⁷⁰ No parties filed comments on the demand projections. Accordingly, we find that Rolka Loube's TRS demand projections are reasonable for budgeting purposes.

23. We adopt Rolka Loube's proposed funding requirements for relay services that use the MARS methodology—traditional TRS, STS, and CTS (\$11,731,646)—and for VRS (\$481,730,233) and IP CTS (\$912,900,123). For IP Relay, we adjust Rolka Loube's proposed funding requirement to reflect the rate adopted herein. The new funding requirement for IP Relay is \$9,974,628. This brings the total funding requirement for payments to TRS providers to \$1,416,336,629.

24. In addition to projected payments for TRS, Rolka Loube includes in its proposed funding requirement a \$10,000,000 funding allocation for the National Deaf-Blind Equipment Distribution Program (NDBEDP),⁷¹ \$8,975,000 for TRS research, \$1,000,000 for the National Outreach Program, and

⁶³ See Sprint Request for Waivers at 9.

⁶⁴ 2007 TRS Compensation Methodology Order, 22 FCC Rcd at 20169, para. 75. We find no basis to find that our rules require Sprint to subsidize its provision of IP Relay with revenue from other services. See Consumer Groups Comments at 12. It seems likely that all of Sprint's lines of service derive efficiencies from sharing overhead with other services.

⁶⁵ 2019 TRS Rate Filing at 38.

⁶⁶ See *id.* at 36-38.

⁶⁷ *Id.* at 7.

⁶⁸ *Id.* at 31.

⁶⁹ *Id.*

⁷⁰ *Id.* at 32.

⁷¹ *Id.* at 34 & Exh. 2. In August 2016, the Commission adopted rules to convert the pilot NDBEDP into a permanent program, for which the Commission may provide up to \$10,000,000 annually to support local programs that distribute equipment to eligible low-income individuals who are deaf-blind, so that these individuals are able to

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\$1,400,000 for implementation of the TRS User Registration Database (TRS-URD).⁷² Rolka Loube further estimates the following additional expenses: TRS numbering directory administration expenses of \$1,000,000; TRS Fund administrator compensation of \$4,600,000; revenue data collection agent expenses of \$88,800; the Interstate TRS Advisory Council expenses of \$65,000; investment management expenses of \$14,000; service provider audit expenses of \$1,000,000; expenses of \$250,000 for compliance with the Improper Payments Elimination and Recovery Improvement Act of 2012; bankruptcy representation expenses of \$50,000; and independent TRS Fund audit expenses of \$65,000.⁷³ No comments were received regarding the recommended inclusion of any of the costs listed in this paragraph. We find the recommended amounts for each category of expenses to be fair estimates based on reasonable projections of costs for the contracts and activities described.

25. Rolka Loube also recommended a two-month payment reserve totaling \$245,855,450.⁷⁴ We find that a two-month reserve, which has been maintained for the past five Fund Years,⁷⁵ is a reasonable precautionary measure to guard against the possibility of unanticipated demand for TRS that can unexpectedly increase the need for Fund payments in the course of a Fund Year.⁷⁶ To the extent that it goes unused, the payment reserve is not wasted. Rather, the remaining portion is turned over for use in the next Fund Year.⁷⁷ To reflect the adjusted IP Relay funding requirement, we adjust the payment reserve to \$245,892,191

26. In summary, we conclude that Rolka Loube's demand projections are reasonable and that, subject to the adjustments discussed above, its funding proposals are consistent with the Commission's rules on contribution computations.⁷⁸ We therefore adopt a funding requirement of \$1,413,980,374 and a carrier contribution factor of .02779 for the 2019-20 Fund Year.

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access telecommunications service, Internet access service, and advanced communications services. *2016 NDBEDP Order*, 31 FCC Rcd at 9178, para. 1.

⁷² 2019 TRS Rate Filing at 33 & Exh. 2; *see also VRS Rate Order*, 32 FCC Rcd at 5916-17, para. 49-50 (directing the TRS Fund administrator to include in annual estimates of TRS Fund administrative costs submitted for the Commission's approval an appropriate amount for Commission-directed research and development). In the 2019 TRS Rate Filing, TRS research, outreach, and TRS-URD implementation are collectively described as VRS Reforms.

⁷³ 2019 TRS Rate Filing at 33-36 & Exh. 2.

⁷⁴ *Id.* at 37-38 & Exh. 2. Hamilton supports the retention of a two-month reserve. Hamilton Comments at 5-6.

⁷⁵ *See 2018 TRS Rate Order*, 33 FCC Rcd at 6307; *2017 TRS Rate Order*, 32 FCC Rcd at 5148-49, para. 21; *2016 TRS Rate Order*, 31 FCC Rcd at 7253-54, para. 26; *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket Nos. 10-51 and 03-123, Order, 30 FCC Rcd 7063, 7069, para. 17 (CGB 2015); *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket Nos. 10-51 and 03-123, Order, 29 FCC Rcd 8044, 8053, para. 23 (CGB 2014).

⁷⁶ *See Misuse of Internet Protocol (IP) Captioned Telephone Service; Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket Nos. 13-24 and 03-123, Order and Notice of Proposed Rulemaking, 28 FCC Rcd 703, 707, n.20 (2013) (noting that the Anti-Deficiency Act, 31 U.S.C. § 1341(a)(1)(A), provides that an officer or employee of the federal government may not make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation).

⁷⁷ *See* 47 CFR § 64.604(c)(5)(iii)(B); 2019 TRS Rate Filing at 38.

⁷⁸ 47 CFR § 64.604(c)(5)(iii)(A), (B).

III. PROCEDURAL MATTERS

27. To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at 202-418-0530 (voice) or 202-418-0432 (TTY).

IV. ORDERING CLAUSES

28. Accordingly, IT IS ORDERED, pursuant to section 225 of the Communications Act of 1934, as amended, 47 U.S.C. § 225, and section 64.604(c)(5)(iii) of the Commission's rules, 47 CFR § 64.604(c)(5)(iii), that this ORDER IS hereby ADOPTED.

29. IT IS FURTHER ORDERED that pursuant to section 1.3 of the Commission's rules, 47 CFR § 1.3, the Request for Interim Waivers by Sprint Corporation is GRANTED in part and DENIED in part.

30. IT IS FURTHER ORDERED that the TRS Fund administrator shall compensate eligible providers of interstate traditional TRS, for the period from July 1, 2019, through June 30, 2020, at the rate of \$3.1107 per completed interstate conversation minute.

31. IT IS FURTHER ORDERED that the TRS Fund administrator shall compensate eligible providers of interstate STS, for the period from July 1, 2019, through June 30, 2020, at the rate of \$4.2417 per completed interstate conversation minute.

32. IT IS FURTHER ORDERED that the TRS Fund administrator shall compensate eligible providers of interstate CTS, for the period from July 1, 2019, through June 30, 2020, at the rate of \$2.2795 per completed conversation minute.

33. IT IS FURTHER ORDERED that the TRS Fund administrator shall compensate eligible providers of IP CTS, for the period from July 1, 2019, through June 30, 2020, at the rate of \$1.58 per completed conversation minute.

34. IT IS FURTHER ORDERED that the TRS Fund administrator shall compensate eligible providers of IP Relay service for the period from July 1, 2019, through June 30, 2020, at the rate of \$1.67 per completed conversation minute.

35. IT IS FURTHER ORDERED that the TRS Fund administrator shall compensate eligible providers of VRS with more than 500,000 monthly minutes for the period from July 1, 2019, through June 30, 2020, at the following rates: \$4.82 per completed conversation minute for a provider's first 1,000,000 monthly minutes (Tier I); \$3.97 per completed conversation minute for a provider's monthly minutes between 1,000,001 and 2,500,000 (Tier II); and \$2.63 per completed conversation minute for a provider's monthly minutes exceeding 2,500,000 (Tier III).

36. IT IS FURTHER ORDERED that the TRS Fund administrator shall compensate eligible providers of VRS with 500,000 or fewer monthly minutes for the period from July 1, 2019, through June 30, 2020, at the rate of \$5.29 per completed conversation minute (Emergent Tier).

37. IT IS FURTHER ORDERED that the Interstate TRS Fund revenue requirement shall be \$1,413,980,374 and the Interstate TRS Fund carrier contribution factor shall be .02779.

38. IT IS FURTHER ORDERED that this Order is effective upon release.

FEDERAL COMMUNICATIONS COMMISSION

Patrick Webre, Chief
Consumer and Governmental Affairs Bureau