



# PUBLIC NOTICE

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**NATIONAL EXCHANGE CARRIER ASSOCIATION SUBMITS PAYMENT FORMULAS AND FUNDING REQUIREMENT FOR THE INTERSTATE TELECOMMUNICATIONS RELAY SERVICES FUND FOR THE JULY 2011 THROUGH JUNE 2012 FUND YEAR**

**CG Docket No. 03-123**

**Comments: May 18, 2011**

**Reply Comments: May 25, 2011**

On April 29, 2011, the National Exchange Carrier Association (NECA), the Interstate Telecommunications Relay Services (TRS) Fund (Fund) administrator through June 30, 2011, submitted Fund payment formulas for the period July 1, 2011, through June 30, 2012 for all forms of TRS with the exception of video relay service (VRS).<sup>1</sup> NECA also submitted the Fund size estimate for the same period. NECA's submission fulfills the Fund administrator's requirement, pursuant to 47 C.F.R. § 64.604(c)(5)(iii)(H), to file TRS payment formulas and revenue requirements with the Commission by May 1 of each year, to be effective the following July 1.

On April 8, 2011, the Consumer and Governmental Affairs Bureau (Bureau) waived NECA's obligation to file proposed rates for VRS, as well as VRS revenue requirements, for the 2011-12 Fund year.<sup>2</sup> Subsequently, the Commission released a Notice of Proposed Rulemaking in which it, among other things, sought comment on the rates and compensation for VRS for the 2011-12 Fund year, and sought further comment on VRS market structure and VRS compensation proposals raised in a 2010 Notice of Inquiry.<sup>3</sup> In the *2011 VRS Rates NPRM*, the Commission also tentatively concluded that in the event it is unable to fully resolve VRS compensation structure issues prior to the beginning of the 2011-12 Fund year, extending the current interim rates and compensation structure would provide the best means to ensure stability and certainty for VRS in the interim while the Commission continues to evaluate the appropriate market structure and compensation methods for VRS.<sup>4</sup>

<sup>1</sup> *Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990*, Interstate Telecommunications Relay Services Fund Payment Formula and Fund Size Estimate (filed April 29, 2011) (*2011 TRS Rate Filing*).

<sup>2</sup> See *Structure 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, Order, DA 11-655 (CGB 2011) (*VRS Rates Filing Order*). Therefore, this year's Fund administrator filing does not contain proposed rates for VRS; it does, however, contain an estimated VRS revenue requirement.

<sup>3</sup> *Structure and Practices of the Video Relay Service Program*, CG Docket No. 10-51, Notice of Inquiry, 25 FCC Rcd 8597 (2010) (*2010 VRS NOI*).

<sup>4</sup> See *Structure 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, Notice

NECA now proposes new per minute compensation rates for all forms of TRS except VRS based on the rate calculation methodologies established in the *2007 TRS Rate Methodology Order* as follows:<sup>5</sup> \$1.8502 for interstate traditional TRS;<sup>6</sup> \$1.8502 for interstate Speech-to-Speech (STS);<sup>7</sup> \$1.7396 for interstate captioned telephone service (CTS) and interstate and intrastate Internet Protocol (IP) captioned telephone service (IP CTS);<sup>8</sup> and \$1.2920 for interstate and intrastate IP Relay.<sup>9</sup>

Although NECA was not required to file proposed VRS rates and revenue requirements,<sup>10</sup> the Fund must include an estimate of VRS revenue requirements to ensure that the Fund administrator collects sufficient revenues to cover all TRS for the 2011-12 Fund year. NECA therefore used the following 2010-11 Fund year VRS rates for the 2011-12 Fund size estimate: \$6.2390 for the first 50,000 monthly minutes, \$6.2335 for monthly minutes between 50,001 and 500,000, and \$5.0668 for minutes above 500,000.<sup>11</sup> Based on the new proposed rates for TRS, STS, CTS, IP CTS, and IP Relay and the current VRS rates, and projected Fund administration expenses, NECA proposes a carrier contribution factor of 0.01056, and a funding requirement of \$739.3 million.<sup>12</sup> The Bureau seeks comment on NECA's proposed compensation rates for TRS, STS, CTS, IP CTS, and IP Relay, as well as the proposed carrier contribution factor and funding requirement for the period of July 1, 2011, through June 30, 2012.

Pursuant to Sections 1.415 and 1.419 of the Commission's rules, 47 C.F.R. §§ 1.415 and 1.419, interested parties may file comments on or before **May 18, 2011**, and reply comments on or before **May 25, 2011**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. Comments may be filed electronically using the Internet by accessing the ECFS: <http://fjallfoss.fcc.gov/ecfs2/>. Filers should follow the instructions provided on the website for submitting

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of Proposed Rulemaking, FCC 11-62, ¶¶ 1, 5 (rel. Apr. 15, 2011) (*2011 VRS Rates NPRM*). See also generally 2010 VRS NOI.

<sup>5</sup> See *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket No. 03-123, Report and Order, and Declaratory Ruling, 22 FCC Rcd 20140 (Nov. 19, 2007) (*2007 TRS Rate Methodology Order*).

<sup>6</sup> The Commission adopted the Multistate Average Rate Structure (MARS) plan to calculate the annual interstate traditional TRS rate. See *2007 TRS Rate Methodology Order*, 22 FCC Rcd at 20149-57, paras. 16-35; see also *2011 TRS Rate Filing* at 7-10 and Exh. 1-1.

<sup>7</sup> The traditional TRS MARS rate also applies to interstate STS. See *2007 TRS Rate Methodology Order*, 22 FCC Rcd 20140 at 20156, para. 34. Consistent with the *2007 TRS Rate Methodology Order*, however, NECA's proposed STS rate includes an additional per-minute amount of \$1.131 to be used for STS outreach. See *2007 TRS Rate Methodology Order*, 22 FCC Rcd at 20165, para. 57; see also *2011 TRS Rate Filing* at 9-11 and Exh. 2.

<sup>8</sup> The Commission also adopted the MARS Plan for interstate CTS and interstate and intrastate IP CTS. See *2007 TRS Rate Methodology Order*; 22 FCC Rcd at 20157-58, paras. 36-38; see also *2011 TRS Rate Filing* at 7-9, 11-12 and Exh. 1-2.

<sup>9</sup> For interstate and intrastate IP Relay, the Commission adopted a price cap methodology. See *2007 TRS Rate Methodology Order*, 22 FCC Rcd at 20158-60, paras. 39-46; see also *2011 TRS Rate Filing* at 12-14.

<sup>10</sup> See note 2, *supra*.

<sup>11</sup> *2011 TRS Rate Filing* at 14-15. We note that use of the current interim VRS rates to estimate the 2011-12 Fund size is consistent with the Commission's tentative conclusion in the *2011 VRS Rates NPRM* that extending the current rates would provide the best means to ensure stability and certainty for VRS until final rules are implemented. See *2011 VRS Rates NPRM* at ¶¶ 1, 5.

<sup>12</sup> See *2011 TRS Rate Filing* at 19 and Exh. 2.

comments. In completing the transmittal screen, commenters should include their full name and U.S. Postal Service mailing address. All filings must reference **CG Docket No. 03-123**.

Parties who choose to file by paper must file an original and one copy of each filing. In addition, parties must send one copy to the Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12<sup>th</sup> Street, SW, Washington, DC 20554, or via email to [fcc@bcpiweb.com](mailto:fcc@bcpiweb.com). Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission. All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12<sup>th</sup> Street, SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12<sup>th</sup> Street, SW, Washington DC 20554.

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