



PUBLIC NOTICE

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**ROLKA LOUBE SALTZER ASSOCIATES SUBMITS PAYMENT FORMULAS AND FUNDING
REQUIREMENT FOR THE INTERSTATE TELECOMMUNICATIONS RELAY SERVICES
FUND FOR THE JULY 2013 THROUGH JUNE 2014 FUND YEAR**

CG Docket No. 03-123

CG Docket No. 10-51

Comments: May 31, 2013

Reply Comments: June 7, 2013

On May 1, 2013, Rolka Loube Saltzer Associates (RLSA), the Interstate Telecommunications Relay Services (TRS) Fund (Fund) administrator, submitted Fund payment formulas for the period July 1, 2013 through June 30, 2014 for all forms of TRS.¹ RLSA also submitted the TRS funding requirement estimate and proposed carrier contribution factor for the same period. RLSA'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.

RLSA 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*,² as follows: \$2.1647 for interstate traditional TRS;³ \$3.2957 for interstate Speech-to-Speech (STS);⁴ \$1.7877 for

¹ See Rolka Loube Saltzer Associates LLC, Interstate Telecommunications Relay Services Fund Payment Formula and Fund Size Estimate, CG Docket Nos. 03-123 and 10-51, (filed May 1, 2013) (*2013 TRS Rate Filing*).

² 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 (2007) (*2007 TRS Rate Methodology Order*).

³ *2013 TRS Rate Filing* at 11-12, Exh. 1-1. The Commission adopted the Multistate Average Rate Structure (MARS) plan methodology for calculation of the annual interstate traditional TRS rate. See *2007 TRS Rate Methodology Order*, 22 FCC Rcd at 20149-57, ¶¶ 16-35. The current compensation rate for interstate traditional TRS is \$2.0304 per minute.

⁴ *2013 TRS Rate Filing* at 12, Exh. 1-1. The traditional TRS rate also applies to interstate STS. See *2007 TRS Rate Methodology Order*, 22 FCC Rcd 20140 at 20156, ¶ 34. Consistent with the *2007 TRS Rate Methodology Order*, however, RLSA's proposed STS rate includes an additional per-minute amount of

interstate captioned telephone service (CTS) and interstate and intrastate Internet Protocol (IP) captioned telephone service (IP CTS);⁵ and \$1.0391 for interstate and intrastate IP Relay.⁶

For the IP Relay compensation rate, which is subject to a price cap methodology, the 2013-14 Fund year will begin a new three-year price cap period.⁷ Therefore, the administrator proposes a new IP Relay base rate of \$1.0391 per minute, reduced by \$0.2464 from the current rate of \$1.2855 per minute. Noting that the proposed IP Relay rate is above the weighted average per-minute cost,⁸ the administrator explains that the proposed rate “considers the cost differentials among the efficient providers of IP-Relay service and allows the efficient providers to earn positive profits on a prospective basis” while “[i]nefficient providers are provided the incentive to reduce their costs or incur losses.”⁹ The Commission also proposes an efficiency factor of 6%, to be used as part of the IP Relay price cap calculation to determine adjustments in the IP Relay rate for subsequent years of the three-year price cap cycle.¹⁰

Regarding VRS compensation rates, the Commission is currently considering whether to modify the current interim rates.¹¹ Pending further action by the Commission, the administrator has submitted Fund size estimates for Fund year 2013-14 that assume a further extension of the current rates, which are: \$6.2390 for Tier I (applicable to each provider’s first 50,000 monthly minutes), \$6.2335 for Tier II (applicable to monthly minutes between 50,001 and 500,000), and \$5.0688 for Tier III (applicable to monthly minutes over 500,000).

Based on RLSA’s proposed new compensation rates for TRS, STS, CTS, IP CTS, and IP Relay, an assumed extension of the current video relay service (VRS) compensation rates, and projected Fund administration expenses, RLSA’s 2013 Rate Filing proposes a funding requirement of \$1,543.6 million and a carrier contribution factor of 0.0233.¹²

\$1.131 to be used for STS outreach. *See 2007 TRS Rate Methodology Order*, 22 FCC Rcd at 20165, ¶ 57. The current STS compensation rate is \$3.1614 per minute.

⁵ *2013 TRS Rate Filing* at 13, Exhs. 1-2, 1-4. The Commission also adopted the MARS plan methodology for calculation of the rates for interstate CTS and interstate and intrastate IP CTS. *See 2007 TRS Rate Methodology Order*, 22 FCC Rcd at 20157-58, ¶¶ 36-38. The current compensation rate for these services is \$1.773 per minute.

⁶ *2013 TRS Rate Filing* at 14-17, Exh. 1-3. 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, ¶¶ 39-46.

⁷ *2013 TRS Rate Filing* at 15.

⁸ The administrator calculates that the average projected cost per minute for IP Relay reported by providers for 2013-14 is \$0.8486. *2013 TRS Rate Filing* at 16, Exh. 1-3.

⁹ *2013 TRS Rate Filing* at 16.

¹⁰ *2013 TRS Rate Filing* at 16-17.

¹¹ *See Structure and Practices of the Video Relay Service Program*, CG Docket No. 10-51, Further Notice of Proposed Rulemaking, 26 FCC Rcd 17367 (2011) (*2011 VRS Reform FNPRM*); *Additional Comment Sought on Structure and Practices of the Video Relay Service (VRS) Program and on Proposed VRS Compensation Rates*, Public Notice, CG Docket Nos. 03-123 & 10-51, 27 FCC Rcd 12959 (2012) (*VRS Structure and Rates PN*).

¹² *See 2013 TRS Rate Filing* at 34, Exh. 2.

CGB seeks comment on RLSA's proposed carrier contribution factor and funding requirement, as well as the proposed compensation rates, for the period of July 1, 2013 through June 30, 2014.¹³ In this regard, comment is invited on the various IP CTS demand projections submitted by RLSA. Specifically, CGB seeks comment on whether RLSA's recommended demand projection (409 million minutes) is the most appropriate one to use to calculate the funding requirement for the 2013-2014 TRS Fund year for IP CTS.¹⁴ We also seek comment on how RLSA's demand projections, which do not take into account the effects of an emergency Order and Notice of Proposed Rulemaking that were recently adopted by the Commission to reform the IP CTS program,¹⁵ may be affected by the adoption of those rules. In addition, in light of the Commission's ongoing review of comments received in response to a recent *Public Notice* seeking comment on the IP CTS rate methodology, CGB proposes to adopt RLSA's recommended IP CTS rate as an interim rate and seeks comment on this proposal.¹⁶

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 31, 2013**, and reply comments on or before **June 7, 2013**. 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 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 and CG Docket No. 10-51**.

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 12th Street, SW, Washington, DC 20554, or via email to 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 12th 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 12th Street, SW, Washington DC 20554.

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¹³ The carrier contribution factor and funding requirement may be revised if the Commission makes determinations that change the current VRS rates or IP CTS rates.

¹⁴ See *2013 TRS Rate Filing* at 24-29.

¹⁵ *Misuse of Internet Protocol (IP) Captioned Telephone Service; Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Dockets 13-24 & 03-123, Order and Notice of Proposed Rulemaking, 28 FCC Rcd 703 (2013).

¹⁶ See *Request for Comment on Petition for Rulemaking filed by Sorenson Communications, Inc. Regarding Cost Recovery Methodology for Internet Protocol Captioned Telephone Service*, CG Docket No. 13-24 and 03-123, Public Notice, 28 FCC Rcd 2256 (2013).

Affairs Bureau at (202) 418-0530 (voice), (202) 418-0432 (TTY). This document can also be downloaded in Word and Portable Document Format (PDF) at: <http://www.fcc.gov/cgb/dro/trs.html>.

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