



Public Utility and Telecommunications Consulting

David W. Rolka  
President  
Voice: 717-585-6605  
Ex 602  
drolka@rolkaloube.com  
www.rolkaloube.com

May 22, 2018

Re: Revised Exhibits to the 2018 TRS Fund Annual Report

CG Docket No. 03-123 and CG Docket No. 10-51

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington D.C. 20554

Dear Ms. Dortch:

Enclosed are revised Exhibits 1-3, 1-3.1 and 1-3.2 reflecting updated information, title clarifications, additional information and minor mathematical corrections.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Rolka', is written over a horizontal line.

David Rolka, President

Exhibit 1-3

5-22-2018

IP CTS Reported and Projected Cost and Demand									
	As reported in 2013	As reported in 2014	As reported in 2015	As reported in 2016	As reported in 2017	As reported in 2018	As reported in 2018	projected for 2018-19	
Category	2011	2012	2013	2014	2015	2016	2017	2018	2019
Facilities	\$ 0.0095	\$ 0.0307	\$ 0.0619	\$ 0.0501	\$ 0.0386	\$ 0.0322	\$ 0.0249	\$ 0.0252	\$ 0.0243
CA Related	\$ 0.0616	\$ 0.2225	\$ 0.3828	\$ 0.2796	\$ 0.2819	\$ 0.2672	\$ 0.2771	\$ 0.3160	\$ 0.3231
Non-CA Relay									
Center	\$ 0.0326	\$ 0.0670	\$ 0.0620	\$ 0.0601	\$ 0.0559	\$ 0.0487	\$ 0.0500	\$ 0.0521	\$ 0.0513
Indirect	\$ 0.2983	\$ 0.2200	\$ 0.3080	\$ 0.3547	\$ 0.2830	\$ 0.1520	\$ 0.1487	\$ 0.1626	\$ 0.1518
Depreciation	\$ 0.0553	\$ 0.0617	\$ 0.0675	\$ 0.0549	\$ 0.0402	\$ 0.0276	\$ 0.0254	\$ 0.0259	\$ 0.0285
Marketing	\$ 0.2103	\$ 0.1435	\$ 0.1344	\$ 0.0738	\$ 0.0579	\$ 0.0759	\$ 0.0869	\$ 0.0879	\$ 0.1028
Outreach	\$ 0.1087	\$ 0.1206	\$ 0.1405	\$ 0.0935	\$ 0.0903	\$ 0.0668	\$ 0.0466	\$ 0.0543	\$ 0.0494
Other	\$ 1.2818	\$ 0.8278	\$ 0.8211	\$ 0.7261	\$ 0.6259	\$ 0.5981	\$ 0.5730	\$ 0.5932	\$ 0.5771
Return on Investment	\$ 0.0259	\$ 0.0257	\$ 0.0175	\$ 0.0242	\$ 0.0124	\$ 0.0106	\$ 0.0109	\$ 0.0100	\$ 0.0091
Average Variable Cost	\$ 1.3760	\$ 1.1173	\$ 1.2659	\$ 1.0658	\$ 0.9638	\$ 0.9140	\$ 0.9000	\$ 0.9613	\$ 0.9516
Average Fixed Cost	\$ 0.7080	\$ 0.6022	\$ 0.7298	\$ 0.6513	\$ 0.5225	\$ 0.3650	\$ 0.3435	\$ 0.3659	\$ 0.3659
Total Reported Cost	\$ 2.0840	\$ 1.7195	\$ 1.9957	\$ 1.7171	\$ 1.4863	\$ 1.2790	\$ 1.2435	\$ 1.3272	\$ 1.3175
MARS Rate for the period	\$ 1.7630	\$ 1.7730	\$ 1.7877	\$ 1.8205	\$ 1.8895	\$ 1.9058	\$ 1.9467	2.0007	
Average Cost Rate						\$ 1.2790	1.2435	\$ 1.3223	
MARS CTS Minutes	30,461,485.0	29,857,501.6	29,578,660.4	26,321,379.5	22,214,101.1	17,706,054.1	15,133,252.9	N/A	N/A
interstate CTS Minutes		9,950,051.0	9,419,130.0	8,124,408.0	6,943,125.0	5,830,749.0	4,778,078.0		
intra + inter CTS Minutes		39,807,552.6	38,997,790.4	34,445,787.5	29,157,226.1	23,536,803.1	19,911,330.9		
IP CTS Minutes				122,837,131.3	193,039,199.5	267,382,681.0	363,108,506.0	464,680,935.0	587,763,407.0
Providers included in the cost data	Sorenson Sprint Hamilton	Sorenson Sprint Hamilton	Sorenson Sprint Hamilton Purple	Sorenson Sprint Hamilton Purple	Sorenson Sprint Hamilton Purple Miracom	Sorenson Sprint Hamilton Purple Miracom	Sorenson Sprint Hamilton Purple Miracom	Sorenson Sprint Hamilton Purple Miracom	Sorenson Sprint Hamilton Purple Miracom

# Exhibit 1-3.1 REDACTED

5-22-2018

## Estimates for Tariff Year 2018-2019 Based on a MARS rate of \$2.0007

### Without Sorenson License Fee

Provider	minutes July 2018 - June 2019	revenue	revenue requirement	Profit	Expenses	Operating margin
total	521,149,600	\$ 1,042,664,003.39	\$ 695,533,857.97	\$ 347,130,145.42	\$ 690,532,854.21	51%

### With Sorenson License Fee

Provider	minutes July 2018 - June 2019	Revenue	Revenue Requirement	Profit	Expenses	Operating margin
total	521,149,600	\$ 1,042,664,002.37				

# Exhibit 1-3.2

5-22-2018

## IP CTS Cost Trend Data

Category	2014	2015	2016	2017	2018	2019	4 yr avg
Facilities	\$ 0.0501	\$ 0.0386	\$0.0322	\$ 0.0249	\$ 0.0252	\$ 0.0243	\$0.0267
CA Related	\$ 0.2796	\$ 0.2819	\$0.2672	\$ 0.2771	\$ 0.3160	\$ 0.3231	\$ 0.2959
Non-CA Related	\$ 0.0601	\$ 0.0559	\$0.0487	\$ 0.0500	\$ 0.0521	\$ 0.0513	\$0.0505
Indirect	\$ 0.3547	\$ 0.2830	\$0.1520	\$ 0.1487	\$ 0.1626	\$ 0.1518	\$0.1538
Depreciation	\$ 0.0549	\$ 0.0402	\$0.0276	\$ 0.0254	\$ 0.0259	\$ 0.0285	\$0.0268
Marketing	\$ 0.0738	\$ 0.0579	\$0.0759	\$ 0.0869	\$ 0.0879	\$ 0.1028	\$0.0884
Outreach	\$ 0.0935	\$ 0.0903	\$0.0668	\$ 0.0466	\$ 0.0543	\$ 0.0494	\$0.0543
Other	\$ 0.7261	\$ 0.6259	\$0.5981	\$ 0.5730	\$ 0.5932	\$ 0.5771	\$0.5853
Return	\$ 0.0242	\$ 0.0124	\$0.0106	\$ 0.0109	\$ 0.0100	\$ 0.0091	\$0.0101
Total Cost	\$1.7171	\$1.4863	\$1.2790	\$1.2435	\$1.3272	\$1.3175	\$1.2918
CA & Other Related	1.0658	0.9638	0.9140	0.9000	0.9613	0.9516	0.9317
All Other	0.6513	0.5225	0.3650	0.3435	0.3659	0.3659	0.3601
Variable total:	1.7171	1.4863	1.2790	1.2435	1.3272	1.3175	1.2918



Public Utility and Telecommunications Consulting

David W. Rolka  
President  
Voice: 717-585-6605  
Ex 602  
drolka@rolkaloube.com  
www.rolkaloube.com

May 22, 2018

Re: Confidential Request for Ex Parte Written Communications Regarding 2018 TRS Fund  
Annual Report submitted at CG Docket No. 03-123 and CG Docket No 10-51

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington D.C. 20554

Dear Ms. Dortch:

Pursuant to 47 C.F.R. § 0.459 Rolka Loube Associates serving in its capacity as the Administrator of the Interstate Telecommunications Relay Service Fund (TRS Fund), hereby requests confidential treatment for the attached document, revised Exhibit 1-3.1 of the Administrator's report, Interstate Telecommunications Relay Services Fund Payment Formula and Fund Size Estimate for Fund Year 2018-2019 (2018 Annual Report). The attached document contains company specific, confidential financial data submitted to Rolka Loube Associates serving in its capacity as the Administrator of the Interstate Telecommunications Fund and relied on in making a recommendation to the Federal Communications Commission regarding the reimbursement rate applicable to Internet Protocol Captioned Telephone Service (IP CTS).

1. *Identification of the specific information for which confidential treatment is sought.* The data attached to this request for confidential treatment is the reported costs and minutes of use of service reported to Rolka Loube Associates by service providers, Sorenson (CaptionCall), Hamilton, Sprint, ClearCaption, and InnoCaption (previously Miracom), which are not otherwise publicly available.
2. *Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission.* Rolka Loube Associates have submitted the 2018 Annual Report at CG Docket No 03-123 and CG Docket No. 10-51 containing recommendations for TRS Fund service reimbursement rates which in all cases except for IP Relay service and Emergent VRS service are the product of aggregate data supplied by more than two service providers.
3. *Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged.* The data attached to this request for confidential treatment is the reported costs and demand for service reported to Rolka Loube Associates by service providers, Sorenson (CaptionCall), Hamilton, Sprint, ClearCaption,

and InnoCaption (previously Miracom), which are commercial or financial information and not otherwise publicly available.

4. *Explanation of the degree to which the information concerns a service that is subject to competition.* The data attached to this request for confidential treatment has been requested by the Consumer and Governmental Affairs Bureau in support of the recommended reimbursement rate for IP CTS. These providers compete with one another in the provision of IP CTS.
5. *Explanation of how disclosure of the information could result in substantial competitive harm.* Because this type of information is not subject to public inspection and is guarded from potential competitors, the Commission's rules recognize that the release of the information is likely to produce competitive harm.
6. *Identification of any measures taken by the submitting party to prevent unauthorized disclosure.* The information in the attached document is not readily available to the public and is a reporting requirement of the TRS Fund Administrator and the Commission.
7. *Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties.* The information in the attached document is not readily available to the public and has been submitted to the TRS Fund Administrator as a reporting requirement of the TRS Fund Administrator and the Commission.
8. *Justification of the period during which the submitting party asserts that the material should not be available for public disclosure.* Rolka Loube Associates requests that the attached information be treated as confidential indefinitely, as it is not possible to determine at this time any date certain by which the information could be disclosed without risk of harm.
9. *Any other information that the party seeking confidential treatment believes may be useful in assessing whether its request for confidentiality should be granted.* The confidential information contained in the attachment would if publicly disclosed potentially enable an IP CTS provider's competitors to gain an unfair advantage. Under applicable Commission and federal court precedent, the information provided to the TRS Fund Administrator on a confidential basis should be shielded from public disclosure.

Sincerely,



---

David Rolka, President

TRS Fund Administrator