

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**

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

**COMMENTS OF  
THE UNITED STATES TELECOM ASSOCIATION**

The United States Telecom Association (USTelecom)<sup>1</sup> submits these comments in response to the Public Notice (Notice) issued by the Consumer and Governmental Affairs Bureau (Bureau) regarding the Interstate Telecommunications Relay Service (TRS) Fund. The Bureau seeks comment on the proposed carrier contribution factor and funding requirement for the TRS Fund submitted by Rolka Loube Saltzer Associates (“RLSA” or “Administrator”), as well as the proposed compensation rates, for the period of July 1, 2016, through June 30, 2017.<sup>2</sup>

**I. The Earlier Release of This Year’s TRS Notice Does Not Resolve Underlying Timing Issues for Determining the TRS Contribution Factor.**

As an initial matter, USTelecom appreciates the Bureau’s timely release of this year’s TRS-funding Notice. In comments filed earlier this year, USTelecom observed that an ongoing and problematic issue in the TRS program continues to be the timing of annual changes to the

---

<sup>1</sup> USTelecom is the premier trade association representing service providers and suppliers for the telecommunications industry. USTelecom members provide a full array of services, including broadband, voice, data and video over wireline and wireless networks.

<sup>2</sup> See, Public Notice, *Rolka Loube Associates Submits Payment Formulas and Funding Requirement for the Interstate Telecommunications Relay Services Fund for the 2016-17 Fund Year*, DA 16-518 (May 9, 2016) (Notice).

contribution factor.<sup>3</sup> While the Bureau's earlier release of this year's Notice (*i.e.*, May 9, as compared to May 20 last year) is helpful, the additional time provided does not resolve the fundamental timing issue facing carriers when accounting for the TRS contribution factor in their annual tariffs to be filed with the Commission next month. The Bureau should therefore consider further alterations to the timeline in order to make an earlier determination of the TRS contribution factor.

Wireline carriers generally recover TRS contributions through their rates established in their annual price cap tariff filings which are filed every year in mid-June for a July 1 effective date. However, the Commission's Form 499A – which is the basis for the TRS contribution factor – is due on April 1 of each year, and TRS contribution requirements are usually not adopted until very close to July 1 each year. Ideally, the Bureau should strive to ensure that the TRS contribution factor is established well in advance of the mid-June annual access filing period. The Commission should therefore strive to further adjust the timing of these various filing windows.

## **II. The Bureau Should Consider Various Adjustments to the TRS Contribution Factor Schedule.**

Over the last several years, USTelecom and others have continuously sought reforms to the challenges resulting from the current TRS contribution factor schedule.<sup>4</sup> Both the order announcing the rate increase and its effective date generally occur on or around the same date (*i.e.*, approximately July 1), after the mid-June tariff filing deadline. In addition to providing

---

<sup>3</sup> See, USTelecom Comments, CG Docket No. 03-123 (February 4, 2016) (*USTelecom TRS Comments*).

<sup>4</sup> See *e.g.*, *USTelecom TRS Comments*; Reply Comments of USTelecom, CG Docket No. 10-51, CG Docket No. 03-123 (submitted June 11, 2015); Comptel Comments, CG Docket No. 03-123, CG Docket No. 10-51, p. 3 (submitted June 4, 2015); Comments of USTelecom, CG Docket No. 10-51, CG Docket No. 03-123 (submitted May 31, 2013).

limited time for a complete assessment and analysis of the significant increase in the contribution factor, carriers are essentially forced to either increase their customers' fees by amending previously filed tariffs, or "eat the cost of the increase where their contracts or other billing arrangements preclude raising interstate service rates."<sup>5</sup>

As USTelecom and others have previously proposed, the Commission should consider accelerating the timeline for the adoption of the TRS reimbursement rates, funding requirements, and contribution factor. One possible approach could involve an expedited analysis of Form 499A submissions. Since the Commission receives the data from Form 499A on April 1 of each year, it could strive to issue a proposed TRS contribution factor by May 1. That would enable the Commission to adopt a TRS contribution factor by the end of May each year, which would allow carriers to adjust their tariff filings in time for the mid-June filing deadline.

While we recognize that the Commission and the Administrator must obtain and analyze certain input data, calculating the factor earlier in the year and giving the public more time to comment and consider proposals would make the process more efficient and fair for carriers. It would also make the processes for the TRS contribution factor and annual tariff filings more efficient for the Commission, since it would likely minimize the need for the agency to review amended tariffs.

### **III. The Commission Should Address The Alarming Increase In The TRS Fund.**

As in past years, USTelecom remains concerned over the accelerating growth in the TRS Fund, which is exacerbated by the fact that the underlying industry revenue upon which the TRS

---

<sup>5</sup> Comptel Comments, CG Docket No. 03-123, CG Docket No. 10-51, p. 3 (submitted June 4, 2015).

collection factor is based continues to decline.<sup>6</sup> In its Notice, the Bureau proposes a significant increase of approximately 14% in the TRS contribution factor, from its current level of 0.01635,<sup>7</sup> to 0.01862 for the 2016 – 2017 fund year.<sup>8</sup> In terms of total funding for TRS, the Commission has proposed an increase to approximately \$1.143 billion<sup>9</sup> for the funding year, from its current level of \$1,048 million<sup>10</sup> – a more than modest 9% increase from last year’s funding level.

The continuing growth in the TRS fund and contribution factor over the years continues to raise questions about the long-term programmatic, legal, and financial integrity of the TRS program. Even with the comparatively modest increase in the proposed contribution factor and total funding, the 2016 – 2017 fund year, the Bureau must remain cognizant of the fact that TRS related costs continue to be shouldered by a shrinking group of rate-payers.

USTelecom fully supports the TRS Fund’s financial integrity and encourages the Commission to scrutinize costs and remain a vigilant steward; however, the Commission must be cognizant of the fact that unabated increases in the contribution factor and funding will impose significant costs on consumers. Despite an ever-increasing desire from consumers for clear and conspicuous bills, there is a general lack of consumer awareness surrounding the TRS contribution factor, despite its importance. Consumer frustration surrounding sudden – and unexplained – increases in bill fees is exacerbated by this lack of awareness.

---

<sup>6</sup> See, Patrick Brogan, USTelecom Research Brief, *Voice Competition Data Support Regulatory Modernization*, p. 1, November 25, 2014 (available at: [http://www.ustelecom.org/sites/default/files/documents/National%20Voice%20Competition%202014\\_0.pdf](http://www.ustelecom.org/sites/default/files/documents/National%20Voice%20Competition%202014_0.pdf)) (visited May 20, 2016) (noting that an overwhelming majority of consumers are dropping traditional switched telephone landlines from incumbent local exchange carriers (ILECs) in favor of modern mobile and Internet Protocol (IP) options).

<sup>7</sup> See, Order, *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, DA 15-774, ¶ 4 (June 30, 2015) (*TRS Order*).

<sup>8</sup> Notice, p. 4.

<sup>9</sup> *Id.*

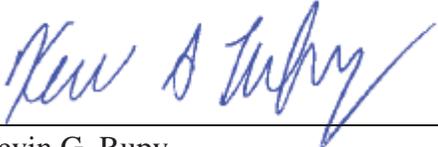
<sup>10</sup> *TRS Order*, ¶ 4.

Moreover, there is an ever-growing universe of additional tools and services that are expanding communications capabilities for all consumers, including individuals with a hearing or speech disability. These include various live-chat services, text messaging services, and more advanced platforms like Facetime and Skype. Based on reports showing the volume of text messages has surpassed voice calls,<sup>11</sup> the increasing availability and adoption of such tools may result in a corresponding decrease in TRS demand.

#### IV. Conclusion

USTelecom fully supports the TRS Fund's financial integrity. However, for the sake of consumers and carrier contribution planning, the Commission should move to adjust the final adoption date of the annual TRS fund size, rates and contribution factor well in advance of the annual access tariff filing period. The Commission should therefore adjust the timing of its annual TRS fund determination.

Respectfully submitted,  
UNITED STATES TELECOM ASSOCIATION

By:   
Kevin G. Rupy

607 14<sup>th</sup> Street, N.W.  
Suite 400  
Washington, D.C. 20005  
(202) 326-7300

May 24, 2016

---

<sup>11</sup> Naomi S. Barton, *Voice mail is dying. And it's making us lonelier, more miserable people*, Washington Post, Jan. 2, 2015 (available at: <https://www.washingtonpost.com/posteverything/wp/2015/01/02/voicemail-is-dying-and-its-making-us-lonelier-more-miserable-people/>) (visited May 20, 2016).