

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) CC Docket No. 98-67
)
National Exchange Carrier Association)
Payment Formula and Fund Size Estimate)
Interstate Telecommunications Relay)
Services (TRS) Fund for July 2004 Through)
June 2006)

AT&T COMMENTS

Pursuant to the Commission's April 28, 2005 Public Notice (DA 05-1175), AT&T Corp. ("AT&T") submits these comments on the annual payment formula and fund size estimate for the Interstate TRS Fund ("Fund") submitted on April 25, 2005 by the National Exchange Carrier Association ("NECA") in its capacity as the Fund administrator.

NECA proposes that the Commission adopt a \$1.312 per minute reimbursement rate for traditional interstate and Internet protocol ("IP") relay calls.¹ For speech-to-speech ("STS") relay, the filing proposes an interstate reimbursement rate of \$1.579 per

¹ The Public Notice also seeks comment on whether the Commission should adopt a separate compensation rate for IP Relay and traditional TRS for the 2005-2006 period. As NECA notes (at 21), the TRS Advisory Council recommends that the Commission separate the rates for these two services. AT&T supports the Council's recommendation to separate these rates. The Council made this recommendation because there are now two new IP relay providers who do not process TRS calls. By combining the rates, these IP relay providers are reimbursed at a rate that takes into consideration the costs for providing TRS. In other words, instead of being reimbursed at \$1.278 for strictly handling IP relay, those providers receive \$1.312 per minute. The combined rate penalizes those providers who offer both TRS and IP relay and rewards those providers who only handle IP relay. And, as NECA also points out, separating the rates would increase the Fund size by less than \$12,000 and the contribution factor would remain the same. *Id.* at n. 40.

minute. The reimbursement rate for video relay service ("VRS") proposed in NECA's filing is \$5.924 per minute.

Additionally, NECA proposes a total TRS Fund estimate high of \$413.3 million for July 2005- June 2006. This is an astonishing increase of \$124 million from the current funding level of \$289.3 million. NECA attributes the significant increase in funding requirements to continued strong projected demand for both IP and VRS. This, in combination with the decline in interstate and international end user revenues, has produced a contribution factor of .00528, nearly 50% higher than the current contribution factor of .00356.

AT&T's analysis of NECA's methodology indicates that NECA has overstated the TRS fund size estimate for 2005-2006 by as much as \$80 million. It has inappropriately inflated the fund demand projections used to develop the fund requirements by basing its reimbursement forecast on only four months of incremental monthly growth. The four months selected has allowed NECA to overstate the fund estimate by up to \$43 million without any other change in NECA's methodology. In addition, NECA has included without merit a "safety margin" of \$37.6 million that is excessive and clearly unwarranted.

I. NECA HAS INFLATED THE DEMAND USED TO PROJECT THE DISBURSEMENT REQUIREMENTS FOR THE FUND, CAUSING AN OVER-RECOVERY.

NECA first develops the proposed reimbursement rates for TRS, IP, STS and VRS on the basis of projected costs and demand provided by the relay providers. NECA then separately develops the TRS fund estimate on the basis of projected demand times the proposed reimbursement rates for TRS, IP, STS and VRS. NECA determined that the

average incremental monthly growth shown for each service during October 2004 through January 2005 was the most appropriate incremental monthly growth to use for the July 2005 to June 2006 funding period. The four month sampling selected by NECA produced an average monthly increase of 22,183, 210,365, 283 and 120,845 minutes for TRS, IP, STS and VRS, respectively. NECA applied the average monthly growth in minutes, from April 2005 to June 2006, to arrive at a total number of minutes for the July 2005 to June 2006 funding period of 26.5 million for TRS, 99.5 million for IP relay, 187 thousand for STS and 35.5 million for VRS. At rates of \$1.312 for TRS and IP, \$1.579 for STS and \$5.924 for VRS, NECA produced separate funding requirements of \$165.3 million, \$295 thousand and \$210.5 million, respectively, for a total fund estimate of \$376.1 million.

The four months of average monthly growth relied on by NECA to develop the fund estimate is significantly higher than the average monthly growth based on the prior 12 months of actual demand recorded. NECA's stated justification for selecting this four month period for each mentioned service is that it "showed steady growth" compared to fluctuations in demand earlier in the year.² The selection of this period, of course,

² See NECA at 10 (traditional TRS demand); *id.* at 12 (IP relay forecast). NECA also states that it "anticipates the entry of one or two additional [IP relay] providers during the next funding period." NECA does not attempt to demonstrate that this development will necessarily increase overall IP relay demand, or to quantify the amount of any such increase. Indeed, NECA concedes that currently "providers' [demand] projections may overlap."

With respect to VRS, NECA asserts (at 17) that projecting demand was "complicated" by the fact that current VRS providers have entered the market "at various times during the past three years." NECA does not explain how this development precludes reliance on any longer period than October 2004 through January 2005 in forecasting VRS demand. NECA also observes that it "has responded to several inquiries from potential new providers interesting offering VRS in the future." But even if all of those potential providers enter the VRS market during the 2005-2006 Fund year – and notably, unlike its IP relay demand forecast, NECA fails to claim that will be the case – NECA does not explain why that will necessarily result in an incremental increase in demand, rather than in migration of traffic between providers, as with its own observation regarding IP relay.

concomitantly produces significant growth in the size of the Fund. However, as the Commission has previously recognized, reliance on such a short time-series is likely to produce inaccurate results when compared to a longer period.³

There is no reason for NECA to base its demand forecast on an arbitrary four months of demand data when 12 months of actual demand data are available to produce a more accurate and unbiased forecast. AT&T has determined that the insufficient and skewed sampling of data used by NECA to project its demand for the July 2005 to June 2006 funding period has overstated the TRS fund estimate by up to \$43 million. See Attachment 1. AT&T believes a more accurate and less biased statistical sample would be to use the most recent 12 months of actual demand growth reported for April 2004 to March 2005. By using the last 12 months of actual demand growth, AT&T developed average incremental monthly demand that produced Fund estimates closer to the TRS, IP, STS and VRS costs and demand forecast provided to NECA by the relay providers themselves. See Attachment 2. In comparison to the results produced by NECA above, AT&T determined a more likely average monthly growth of 88,188 minutes for IP; 158 minutes for STS; 91,973 minutes for VRS; and an average monthly decline of 14,153 minutes for TRS. These results produced fund estimates of \$141.6 million for TRS and IP, \$273,000 for STS and \$191.0 million for VRS, for a total Fund estimate of \$332.9 million -- a reduction of \$43.2 million from NECA's estimate. AT&T's revised total Fund estimate compares much more closely to the projected costs of \$310.2 million for

³

See, e.g., National Exchange Carrier Association, Inc. Revisions to Tariff F.C.C. No. 1, Application No. 14 Transmittal No. 23, (rel. January 17, 1985). Appendix B, Introduction to Rate Analysis, ¶ 12 (finding that NECA's demand forecast there "gives too much weight" to reported demand for a five month period that included unrepresentative data, and that reliance on a much longer series of monthly demand observations was "superior to a mere five [months] for estimating test year demand").

these services provided by the relay providers and used by NECA to develop the individual rates to be used by the relay providers for reimbursement.⁴

II. A "SAFETY MARGIN" OF 10 PERCENT IN THE TRS FUND COMPUTATION IS UNWARRANTED AND SHOULD BE DISALLOWED.

In addition, NECA has included in its computation of the TRS fund estimate a "safety margin" of 10 percent -- amounting to \$37.6 million -- to cover any shortfalls in the event that the actual reimbursement demand for the 2005 to 2006 period will be higher than its projection, or if the contribution base used in July to fund the TRS requirements is lower than the contribution base used in this filing to develop the factor.⁵

NECA provides insufficient justification for the inclusion of this exorbitant "safety margin." As a threshold matter, it is hard to imagine that a shortfall will indeed occur in the face of the over-forecasting of demand that, as shown above, NECA has embedded in its proposed fund estimate. Moreover, while NECA alludes to the nearly \$2 million shortfall attributed to a lower contribution base realized in July 2004,⁶ such a shortfall certainly does not merit including a safety margin of \$37.6 million at this stage of the funding computation process. In the event that developments during the July 2005-June 2006 period indicate that the TRS Fund will experience a substantial shortfall, NECA may at any time request an increase to its funding requirements as it did on January 16, 2004 when it asked the Commission to increase its funding requirements for

⁴ As noted above, NECA has based its forecast on average monthly incremental demand changes, and AT&T's figures above and in Attachments 1-3 replicate that methodology. Had NECA instead used the average daily minutes of use (MOU), to control for variations in the number of days in each month, holidays, and other factors and applied that process to 12 months of actual data (as AT&T shows above is appropriate), it would have produced a reduction of \$25 million in the Fund estimate based on demand forecasting alone. See Attachments 4-6.

⁵ See NECA at 18.

⁶ See NECA at footnote 35.

IP and VRS due to its misforecasting of demand.⁷ Upon review of the updated cost support, the Commission in short order increased the TRS funding requirements from \$115.5 million to \$170.5 million on February 24, 2004.⁸ Therefore, a 10 percent “safety margin” is quite unnecessary when relief can be made available in slightly over one month’s time. If a surplus currently exists in the fund due to the inclusion of such a “safety margin” in the past, this surplus should be used to reduce the current funding requirements as explained in Part 64.604 of the Rules⁹. The combined disallowance of \$43 million and \$37.6 million will reduce the proposed contribution factor of .00528 to .00425. See Attachment 3.

III. THE COMMISSION MUST ELIMINATE FLOWBACK OF ILEC FUND CONTRIBUTION.

As AT&T showed (at 4-7) in its Comments on NECA’s 2003 proposed contribution factor and fund size, the Commission has rectified one source of impermissible implicit subsidies in access charges by precluding price cap local exchange carriers (“LECs”) from “flowing back” their USF contributions to customers in access rates, and has waived other access rules to permit rate-of-return carriers to recover their USF contributions from end users. However, the Commission has not taken similar action to eliminate recovery of LECs’ TRS Fund contributions from carrier access

⁷ January 16, 2004 Letter to Marlene H. Dortch, Secretary, FCC from John Ricker, Director, Universal Service Program Support.

⁸ *In the Matter of Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CC Docket No. 98-67, Order, DA 04-465 (released February 24, 2004).

⁹ It is no answer that, if the inclusion of such a “safety margin” creates a surplus in the Fund, and that this surplus may be used to reduce future funding requirements. *See* Section 64.604(c)(5)(iii)(B) of the Commission’s rules (“In the event contributions exceed TRS payments and administrative costs, the contribution factor for the following year will be adjusted by an appropriate amount, taking into consideration projected cost and usage changes.”) Fund contributors that overpay during the current funding period may well not be made whole by such a future contribution factor revision due to changes in the marketplace that alter their base revenues below the level of the prior year subject to the overstated contribution factor.

charges, despite the fact that the implicit subsidy created by that flowback is equally impermissible under statute and applicable precedent. AT&T accordingly requested that the Commission eliminate the LECs' flowback in access rates of their Fund contributions as part of its 2003 counterpart to the present proceeding.

The *June 30 Order* (§ 43) concluded that Commission review of contribution and Fund size proposals by NECA "is not the appropriate vehicle for addressing th[e] issues" regarding elimination of implicit subsidies through the LECs' flowback through access charges of their Fund contributions. Nothing in that decision, however, questioned the Commission's legal duty to remove that subsidy from access rates. If the Commission continues to believe that this issue is beyond the scope of this proceeding, it is nevertheless obligated to address this matter in another appropriate forum. The need for such action is underscored by the continued growth in the Fund that is being spurred by increased demand for relay services and the related increase in the amounts of Fund payments by the LECs that are flowed back through access charges. This problem is further exacerbated in this filing because of the inaccurate forecasting performed by NECA and the inclusion of an unnecessary and exorbitant "safety margin." This unlawful subsidy should be eliminated by the Commission, either in a separate proceeding or as part of the Commission's comprehensive reform of intercarrier compensation.¹⁰

¹⁰ Additionally, to further reduce the overall size of future Fund estimates, the Commission should give consideration to the Multistate Average Rate Structure ("MARS") Plan submitted in October 2004 by Hamilton Relay, Inc. Under the MARS Plan, interstate TRS per minute compensation rates would be calculated on the basis of the average intrastate compensation rates, which are set through competitive bidding processes.

CONCLUSION

For these reasons, the Commission should (1) disallow the demand forecast proposed by NECA and reduce the TRS fund estimate by \$43 million to correct that overforecast; (2) disallow the safety margin of 10% and reduce the TRS fund estimate by an additional \$37.6 million; and (3) address the elimination of ILEC flowback of Fund contributions through carrier access charges in a separate proceeding or as part of the comprehensive reform of intercarrier compensation.

Respectfully submitted,

/s/ Peter H. Jacoby

Lawrence J. Lafaro

Peter H. Jacoby

AT&T Corp.
One AT&T Way
Room 3A251
Bedminster, NJ 07921
Tel: (908) 532-1830
Fax: (908) 532-1219

Dated: May 13, 2005

CERTIFICATE OF SERVICE

I hereby certify that on this 13th day of May 2005, a copy of the foregoing
“AT&T Comments” was served by U.S. first class mail, postage prepaid, on the parties
listed below:

/s/ Tracy Rudnicki
Tracy Rudnicki

Marlene H. Dortch*
Office of the Secretary
Federal Communications Commission
445 12th Street, SW Suite TW-A325
Washington, DC 20554

Dana Jackson*
Consumer & Government Affairs Bureau
Disability Rights Office
Federal Communications Commission
445 12th Street, SW Room 6C410
Washington DC 20554

Maripat Brennan
Manager-TRS and NBANC Fund
Administration
NECA
80 South Jefferson Road
Whippany, NJ 07981

*By electronic mail

Summary

TRS Filing-April 25, 2005

TRS Fund Forecast vs Revised Forecast

Attachment 1

Page 1 of 3

	a	b	c=b-a
	Disbursements as Filed Exhibit 4	Distribusements as Revised based on 12 mos average	Difference as Filed and as Revised
Traditional TRS	\$34,776,205	\$29,341,466	(\$5,434,739)
Internet Protocol	\$130,532,244	\$112,248,130	(\$18,284,114)
Speech to Speech	\$295,409	\$272,893	(\$22,516)
Video Relay Service	\$210,521,105	\$191,022,466	(\$19,498,639)
Total	\$376,134,965	\$332,884,956	(\$43,240,007)
	MOUS as Filed Exhibit 4	MOUS as Revised based on 12 mos average	Difference as Filed and as Revised
Traditional TRS	26,506,254	22,363,922	(4,142,333)
Internet Protocol	99,491,040	85,554,977	(13,936,063)
Speech to Speech	187,086	172,827	(14,260)
Video Relay Service	35,536,986	32,245,521	(18,092,655)

Summary

TRS Filing-April 25, 2005

TRS Fund Forecast Compared to Costs and MOUs filed by Relay Providers and Revised Forecast

Attachment 2

	a	b		c	d=b-a	e=c-a
	Disbursements as Filed	Costs Projected by Relay Providers		Disbursements as Revised based on 12 mos average See Attachment 1	Difference as Filed and Costs Projected	Difference as Filed and as Revised
Disbursements	Exhibit 4	Av 05/06	Source			
Traditional TRS	\$34,776,205	\$34,042,335	Exhibit 1C	\$29,341,466	(\$733,870)	(\$5,434,739)
Internet Protocol	\$130,532,244	\$115,443,343	Exhibit 1C	\$112,248,130	(\$15,088,902)	(\$18,284,114)
Speech to Speech	\$295,409	\$154,840	Exhibit 1D	\$272,893	(\$140,569)	(\$22,516)
Video Relay Service	\$210,521,105	\$160,524,733	Exhibit 1E	\$191,022,466	(\$49,996,373)	(\$19,498,639)
Total	\$376,124,963	\$310,165,250		\$332,884,956	(\$65,959,713)	(\$43,240,007)
	MOUS as Filed	MOUS Projected by Relay Providers		MOUS as Revised based on 12 mos average See Attachment 1	Difference as Filed and Costs Projected	Difference as Filed and as Revised
Demand	Exhibit 4	Av 05/06	Source			
Traditional TRS	26,506,254	23,974,280	Exhibit 1C	22,363,922	(2,531,975)	(4,142,333)
Internet Protocol	99,491,040	91,582,059	Exhibit 1C	85,554,977	(7,908,981)	(13,936,063)
Speech to Speech	187,086	99,430	Exhibit 1D	172,827	(87,656)	(14,260)
Video Relay Service	35,536,986	27,474,497	Exhibit 1E	32,245,521	(10,528,612)	(18,092,655)

Interstate TRS Fund Requirements

(July 2005 thru June 2006)

Revised Exhibit 4

Based on recent 12 months actuals

Attachment 6

	Interstate TRS	IP ex Int'l	Interstate STS	All VRS	Total
As Filed:					
1. Proposed Reimbursement Rate	\$1.312	\$1.312	\$1.579	\$5.924	
2. Projected Minutes	22,309,339	98,762,652	165,956	32,430,766	
3. Fund Size					
a. Projected Reimbursement	\$29,269,853	\$129,576,599	\$262,045	\$192,119,859	\$351,228,355
b. 10% Safety Margin	\$0	\$0	\$0	\$0	\$0
c. Fund Requirement	\$29,269,853	\$129,576,599	\$262,045	\$192,119,859	\$351,228,355
4. TRS/IP/STS/VRS Fund Requirement	\$351,228,355				
a. NECA Administrative Costs	\$600,000				
b. Interest Income	(\$1,000,000)				
c. Total Fund Requirement	\$350,828,355				
5. 2004 End User IS Revenues	\$78,223,112,047				
6. Projected Contribution Factor	0.00448				

TRS Fund Forecast vs Revised Forecast

TRS Filing-April 25, 2005

Revised based on recent 12 months average

	Ex 2, P2A of 6				Ex 2, P2B of 6				Ex 2, P2A of 6			Ex 2, P2B of 6		
	Actual Traditional TRS MOUs	Yr/Yr Difference	Ave Monthly Growth	NECA Projected Traditional TRS MOUs	Actuals IP MOUs	Yr/Yr Difference	Ave Monthly Growth	NECA Projected IP MOUs	Traditional TRS Disbursements	Ave Cost per Minute	NECA Projected Traditional TRS Disbursements	IP Disbursements	Ave Cost per Minute	NECA Projected IP Disbursements
Mar-04	2,167,955				5,235,048									
1 Apr	2,044,213	(123,742)			4,730,360	(504,688)								
2 May	2,178,255	134,042			4,567,870	(162,490)								
3 June	2,027,449	(150,806)			4,799,564	231,694								
4 July	1,855,266	(172,183)			5,317,443	517,879								
5 Aug	2,054,586	199,320			5,391,896	74,453								
6 Sep	1,958,892	(95,694)			5,526,085	134,189								
7 Oct	1,955,610	(3,282)			5,870,027	343,942								
8 Nov	1,989,723	34,113			5,889,086	19,059								
9 Dec	2,010,719	20,996	(14,153)	12 mos ave	6,217,038	327,952	88,118	12 mos ave						
10 Jan-05	2,047,626	36,907	22,184	4 mos ave	6,367,542	150,504	210,364	4 mos ave						
11 Feb	1,793,912	(253,714)			6,064,553	(302,989)								
12 Mar	1,998,116	204,204			6,292,462	227,909								
	Revised Demand Forecast				Revised Demand Forecast				Revised Disbursements Forecast			Revised Disbursements Forecast		
Apr	1,983,963			2,020,299	6,380,580		6,502,826				\$2,824,378			\$9,090,951
May	1,969,810			2,042,282	6,468,698		6,713,190				\$2,855,390			\$9,385,040
June	1,955,656			2,064,665	6,556,816		6,923,554				\$2,886,402			\$9,679,128
July	1,941,503			2,086,848	6,644,933		7,133,948		\$2,547,252	\$1.312	\$2,737,945	\$8,718,152	\$1.312	\$9,359,700
Aug	1,927,350			2,109,031	6,733,051		7,344,282		\$2,528,683	\$1.312	\$2,767,049	\$8,833,763	\$1.312	\$9,635,698
Sep	1,913,197			2,131,214	6,821,169		7,554,646		\$2,510,114	\$1.312	\$2,796,153	\$8,949,374	\$1.312	\$9,911,695
Oct	1,899,043			2,153,397	6,909,287		7,765,010		\$2,491,545	\$1.312	\$2,825,257	\$9,064,984	\$1.312	\$10,187,693
Nov	1,884,890			2,175,580	6,997,405		7,975,374		\$2,472,976	\$1.312	\$2,854,361	\$9,180,595	\$1.312	\$10,463,691
Dec	1,870,737			2,197,763	7,085,523		8,185,738		\$2,454,407	\$1.312	\$2,883,465	\$9,296,205	\$1.312	\$10,739,688
Jan-06	1,856,584			2,219,946	7,173,640		8,396,102		\$2,435,837	\$1.312	\$2,912,569	\$9,411,816	\$1.312	\$11,015,686
Feb	1,842,430			2,242,129	7,261,758		8,606,466		\$2,417,268	\$1.312	\$2,941,673	\$9,527,426	\$1.312	\$11,291,683
Mar	1,828,277			2,264,312	7,349,876		8,816,830		\$2,398,699	\$1.312	\$2,970,777	\$9,643,037	\$1.312	\$11,567,681
Apr	1,814,124			2,286,495	7,437,994		9,027,194		\$2,380,130	\$1.312	\$2,999,881	\$9,758,648	\$1.312	\$11,843,679
May	1,799,971			2,308,678	7,526,112		9,237,558		\$2,361,562	\$1.312	\$3,028,986	\$9,874,258	\$1.312	\$12,119,676
June	1,785,817			2,330,861	7,614,230		9,447,922		\$2,342,993	\$1.312	\$3,058,090	\$9,989,869	\$1.312	\$12,395,674
Total 05-06	22,363,922			26,506,254	85,554,977		99,491,040		\$29,341,466		\$34,776,206	\$112,248,130		\$130,532,245

Interstate TRS Fund Requirements

(July 2005 thru June 2006)

Revised Exhibit 4

Based on recent 12 months average

Attachment 3

	Interstate TRS	IP ex Int'l	Interstate STS	All VRS	Total
As Filed:					
1. Proposed Reimbursement Rate	\$1.312	\$1.312	\$1.579	\$5.924	
2. Projected Minutes	22,363,922	85,554,977	172,827	32,245,521	
3. Fund Size					
a. Projected Reimbursement	\$29,341,465	\$112,248,129	\$272,893	\$191,022,466	\$332,884,954
b. 10% Safety Margin	\$0	\$0	\$0	\$0	\$0
c. Fund Requirement	\$29,341,465	\$112,248,129	\$272,893	\$191,022,466	\$332,884,954
4. TRS/IP/STS/VRS Fund Requirement	\$332,884,954				
a. NECA Administrative Costs	\$600,000				
b. Interest Income	(\$1,000,000)				
c. Total Fund Requirement	\$332,484,954				
5. 2004 End User IS Revenues	\$78,223,112,047				
6. Projected Contribution Factor	0.00425				

TRS Fund Forecast vs Revised Forecast

TRS Filing-April 25, 2005

Revised based on recent 12 months average

	Actual Sp to Sp MOUs	Yr/Yr Difference	Ave Monthly Growth	Ex 2, P2C of 6 NECA Projected Sp to Sp MOUs	Actual Video Relay MOUs	Yr/Yr Difference	Ave Monthly Growth	Ex 2, P2D of 6 NECA Projected Video Relay MOUs	Sp to Sp Disbursements	Ave Cost per Minute	Ex 2, P2C of 6 NECA Projected Sp to Sp Disbursements	Video Relay Disbursements	Ave Cost per Minute	Ex 2, P2D of 6 NECA Projected Video Relay Disbursements
Mar-04	11,007				709,718									
1 Apr	10,249	(758)			722,863	13,145								
2 May	12,473	2,224			733,040	10,177								
3 June	10,665	(1,808)			869,003	135,963								
4 July	11,078	413			943,747	74,744								
5 Aug	9,651	(1,427)			1,080,983	137,236								
6 Sep	8,731	(920)			1,150,935	69,952								
7 Oct	11,870	3,139			1,198,322	47,387								
8 Nov	13,392	1,522			1,290,522	92,200								
9 Dec	10,419	(2,973)	158	12 mos ave	1,424,155	133,633	91,973	12 mos ave						
10 Jan-05	9,862	(557)	283	4 mos ave	1,634,316	210,161	120,845	4 mos ave						
11 Feb	13,362	3,500			1,574,378	(59,938)								
12 Mar	12,902	(460)			1,813,388	239,010								
	Revised Demand Forecast				Revised Demand Forecast				Revised Disbursements Forecast			Revised Disbursements Forecast		
Apr	13,060			13,185	1,905,361			1,934,233			\$21,043			\$14,692,434
May	13,218			13,468	1,997,333			2,055,078			\$21,495			\$15,610,372
June	13,376			13,751	2,089,306			2,175,923			\$21,947			\$16,528,311
July	13,534			14,034	2,181,278			2,296,768	\$21,370	\$1,579	\$22,160	\$12,921,891	\$5,924	\$13,606,054
Aug	13,692			14,317	2,273,251			2,417,613	\$21,619	\$1,579	\$22,607	\$13,466,736	\$5,924	\$14,321,939
Sep	13,850			14,600	2,365,223			2,538,458	\$21,868	\$1,579	\$23,053	\$14,011,581	\$5,924	\$15,037,825
Oct	14,007			14,883	2,457,196			2,659,303	\$22,117	\$1,579	\$23,500	\$14,556,426	\$5,924	\$15,753,711
Nov	14,165			15,166	2,549,168			2,780,148	\$22,367	\$1,579	\$23,947	\$15,101,271	\$5,924	\$16,469,597
Dec	14,323			15,449	2,641,141			2,900,993	\$22,616	\$1,579	\$24,394	\$15,646,117	\$5,924	\$17,185,483
Jan-06	14,481			15,732	2,733,113			3,021,838	\$22,866	\$1,579	\$24,841	\$16,190,961	\$5,924	\$17,901,368
Feb	14,639			16,015	2,825,086			3,142,683	\$23,115	\$1,579	\$25,288	\$16,735,806	\$5,924	\$18,617,254
Mar	14,797			16,298	2,917,058			3,263,528	\$23,365	\$1,579	\$25,735	\$17,280,652	\$5,924	\$19,333,140
Apr	14,955			16,581	3,009,031			3,384,373	\$23,613	\$1,579	\$26,181	\$17,825,497	\$5,924	\$20,049,026
May	15,113			16,864	3,101,003			3,505,218	\$23,863	\$1,579	\$26,628	\$18,370,341	\$5,924	\$20,764,911
June	15,271			17,147	3,192,976			3,626,063	\$24,112	\$1,579	\$27,075	\$18,915,187	\$5,924	\$21,480,797
Total 05-06	172,827			187,086	32,245,521			35,536,986	\$272,893		\$295,409	\$191,022,466		\$210,521,105

Summary

TRS Filing-April 25, 2005

TRS Fund Forecast vs Revised Forecast

Attachment 4**Page 1 of 3**

	a	b	c=b-a
	Disbursements as Filed Exhibit 4	Revised Disbrsmt Forecast based on 12 mos actuals	Difference as Filed and as Revised
Traditional TRS	\$34,776,205	\$29,269,854	(\$5,506,351)
Internet Protocal	\$130,532,244	\$129,576,600	(\$955,644)
Speech to Speech	\$295,409	\$262,045	(\$33,364)
Video Relay Service	\$210,521,105	\$192,119,859	(\$18,401,246)
Total	\$376,134,965	\$351,228,357	(\$24,896,606)
	MOUS as Filed Exhibit 4	Revised MOUS Forecast based on 12 mos actuals	Difference as Filed and as Revised
Traditional TRS	26,506,254	22,309,339	(4,196,915)
Internet Protocal	99,491,040	98,762,652	(728,388)
Speech to Speech	187,086	165,956	(21,130)
Video Relay Service	35,536,986	32,430,766	(3,106,220)

Summary

TRS Filing-April 25, 2005

TRS Fund Forecast Compared to Costs and MOUs filed by Relay Providers and Revised Forecast

Attachment 5

	a	b		c	d=b-a	e=c-a
	Disbursements as Filed	Costs Projected by Relay Providers		Disbursements as Revised based on 12 mos actuals	Difference as Filed and Costs Projected	Difference as Filed and as Revised
Disbursements	Exhibit 4	Av 05/06	Source	See Attachment 4		
Traditional TRS	\$34,776,205	\$34,042,335	Exhibit 1C	\$29,269,854	(\$733,870)	(\$5,506,351)
Internet Protocol	\$130,532,244	\$115,443,343	Exhibit 1C	\$129,576,600	(\$15,088,902)	(\$955,644)
Speech to Speech	\$295,409	\$154,840	Exhibit 1D	\$262,045	(\$140,569)	(\$33,364)
Video Relay Service	\$210,521,105	\$160,524,733	Exhibit 1E	\$192,119,859	(\$49,996,373)	(\$18,401,246)
Total	\$376,124,963	\$310,165,250		\$351,228,357	(\$65,959,713)	(\$24,896,606)
	MOUS as Filed	MOUS Projected by Relay Providers		MOUS as Revised based on 12 mos actuals	Difference as Filed and Costs Projected	Difference as Filed and as Revised
Demand	Exhibit 4	Av 05/06	Source	See Attachment 4		
Traditional TRS	26,506,254	23,974,280	Exhibit 1C	22,309,339	(2,531,975)	(4,196,915)
Internet Protocol	99,491,040	91,582,059	Exhibit 1C	98,762,652	(7,908,981)	(728,388)
Speech to Speech	187,086	99,430	Exhibit 1D	165,956	(87,656)	(21,130)
Video Relay Service	35,536,986	27,474,497	Exhibit 1E	32,430,766	(10,528,612)	(4,946,433)