

On April 18, 2006, the Council met in Washington, DC, to review the proposed TRS, STS, IP and VRS reimbursement rates, fund size and carrier contribution factor for the July 2006 – June 2007 funding period prior to submission of the filing to the FCC on May 1, 2006. Staff presented the results of the annual TRS provider data collection and preliminary proposed compensation rates for each service to the Council. The Council expressed concern regarding a methodological approach that used two standard deviations above the weighted average as a means for identifying outliers and as a result, took no position either in favor of or in opposition to the proposed formula levels. As discussed *supra*, the methodology used in establishing the proposed formulas is for the most part consistent with prior years' filings where the administrator identified costs that it excluded from the filing.<sup>39</sup>

The Council's November 2005 meeting was held coincident with the National Association of Regulated Utility Commissioners (NARUC) annual meeting, in Indian Wells, CA, on November 15, 2005. The Administrator presented the fund status and also reviewed changes to the annual center data request process.

Appendix B contains meeting minutes for the April and November 2005 Council meetings.

**b) Audit Report**

At least three reviews of provider data will be performed in 2006. The Administrator will examine supporting documentation; for example, payroll records, contracts, invoices and depreciation schedules for the 2005 actual expenses submitted by

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<sup>39</sup> Subsequent to the Council meeting it was determined: 1) not to introduce the two standard deviation approach; 2) marketing and advertising expenses would be eliminated from all services, and 3) that the indirect expenses of one provider would be limited based on the weighted average rather than the two standard deviation methodology reviewed with the Council.

providers. All providers will submit randomly selected 2005 and 2006 detailed records supporting the actual demand data submitted for monthly reimbursement.

On March 9, 2006, the Administrator submitted copies of the financial statements of the TRS Fund for its twelfth year of operation, together with reports from an independent certified accounting firm in accordance with sections 64.604(c)(5)(iii)(D) and (H) of the FCC's rules.<sup>40</sup> It is anticipated that the audit of the October 2005 – September 2006 fiscal period, will begin in October and the financial statements will be submitted to the Commission in late December 2006.

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<sup>40</sup> 47 C.F.R. § 64.604(c)(5)(iii)(D) and (H).

## **7. Exhibits**

- 1A Displays calculations of TRS cost per minute of use for each center and projected interstate TRS costs by center for 2006 and 2007, and calculations of the national interstate average rate for July 2006 through June 2007 using the aggregate data assembled by the Administrator.
- 1B Displays calculations of IP cost per minute of use for each center and projected IP costs by center for 2006 and 2007, projected interstate IP costs by center for 2006 and 2007, and calculations of the national interstate average rate for July 2006 through June 2007 using the aggregate data assembled by the Administrator.
- 1C Displays calculations of Speech to Speech (STS) cost per minute of use for each center and projected interstate STS costs by center for 2006 and 2007, and calculations of the national interstate average rate for July 2006 through June 2007 using the aggregate data assembled by the Administrator.
- 1D Displays calculations of Video Relay Service (VRS) cost per minute of use for each center and projected VRS costs by center for 2006 and 2007, and calculations of the national average rate for July 2006 through June 2007 using the aggregate data assembled by the Administrator.
- 2 Displays actual Fund performance and projections for the funding period 1993 through June 2007. Each annual period for funding includes twelve monthly increments. In 2000, the period changed from April through the following March to July through the following June. Separate pages, 2A, 2B, 2C and 2D display TRS and IP, STS and VRS fund requirements respectively.
- 3 Displays month by month expenses incurred by the Administrator in performance of its required duties related to the TRS Fund.
- 4 Displays total TRS and IP, STS and VRS funding requirements for the period July 2006 through June 2007 and the carrier contribution factor calculation.
- 5 Displays the providers' schedule for reporting interstate TRS, interstate STS and intrastate and interstate VRS and IP minutes of use to the Administrator, and the schedule for disbursing associated payments for July 2006 through June 2007.

## **8. Appendices**

- A. Data Collection Form and Instructions
- B. Interstate TRS Advisory Council 2005 Meeting Minutes

## TRS Provider 2006 - 2007 Rate Calculation Traditional TRS Service

	Total Minutes Excluding General Assistance Minutes (A)	Total Costs \$\$\$ (B)	Interstate Conversation Minutes (C)	Interstate Costs \$\$\$ (D)
2006 TOTALS	93,583,306	\$112,284,455	17,855,359	\$21,834,860
2007 TOTALS	82,206,380	\$103,203,794	15,358,937	\$19,489,920
ANNUAL TOTALS	175,789,686	\$215,488,249	33,214,297	\$41,324,780
Average Cost per Interstate TRS Minute = $\frac{\text{Total Interstate Costs (D)}}{\text{Total Interstate Minutes (C)}}$				
				\$1.244

Average Cost Per Minute\*Allowance for Cash Working Capital (1.4%) = \$ 1.257

**REIMBURSEMENT RATE FOR TRADITIONAL INTERSTATE TRS  
FOR JULY 2006 - JUNE 2007 = \$1.257**

**TRS Provider 2006 - 2007 Formula Calculation  
Internet Protocol Relay Service**

	<b>Total Minutes Excluding General Assistance Minutes (A)</b>	<b>Total Costs \$\$\$ (B)</b>	<b>Total Minutes Excluding International Minutes (C)</b>	<b>IP Costs \$\$\$ (D)</b>
<b>2006 TOTALS</b>	93,960,242	\$111,635,439	93,724,933	\$111,347,836
<b>2007 TOTALS</b>	100,887,351	\$123,412,755	100,632,459	\$123,092,267
<b>ANNUAL TOTALS</b>	194,847,592	\$235,048,194	194,357,391	\$234,440,103
<b>Average Cost per IP Minute</b>	= $\frac{\text{IP Costs (D)}}{\text{Total Minutes excl. Gen'l Assist. \& Intern'l Minutes (C)}}$			<b>\$1.206</b>

Average Cost Per Minute\*Allowance for Cash Working Capital (1.4%) = \$ 1.219

**REIMBURSEMENT RATE FOR IP Relay  
FOR JULY 2006 - JUNE 2007 = \$1.219**

**TRS Provider 2006 - 2007 Rate Calculation  
Speech to Speech Relay Service**

	Total Minutes Excluding General Assistance Minutes (A)	Total Costs \$\$\$ (B)	Interstate Conversation Minutes (C)	Interstate Costs \$\$\$ (D)
<b>2006 TOTALS</b>	752,101	\$ 909,536	148,067	\$195,306
<b>2007 TOTALS</b>	792,280	\$968,743	152,339	\$205,322
<b>ANNUAL TOTALS</b>	1,544,381	\$1,878,279	300,406	\$400,628
<b>Average Cost per Interstate STS Minute</b>		= $\frac{\text{Total Interstate Costs (D)}}{\text{Total Interstate Minutes (C)}}$		\$1.334

Average Cost Per Interstate STS Minute\*Allowance for Cash Working Capital (1.4%) = \$1.352

**REIMBURSEMENT RATE FOR SPEECH TO SPEECH INTERSTATE MINUTES  
FOR JULY 2006 - JUNE 2007 = \$1.352**

## TRS Provider 2006 - 2007 Rate Calculation Video Relay Service

	2006	2007	Total
Provider Reported Costs	\$ 238,228,341.55	\$ 269,960,720.33	\$ 508,189,061.88
Provider Reported Demand	36,370,759	37,122,037	73,492,796
 <u>Exclusions:</u>			
Cost	\$ (21,269,899.00)	\$ (37,915,149.27)	\$ (59,185,047.55)
Demand	1,040,673	1,086,673	2,127,346
 <u>Additions:</u>			
Cost			\$179,122,354
Demand			32,409,278
Revised Cost			\$ 628,126,368.03
Revised Demand			103,774,728
			\$ 6.0528
Average Cost Per VRS Minute*Allowance for Cash Working Capital (1.4%) =			\$6.116

<b>REIMBURSEMENT RATE FOR VIDEO RELAY MINUTES FOR JULY 2006 - JUNE 2007 = \$6.116</b>
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**TRS FUND PERFORMANCE**  
(Actuals, July 1993 thru March 2006)

Date	Receivables	Collections	Refunds	Receivables Due	Expenses	Interest Income	Payment Obligations	Disbursements
1993 Totals	\$19,152,480	\$17,349,362	\$16,850	\$1,819,968	\$490,356	\$66,898	\$9,860,150	\$5,529,230
1994 Totals	\$31,532,185	\$32,111,847	\$8,415	\$1,248,721	\$435,377	\$797,267	\$26,830,588	\$26,462,271
1995 Totals	\$19,770,711	\$20,818,552	\$18,214	\$219,094	\$284,535	\$1,004,836	\$23,734,261	\$24,163,682
1996 Totals	\$26,258,425	\$24,631,915	\$4,051	\$1,849,655	\$328,700	\$624,800	\$36,034,602	\$33,124,807
1997 Totals	\$48,755,747	\$49,581,125	\$36,855	\$1,061,132	\$298,800	\$780,900	\$36,689,286	\$36,110,944
1998 Totals	\$41,615,847	\$40,668,284	\$32,048	\$2,040,743	\$388,500	\$1,355,000	\$38,318,914	\$38,993,717
1999 Totals	\$38,745,304	\$39,871,369	\$33,129	\$947,807	\$348,100	\$1,306,400	\$43,349,529	\$40,028,914
2000 Totals	\$42,563,365	\$41,432,059	\$144,878	\$2,223,991	\$464,400	\$1,724,900	\$48,251,760	\$45,832,004
2001 Totals	\$59,736,853	\$60,123,734	\$488,031	\$2,325,141	\$527,400	\$1,079,800	\$61,702,063	\$49,065,431
2002 Totals	\$64,191,919	\$64,801,231	\$393,238	\$2,109,067	\$538,250	\$711,950	\$65,706,337	\$61,007,585
2003 Totals	\$89,713,423	\$90,470,097	\$848,466	\$2,200,859	\$440,025	\$276,393	\$100,308,375	\$116,621,961
2004 Totals	\$270,132,368	\$266,272,510	\$172,503	\$1,684,348	\$717,790	\$574,240	\$205,793,138	\$211,001,162
1/05	\$20,475,723	\$20,667,291	\$56,348	\$5,828,021	\$38,407	\$129,397	\$21,188,524	\$25,918,703
2/05	\$20,858,378	\$19,938,290	\$37,819	\$6,785,928	\$35,488	\$111,726	\$22,616,316	\$24,194,409
3/05	\$20,412,578	\$21,002,517	\$55,588	\$6,251,577	\$53,695	\$129,282	\$23,330,442	\$30,860,256
4/05	\$20,548,879	\$20,858,977	\$22,599	\$5,964,078	\$48,325	\$110,381	\$24,022,721	\$25,440,721
5/05	\$23,366,720	\$23,306,642	\$628	\$6,024,785	\$60,279	\$101,195	\$24,759,156	\$24,576,948
6/05	\$21,545,314	\$21,571,765	\$634	\$5,998,968	\$83,057	\$97,953	\$25,473,745	\$26,008,618
7/05	\$82,186,684	\$66,766,630	\$0	\$21,419,022	\$53,623	\$120,752	\$26,188,486	\$27,754,436
8/05	\$27,507,778	\$39,328,362	\$85	\$9,598,523	\$112,285	\$248,131	\$27,404,095	\$25,676,525
9/05	\$32,534,589	\$33,788,623	\$0	\$8,344,489	\$55,015	\$272,554	\$28,508,224	\$29,489,807
10/05	\$33,057,541	\$33,565,482	\$439	\$7,836,987	\$48,210	\$313,179	\$29,612,354	\$28,538,280
11/05	\$33,052,714	\$32,376,844	\$16,120	\$8,528,978	\$55,405	\$304,975	\$30,716,484	\$29,890,351
12/05	\$32,976,188	\$32,986,268	\$0	\$8,518,898	\$106,515	\$325,508	\$31,820,614	\$30,318,482
2005 Totals	\$368,523,086	\$366,157,691	\$190,260	\$8,518,898	\$750,304	\$2,265,033	\$315,641,161	\$328,667,536
1/06	\$33,396,608	\$33,376,329	\$24,068	\$9,563,245	\$62,336	\$367,507	\$32,924,743	\$31,162,768
2/06	\$33,022,572	\$34,404,836	\$3,245	\$8,184,226	\$85,613	\$360,318	\$34,028,873	\$32,628,995
3/06	\$33,208,621	\$32,038,716	\$37,217	\$9,451,348	\$46,357	\$422,903	\$35,133,003	\$29,909,854
2006 Totals	\$99,627,801	\$99,819,881	\$64,530	\$27,198,819	\$194,306	\$1,150,728	\$102,086,619	\$93,701,617
Totals	\$1,220,319,514	\$1,214,109,656	\$2,451,468	\$27,198,819	\$6,206,842	\$13,719,145	\$1,114,306,783	\$1,345,276,779

**MISCELLANEOUS FUND STATISTICS**

# of FCC 499A forms used to calculate TRS base: 4,174 Forms , 571 Estimated

2005 End user interstate & int'l revenues: \$78,500,408,975

Number of TRS/IP/STS/VRS providers currently receiving reimbursement: 11

**Traditional TRS Interstate Minutes  
Fund Requirements For January 1, 2002 Thru June 30, 2007**

Date	Actual Reported Minutes	Interstate Minutes	Toll Free Minutes	900 Min.	Int'l Min.	Total TRS Minutes	Disbursements
2003	25,953,616	11,488,936	14,321,315	1,667	141,698	25,953,616	\$37,619,912
2004	24,413,054	10,895,482	13,330,382	942	186,248	24,413,054	\$33,270,912
Jan 2005	2,047,626	939,514	1,091,640	113	16,359	2,047,626	\$2,862,581
Feb	1,793,912	815,334	965,266	65	13,247	1,793,912	\$2,507,889
Mar	1,998,116	1,060,659	925,627	3	11,827	1,998,116	\$2,793,366
April	1,786,993	827,248	944,078	43	15,624	1,786,993	\$2,498,216
May	1,809,767	861,746	929,587	114	18,320	1,809,767	\$2,530,054
June	1,817,673	842,886	955,402	166	19,219	1,817,673	\$2,541,107
July	1,767,868	830,786	916,093	974	20,015	1,767,868	\$2,545,730
Aug	1,858,622	948,794	896,073	9	13,746	1,858,622	\$2,676,416
Sept.	1,748,116	912,622	827,106	18	8,370	1,748,116	\$2,517,287
Oct.	1,766,562	836,756	911,377	2	18,427	1,766,562	\$2,543,849
Nov.	1,749,580	840,427	888,042	1,213	19,898	1,749,580	\$2,519,395
Dec.	1,791,300	890,112	883,047	41	18,100	1,791,300	\$2,579,472
2005	21,936,135	10,606,884	11,133,338	2,761	193,152	21,936,135	\$31,115,363
Jan 2006	1,782,740	834,083	932,244	11	16,402	1,782,740	\$2,567,146
Feb	1,548,896	736,380	798,121	76	14,319	1,548,896	\$2,230,410
						Minutes	(Proj. Min *1.440)
Mar	1,526,290	0	0	0	0	1,526,290	\$2,197,858
April	1,504,414	0	0	0	0	1,504,414	\$2,166,356
May	1,481,808	0	0	0	0	1,481,808	\$2,133,804
June	1,459,932	0	0	0	0	1,459,932	\$2,102,302
Date	Projected Minutes	Providers' Projection				Total Projected TRS Minutes	Projected Payment Obligations (Proj. Min *1.257)
July 2006	1,437,326	0	0	0	0	1,437,326	\$1,806,719
Aug	1,414,721	0	0	0	0	1,414,721	\$1,778,304
Sept	1,392,844	0	0	0	0	1,392,844	\$1,750,805
Oct	1,370,239	0	0	0	0	1,370,239	\$1,722,390
Nov	1,348,362	0	0	0	0	1,348,362	\$1,694,891
Dec	1,325,756	0	0	0	0	1,325,756	\$1,666,475
Jan 2007	1,303,151	0	0	0	0	1,303,151	\$1,638,061
Feb	1,282,733	0	0	0	0	1,282,733	\$1,612,395
March	1,260,127	0	0	0	0	1,260,127	\$1,583,980
April	1,238,251	0	0	0	0	1,238,251	\$1,556,482
May	1,215,645	0	0	0	0	1,215,645	\$1,528,066
June	1,193,769	0	0	0	0	1,193,769	\$1,500,568
	15,782,924 *15,358,937	0	0	0	0	15,782,924	\$19,839,135
	7/06-6/07	* Exh. 1A 2007 Projected Minutes					

\*\*\*\*\* Captioned Telephone VCO minutes included, starting July 2004.

**Internet Protocol Minutes**  
**Fund Requirements For April 22, 2003 Thru June 30, 2007**

Date	Actual Reported Minutes	Non Int'l Non Toll Free Non 900 Minutes	Int'l Minutes	900 Min.	Toll Free Minutes	Total IP Minutes	Disbursements	
2003	40,452,414	32,746,694	585,813	1	7,119,906	40,452,414	\$57,805,855	
2004	63,532,869	174,063	51,897,569	0	872	11,634,428	63,532,869	\$86,567,580
Jan 2005	6,367,542	5,213,488	0	0	1,154,054	6,367,542	\$8,901,824	
Feb	6,064,553	4,990,796	0	0	1,073,757	6,064,553	\$8,478,245	
Mar	6,332,087	5,142,297	0	0	1,189,790	6,332,087	\$8,852,258	
Apr	6,112,669	5,006,226	0	0	1,106,443	6,112,669	\$8,545,511	
May	6,216,722	5,077,200	0	0	1,139,522	6,216,722	\$8,690,977	
June	6,415,218	5,175,318	0	0	1,239,900	6,415,218	\$8,968,475	
July	6,523,023	5,428,821	0	0	1,094,202	6,523,023	\$8,336,423	
Aug	7,109,965	5,896,564	0	0	1,213,401	7,109,965	\$9,086,535	
Sept	6,459,885	5,312,408	0	0	1,147,477	6,459,885	\$8,255,733	
Oct	6,717,254	5,337,379	0	0	1,379,875	6,717,254	\$8,584,651	
Nov	6,576,101	5,204,504	0	0	1,371,597	6,576,101	\$8,404,257	
Dec	6,463,016	5,059,872	0	0	1,403,144	6,463,016	\$8,259,734	
2005	77,358,035	62,844,873	0	0	14,513,162	77,358,035	\$98,863,569	
Jan 2006	6,518,742	4,991,816	0	0	1,526,926	6,518,742	\$8,330,952	
Feb	6,185,693	4,784,185	0	1	1,401,507	6,185,693	\$7,905,316	
Date	Projected Minutes					Total Projected IP Minutes	Projected Payment Obligations <small>(Proj. Min *1.278)</small>	
Mar	6,196,870	0	0	0	0	6,196,870	\$7,919,600	
Apr	6,207,686	0	0	0	0	6,207,686	\$7,933,423	
May	6,218,862	0	0	0	0	6,218,862	\$7,947,706	
June	6,229,678	0	0	0	0	6,229,678	\$7,961,528	
Date	Projected Minutes	Providers' Projection				Total Projected IP Minutes	Projected Payment Obligations <small>(Proj. Min*1.219)</small>	
July 2006	6,240,855	0	0	0	0	6,240,855	\$7,607,602	
Aug	6,252,032	0	0	0	0	6,252,032	\$7,621,227	
Sept	6,262,848	0	0	0	0	6,262,848	\$7,634,412	
Oct	6,274,024	0	0	0	0	6,274,024	\$7,648,035	
Nov	6,284,840	0	0	0	0	6,284,840	\$7,661,220	
Dec	6,296,017	0	0	0	0	6,296,017	\$7,674,845	
Jan 2007	6,307,194	0	0	0	0	6,307,194	\$7,688,469	
Feb	6,317,289	0	0	0	0	6,317,289	\$7,700,775	
Mar	6,328,465	0	0	0	0	6,328,465	\$7,714,399	
Apr	6,339,281	0	0	0	0	6,339,281	\$7,727,584	
May	6,350,458	0	0	0	0	6,350,458	\$7,741,208	
June	6,361,274	0	0	0	0	6,361,274	\$7,754,393	
Totals	75,614,577	*100,632,459	0	0	0	75,614,577	\$92,174,169	
	7/06-6/07	*Exh. 1B 2007 Projected Minutes						

**Speech to Speech Interstate Minutes  
Fund Requirements For March 1, 2001 Thru June 30, 2007**

Exhibit 2  
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Date	Actual Reported Minutes	Interstate Minutes	Toll Free Minutes	900 Min.	Int'l Minutes	Total STS Minutes	Disbursements
2001	74,448	21,118	53,330	0	0	74,448	\$240,218
2002	88,920	29,586	59,311	23	0	88,920	\$284,954
2003	119,297	38,129	80,891	98	179	119,297	\$376,448
2004	130,479	41,732	87,876	263	608	130,479	\$255,180
Jan 2005	9,862	2,635	6,944	257	26	9,862	\$15,740
Feb	13,362	4,320	8,861	71	110	13,362	\$21,326
Mar	12,902	5,335	7,444	68	55	12,902	\$20,592
April	10,183	3,299	6,877	7	0	10,183	\$16,252
May	12,135	4,943	7,139	11	42	12,135	\$19,367
June	9,278	2,818	6,351	89	20	9,278	\$14,808
July	8,195	2,288	5,845	2	60	8,195	\$12,940
August	10,230	2,037	7,856	9	328	10,230	\$16,153
September	10,026	2,557	7,325	2	142	10,026	\$15,831
October	15,075	5,838	9,225	2	10	15,075	\$23,803
November	12,874	4,095	8,662	80	37	12,874	\$20,328
December	11,279	2,879	8,279	44	77	11,279	\$17,810
2005	135,401	43,044	90,808	642	907	135,401	\$214,949
Jan 2006	14,349	3,744	9,539	205	861	14,349	\$22,657
Feb	14,000	2,989	10,128	56	827	14,000	\$22,106
Date	Projected Minutes					Total Projected STS Minutes	Projected Payment Obligations <small>(Proj. Min.*1,579)</small>
Mar	13,926	0	0	0	0	13,926	\$21,989
Apr	13,854	0	0	0	0	13,854	\$21,875
May	13,780	0	0	0	0	13,780	\$21,759
June	13,708	0	0	0	0	13,708	\$21,645
Date	Projected Minutes	Providers' Projection				Total Projected STS Minutes	Projected Payment Obligations <small>(Proj. Min.*1,352)</small>
July 2006	13,634	0	0	0	0	13,634	\$18,433
Aug	13,560	0	0	0	0	13,560	\$18,333
Sept	13,488	0	0	0	0	13,488	\$18,236
Oct	13,414	0	0	0	0	13,414	\$18,136
Nov	13,343	0	0	0	0	13,343	\$18,040
Dec	13,268	0	0	0	0	13,268	\$17,938
Jan 2007	13,194	0	0	0	0	13,194	\$17,838
Feb	13,127	0	0	0	0	13,127	\$17,748
Mar	13,053	0	0	0	0	13,053	\$17,648
April	12,982	0	0	0	0	12,982	\$17,552
May	12,908	0	0	0	0	12,908	\$17,452
June	12,837	0	0	0	0	12,837	\$17,356
<b>Totals</b>	<b>158,808</b>	<b>*152,339</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>158,808</b>	<b>\$214,708</b>

7/06 - 6/07 \*Exh. 1D 2007 Projected Minutes

\* Includes minutes of provider whose costs were excluded.

4/28/2006

**Video Relay Service Minutes  
Fund Requirements For January 1, 2002 Thru June 30, 2007**

Date	Actual Reported Minutes	Intrastate Minutes	Interstate Minutes	Toll Free Minutes	900 Min.	Intn'l Minutes	Total VRS Minutes	Disbursements	
2002	530,053	204,272	158,707	167,068	6	0	530,053	\$9,034,753	
2003	2,843,916	520,933	1,406,979	871,943	884	43,177	2,843,916	\$31,000,704	
2004	16,695,081	6,439,553	4,769,522	5,247,045	932	237,130	16,695,081	\$145,079,995	
January 2005	1,634,316	1,064,752	0	546,251	0	23,313	1,634,316	\$12,414,264	
February	1,574,378	1,031,429	0	519,549	0	23,400	1,574,378	\$11,958,975	
March	1,813,388	1,173,759	0	601,360	1	38,268	1,813,388	\$13,774,495	
April	1,779,485	1,194,189	0	511,265	1	74,030	1,779,485	\$13,516,968	
May	1,944,210	1,325,301	0	582,182	6	36,721	1,944,210	\$14,768,219	
June	2,136,657	1,446,650	0	653,714	14	36,279	2,136,657	\$16,230,047	
July	2,224,779	1,501,795	0	679,949	1	43,034	2,224,779	\$14,781,432	
August	2,669,274	1,801,457	0	819,538	0	48,279	2,669,274	\$17,734,656	
September	2,648,730	1,792,688	0	803,852	0	52,190	2,648,730	\$17,598,162	
October	2,820,296	1,899,282	0	862,798	29	58,187	2,820,296	\$18,738,047	
November	2,916,090	1,973,250	0	877,756	342	64,742	2,916,090	\$19,374,502	
December	3,056,254	2,085,643	0	894,213	212	76,186	3,056,254	\$20,305,752	
2005	27,217,857	18,290,195	0	8,352,427	606	498,443	24,161,603	\$191,195,519	
Jan 2006	3,273,139	2,198,646	0	1,005,194	99	69,200	3,273,139	\$21,746,736	
Feb	2,972,911	2,002,527	0	901,659	160	68,565	2,972,911	\$19,752,021	
Date	Projected VRS Minutes						Total Projected VRS Minutes	Projected Payment Obligations	
(Prov. Proj. *6.644)									
Mar	3,101,942	0	0	0	0	0	3,101,942	\$20,609,303	
Apr	3,226,811	0	0	0	0	0	3,226,811	\$21,438,932	
May	3,355,843	0	0	0	0	0	3,355,843	\$22,296,221	
June	3,480,712	0	0	0	0	0	3,480,712	\$23,125,851	
Date	Projected Minutes	Providers' Projection					Total Projected VRS Minutes	Projected Payment Obligations	
(Prov. Proj. *8.118)									
July 2006	3,609,743	0	0	0	0	0	3,609,743	\$22,077,188	
Aug	3,738,774	0	0	0	0	0	3,738,774	\$22,866,342	
Sept	3,863,643	0	0	0	0	0	3,863,643	\$23,630,041	
Oct	3,992,675	0	0	0	0	0	3,992,675	\$24,419,200	
Nov	4,117,544	0	0	0	0	0	4,117,544	\$25,182,899	
Dec	4,246,575	0	0	0	0	0	4,246,575	\$25,972,053	
Jan 2007	4,375,606	0	0	0	0	0	4,375,606	\$26,761,206	
Feb	4,492,151	0	0	0	0	0	4,492,151	\$27,473,996	
Mar	4,621,182	0	0	0	0	0	4,621,182	\$28,263,149	
April	4,746,051	0	0	0	0	0	4,746,051	\$29,026,848	
May	4,875,082	0	0	0	0	0	4,875,082	\$29,816,002	
June	4,999,952	0	0	0	0	0	4,999,952	\$30,579,706	
Totals	51,678,978	*37,122,037	0	0	0	0	51,678,978	\$316,068,629	
	7/06-6/07	*Exh. 1E Projected 2007 Minutes							

**TRS FUND PERFORMANCE AND PROJECTIONS**  
(July 26, 1993 thru June 30, 2007)

Date	Receivables	Collections	Refunds	Receivables Due	Expenses	Interest Income	Payment Obligations	Disbursements
2000 Totals	\$42,563,365	\$41,432,059	\$144,878	\$2,223,991	\$464,400	\$1,724,900	\$48,251,759	\$45,832,004
2001 Totals	\$59,736,853	\$60,123,734	\$488,031	\$2,325,141	\$527,400	\$1,079,800	\$61,702,063	\$49,065,431
2002 Totals	\$64,191,919	\$64,801,231	\$393,238	\$2,109,067	\$538,250	\$711,950	\$65,706,338	\$61,007,585
2003 Totals	\$89,713,423	\$90,470,097	\$848,486	\$2,200,879	\$440,082	\$276,393	\$100,308,377	\$116,620,837
2004 Totals	\$270,132,368	\$266,542,510	\$172,504	\$5,963,241	\$717,791	574,238	\$205,793,138	\$211,001,161
1/05	20,475,723	20,667,291	56,348	5,828,021	38,407	\$129,397	21,188,524	25,918,703
2/05	20,858,378	19,938,290	37,819	6,785,928	35,488	\$111,726	22,616,316	24,194,409
3/05	20,412,578	21,002,517	55,588	6,251,577	53,695	\$129,282	23,330,442	30,860,256
4/05	20,548,879	20,858,977	22,599	5,964,078	48,325	\$110,381	24,022,721	25,440,721
5/05	23,366,720	23,306,642	628	6,024,785	60,279	\$101,195	24,759,156	24,576,948
6/05	21,545,314	21,571,765	634	5,998,968	83,057	\$97,953	25,473,745	26,008,618
7/05	82,186,684	66,766,630	0	21,419,022	53,623	\$120,752	26,188,486	27,754,436
8/05	27,507,778	39,328,362	85	9,598,523	112,285	\$248,131	27,404,095	25,676,525
9/05	32,534,589	33,788,623	0	8,344,489	55,015	\$272,554	28,508,224	29,489,807
10/05	33,057,541	33,565,482	439	7,836,987	48,210	\$313,179	29,612,354	28,538,280
11/05	33,052,714	32,376,844	16,120	8,528,978	55,405	\$304,975	30,716,484	29,890,351
12/05	32,976,188	32,986,268	0	8,518,898	106,515	\$325,508	31,820,614	30,318,482
2005 Totals	\$368,523,087	\$366,157,691	\$190,261	\$8,518,898	\$750,303	\$2,265,033	\$315,641,161	\$328,667,536
1/06	33,396,608	32,376,329	24,068	9,563,245	62,336	367,507	32,924,743	31,162,768
2/06	33,022,572	34,404,836	3,245	8,184,226	85,613	360,318	34,028,873	32,628,995
3/06	33,208,621	32,038,716	97,217	9,451,348	46,357	422,903	35,133,003	29,909,854
4/06	33,057,533	21,254,441 *	0 *	21,254,441 *	49,139 *	300,000 *	30,748,749 1	30,748,749 1
5/06	33,137,271 *	27,195,856 *	0 *	27,195,856 *	69,460 *	300,000 *	31,560,587 1	31,560,587 1
6/06	33,137,271 *	30,166,563 *	0 *	30,166,563 *	72,933 *	300,000 *	32,399,489 1	32,399,489 1
7/06	103,545,769	66,856,166	0 *	66,856,166 *	76,580 *	265,000 *	33,211,326 1	33,211,326 1
8/06	25,886,442	46,371,304	0 *	46,371,304 *	80,409 *	265,000 *	31,509,942 2	31,509,942 2
9/06	25,886,442	36,128,873	0 *	36,128,873 *	84,429 *	265,000 *	32,284,206 2	32,284,206 2
10/06	25,886,442	31,007,658	0 *	31,007,658 *	88,651 *	265,000 *	33,033,493 2	33,033,493 2
11/06	25,886,442	28,447,050	0 *	28,447,050 *	93,083 *	265,000 *	33,807,762 2	33,807,762 2
12/06	25,886,442	27,166,746	0 *	27,166,746 *	97,737 *	265,000 *	34,557,050 2	34,557,050 2
2006 Totals	\$431,937,854	\$413,414,537	\$124,530	\$27,166,746	\$906,727	\$3,640,727	\$395,199,223	\$386,814,221
1/07	25,886,442	26,526,594	0 *	26,526,594 *	102,624 *	265,000 *	35,331,311 2	35,331,311 2
2/07	25,886,442	26,526,594	0 *	26,526,594 *	107,755 *	265,000 *	36,105,575 2	36,105,575 2
3/07	25,886,442	12,943,221	0 *	12,943,221 *	113,143 *	265,000 *	36,804,914 2	36,804,914 2
4/07	25,886,442	26,206,518	0 *	26,206,518 *	118,800 *	265,000 *	37,579,175 2	37,579,175 2
5/07	25,886,442	26,206,518	0 *	26,206,518 *	124,740 *	265,000 *	38,328,465 2	38,328,465 2
6/07	25,886,442	19,414,832	0 *	19,414,832 *	130,977 *	265,000 *	39,102,727 2	39,102,727 2
7/07							39,852,015 2	39,852,015 2
2007 Totals	\$155,318,652	\$137,824,276	\$0	\$19,414,832	\$698,040	\$1,590,000	\$263,104,182	\$263,104,182
Totals (July 1993 thru June 2007)	\$1,707,948,220	\$1,665,798,589	\$2,511,490	\$19,414,832	\$7,617,361	\$17,799,741	\$1,670,523,584	\$1,666,526,522

\* Projected

Fund Balance Calculation	
Total Fund	\$1,707,948,220
NECA Expenses	(\$7,617,361)
Interest Income	\$17,799,741
Payments	(\$1,666,526,522)
Fund Balance	\$51,604,079

- 1 Projected Payment Obligation/Disbursement estimates for March 2006 thru June 2006 calculated using \$1.440/interstate TRS and per intrastate and interstate IP minute, \$1.278, \$1.579 interstate STS minute, and \$6.644/intrastate & interstate VRS minutes.
- 2 Projected Payment Obligation/Disbursement estimates for July 2006 thru June 2007 calculated using \$1.257/interstate TRS minute and per intrastate and interstate IP, \$1.219, \$1.352 interstate STS minute, and \$6.116/intrastate & interstate VRS minutes.

**DETAILED NECA EXPENSES**  
**(JULY 1993 TO MARCH 2006)**  
(000's)

CODE	JUL '93 THRU MAR '05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	GRAND
	ACTUALS													TOTAL
<b>SALARIES</b>														
SALARIES	838.9	16.6	17.4	17.4	16.6	18.2	17.4	16.6	17.4	17.4	17.4	15.8	9.1	1036.2
OVERTIME	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2
INCENTIVE PLAN EXPENSE	45.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	8.7	2.5	2.5	0.5	76.3
SALARIES CONTRA	32.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.9	0.0	0.0	0.0	34.4
<b>SALARIES</b>	<b>918.3</b>	<b>18.4</b>	<b>19.2</b>	<b>19.2</b>	<b>18.4</b>	<b>20.0</b>	<b>19.2</b>	<b>18.4</b>	<b>19.2</b>	<b>28.0</b>	<b>19.9</b>	<b>18.3</b>	<b>9.6</b>	<b>1146.1</b>
<b>OVERHEADS</b>														
OVERHEAD CHURN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OVERHEADS	254.5	6.3	6.2	6.2	5.9	6.2	6.1	5.7	5.4	6.0	6.6	6.2	3.4	324.7
OVERHEADS CONTRA	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.0	0.0	0.0	1.5
<b>OVERHEADS</b>	<b>254.7</b>	<b>6.3</b>	<b>6.2</b>	<b>6.2</b>	<b>5.9</b>	<b>6.2</b>	<b>6.1</b>	<b>5.7</b>	<b>5.4</b>	<b>7.3</b>	<b>6.6</b>	<b>6.2</b>	<b>3.4</b>	<b>326.2</b>
<b>CONTRACT LABOR</b>														
CONTRACT LABOR	40.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	40.0
CONTRACT LABOR	40.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	40.0
<b>TRAVEL</b>														
AIR TRAVEL	42.0	0.0	0.0	0.4	0.0	0.0	0.3	0.0	0.0	0.2	0.0	0.0	0.0	42.9
OTHER TRANSPORTATION	23.9	0.0	0.7	0.7	0.3	0.0	0.7	0.0	0.0	1.0	0.0	0.0	0.3	27.6
TRAVEL MEALS	6.5	0.0	0.0	0.3	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	6.9
LODGING	22.0	0.0	0.6	1.9	0.0	0.0	1.0	0.0	0.0	1.2	0.0	0.0	0.0	26.7
OTHER TRAVEL	1.2	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	1.5
<b>TRAVEL</b>	<b>95.6</b>	<b>0.0</b>	<b>1.4</b>	<b>3.4</b>	<b>0.3</b>	<b>0.0</b>	<b>2.1</b>	<b>0.0</b>	<b>0.0</b>	<b>2.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>	<b>105.7</b>
<b>MISCELLANEOUS</b>														
EDUCATION REIMBURS	5.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.7
TRAINING PROGRAM	7.5	0.3	0.4	1.4	0.0	0.3	0.0	0.2	0.0	0.0	0.0	0.0	0.4	10.5
BUSINESS MEETINGS/MEAL	10.1	0.0	4.2	0.0	0.0	0.0	0.0	0.0	0.0	3.1	0.1	0.0	0.0	17.5
AGENCY FEES	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.8
MISCELLANEOUS	-28.8	(1.8)	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-30.2
BANKING RELATED EXP.	102.7	0.1	0.2	0.4	0.5	2.6	2.0	0.4	0.3	(0.8)	0.7	1.1	1.1	112.4
TASK FORCE EXPENSE	356.9	2.5	1.3	2.1	0.0	0.0	0.0	0.0	0.0	11.4	0.0	1.5	0.0	375.7
BUSINESS ORGAN FEE	0.2	0.0	3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.9
CONFERENCE & SEMINARS	2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.2
<b>MISCELLANEOUS</b>	<b>458.3</b>	<b>1.1</b>	<b>10.2</b>	<b>3.9</b>	<b>0.5</b>	<b>2.9</b>	<b>2.0</b>	<b>0.6</b>	<b>0.3</b>	<b>13.7</b>	<b>0.8</b>	<b>2.6</b>	<b>1.5</b>	<b>498.4</b>
<b>CONSULTANTS</b>														
AUDITING EXTERNAL	53.7	2.1	2.1	2.1	2.1	2.1	1.7	1.6	1.6	23.0	3.7	3.7	3.1	102.6
CONSULT., DATA COLLECT.	496.6	0.8	4.3	17.7	0.0	9.7	4.4	4.4	0.0	15.0	5.8	5.0	4.0	567.7
<b>CONSULTANTS</b>	<b>550.3</b>	<b>2.9</b>	<b>6.4</b>	<b>19.8</b>	<b>2.1</b>	<b>11.8</b>	<b>6.1</b>	<b>6.0</b>	<b>1.6</b>	<b>38.0</b>	<b>9.5</b>	<b>8.7</b>	<b>7.1</b>	<b>670.3</b>
<b>SUBTOTAL</b>	<b>2317.2</b>	<b>28.7</b>	<b>43.4</b>	<b>52.5</b>	<b>27.2</b>	<b>40.9</b>	<b>35.5</b>	<b>30.7</b>	<b>26.5</b>	<b>89.4</b>	<b>36.8</b>	<b>35.8</b>	<b>22.0</b>	<b>2786.7</b>

JUL '93  
THRU  
MAR '05

1993 TO MARCH 2006  
(000's)

Page 3

CODE	ACTUALS	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	GRAND TOTAL
RELOCATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RELOCATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RENT	26.1	0.7	0.7	0.7	0.7	0.7	2.9	1.0	0.9	1.3	0.9	0.9	0.9	38.4
RENT	26.1	0.7	0.7	0.7	0.7	0.7	2.9	1.0	0.9	1.3	0.9	0.9	0.9	38.4
UTILITIES	4.6	0.9	0.9	0.9	0.9	0.9	0.6	0.1	0.0	0.1	0.1	0.1	0.1	10.2
UTILITIES	4.6	0.9	0.9	0.9	0.9	0.9	0.6	0.1	0.0	0.1	0.1	0.1	0.1	10.2
TELECOMMUTING	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
TELEPHONE	4.1	0.1	0.1	0.1	0.1	-0.7	0.0	0.0	0.0	0.1	0.1	0.2	0.2	4.4
TELEPHONE	4.3	0.1	0.1	0.1	0.1	-0.7	0.0	0.0	0.0	0.1	0.1	0.2	0.2	4.6
OFFICE EQUIPMENT	0.8	0.0	2.4	0.0	0.0	0.0	0.0	0.0	0.0	2.9	0.0	0.0	0.0	6.1
OFFICE EQUIPMENT	0.8	0.0	2.4	0.0	0.0	0.0	0.0	0.0	0.0	2.9	0.0	0.0	0.0	6.1
SUPPLIES	2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.1
SUPPLIES	2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.1
COURIER	8.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	8.6
POSTAGE	39.1	0.2	0.2	0.3	1.6	0.1	0.5	0.1	0.5	0.8	0.3	0.0	0.2	43.9
POSTAGE	47.2	0.4	0.2	0.3	1.6	0.1	0.5	0.1	0.5	1.1	0.3	0.0	0.2	52.5
PRINTING	10.1	0.0	0.0	0.0	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.6
PRINTING	10.1	0.0	0.0	0.0	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.6
D/P OPERATING EXP.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
D/P OPERATING EXP.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SOFTWARE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SOFTWARE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DATA NETWORK	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DATA NETWORK	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
INSURANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
INSURANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CODE	JUL '93 THRU MAR '05 ACTUALS	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	GRAND TOTAL
NET INVESTMENT INCOME														
INTEREST INCOME	-10097.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-10097.9
LATE PAYMENT CHARGE	-27.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-27.6
NET INVESTMENT INCOME	<u>-10125.5</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>-10125.5</u>
DEPRECIATION/AMORT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEPRECIATION/AMORT	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TAXES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAXES	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
COST ALLOCATION														
COST ALLOCATION	2743.4	18.0	13.0	29.0	22.0	71.0	15.0	16.0	19.0	12.0	24.0	32.0	23.0	3037.4
COST ALLOCATION	<u>2743.4</u>	<u>18.0</u>	<u>13.0</u>	<u>29.0</u>	<u>22.0</u>	<u>71.0</u>	<u>15.0</u>	<u>16.0</u>	<u>19.0</u>	<u>12.0</u>	<u>24.0</u>	<u>32.0</u>	<u>23.0</u>	<u>3037.4</u>
INS AMORTIZATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
INS AMORTIZATION	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL EXPENSES	<u>-5181.8</u>	<u>48.8</u>	<u>60.7</u>	<u>83.5</u>	<u>54.0</u>	<u>112.9</u>	<u>54.5</u>	<u>47.9</u>	<u>47.0</u>	<u>106.9</u>	<u>62.2</u>	<u>69.0</u>	<u>46.4</u>	<u>-4387.9</u>
MANAGER	101.25	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	137.25
TOTAL FORCE	<u>101.25</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>137.25</u>
CONTRACT LABOR	14.07	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.07
TOTAL	<u>115.32</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>151.32</u>
TRIPS	77	0	1	0	0	0	1	1	0	0	0	0	0	80

**INTERSTATE TRS FUND REQUIREMENTS**  
(July 2006 thru June 2007)

	Interstate TRS	IP (excl. Int'l)	Interstate STS	All VRS
1. Proposed Reimbursement Rate	\$1.257	\$1.219	\$1.352	\$6.116
2. Projected Minutes	15,782,923	75,614,576	158,808	51,678,978
3. Fund Size				
a. Projected Reimbursement	\$19,839,134	\$92,174,168	\$214,709	\$316,068,628
4. TRS/IP/STS/VRS Fund Requirement	\$428,296,639			
a. NECA Administrative Costs	\$800,000			
b. Interest Income	(\$2,800,000)			
c. 2005-2006 Surplus to Offset Fund Requirement	(\$40,000,000)			
d. Total Fund Requirement	\$386,296,639			
5. 2005 End User IS Revenues	\$78,500,408,975			
6. Projected Contribution Factor (Item 4c/Item 5)	0.00492			



## Interstate Telecommunications Relay Service (TRS) Fund 2006 - 2007 Monthly Schedule for Reporting Minutes and Associated Disbursement Dates

Includes TRS, Captioned Telephone VCO, Internet Protocol (IP), Speech to Speech (STS) and Video Relay Services (VRS)

Data Month                      Adjustment Months                      Reporting Dates                      Disbursement Dates                      Definitions

**2006**

No Later Than\*

July	April, May, June	August 21	August 28
August	May, June, July	September 21	September 28
September	June, July, August	October 23	October 30
October	July, August, September	November 21	November 28
November	August, September, October	December 21	December 29
December	September, October, November	January 22, 2007	January 30, 2007

**Reporting Date:**

Date reports are due  
(15th work day of the month)

**Data Month:**

Calendar month for which data  
is to be reported

**2007**

January	October, November, December	February 21	February 28
February	November, December, January	March 21	March 28
March	December, January, February	April 20	April 27
April	January, February, March	May 21	May 30
May	February, March, April	June 21	June 28
June	March, April, May	July 23	July 30

**Adjustment Months:**

Prior data months for which  
corrections can be submitted

**Disbursement Date:**

Date payment will be issued  
for data being reported  
(20th work day of month)

\* Contingent upon sufficient funds and data processing time requirements

Questions should be addressed to the  
NECA TRS Administrator on 973-884-8334.

## **8. APPENDICES**

**A.) TRS Provider Data Collection Form and Instructions, October 2005**

**B.) Interstate TRS Advisory Council Information**

**Exhibit 1 Interstate TRS Advisory Council Membership List**

**Exhibit 2 Interstate TRS Advisory Council Meeting Minutes**

April 19, 2005

November 15, 2005



80 South Jefferson Road • Whippany, NJ 07981

Maripat Brennan  
Manager  
TRS Fund Administration

Voice: 973-884-8063  
Fax: 973-884-8262  
E-mail: mbrenna@neca.org

October 3, 2005

**TO: Providers of Telecommunications Relay Service (TRS), Captioned Telephone VCO Service (CTV), Internet Protocol Service (IP), Speech-to-Speech Service (STS), and Video Relay Service (VRS), and All Sub-Contractors**

**SUBJECT: Annual Relay Services Data Request, distributed via email only**

Federal Communications Commission (FCC) rules require NECA, as TRS Fund Administrator, to collect data annually from all providers of TRS and related relay services. This data is used to determine the total cost of providing relay services and to develop the reimbursement rate per completed minute to be paid to providers for traditional TRS and STS interstate minutes and all IP and VRS minutes. Eventually, after the carriers' end-user revenue data is reported on the FCC Form 499A on April 3, both sets of data will be used to calculate the carriers' contribution factor.

The Data Request is designed to gather both actual and projected data to assure that the rate per minute calculations most accurately reflect the costs and demand for interstate TRS and STS services and intrastate and interstate IP and VRS service. Even though sub-contractors will be providing cost and demand data to NECA directly, providers' data should also include their sub-contractors' data. **Please complete the attached Relay Services Data Request and return the forms to NECA as noted on the instructions by January 16, 2006.**

All data provided in the Data Request is treated as proprietary and confidential. Data is not disclosed to anyone other than authorized NECA staff, the auditor of the TRS Fund, or the FCC without prior notice and consent of those providing the data.

NECA will file the proposed 2006 – 2007 rates per minute with the FCC on May 1, 2006 as part of its Annual Report on relay services required by the Commission's rules. The new rates will become effective July 1, 2006 upon Commission approval. Providers will receive reimbursement at the new rates for minutes handled from July 1, 2006 through June 30, 2007.

Your effort and cooperation contribute to the success of this annual process. Please contact Jackie Williams, at [jmwilli@neca.org](mailto:jmwilli@neca.org) or 973-884-8334, or me with any questions you may have on the Data Request.

Yours truly,

Attachment

Cc: Relay Services Provider/Sub-Contractor Distribution List

## RELAY SERVICES PROVIDER/SUB-CONTRACTOR DISTRIBUTION LIST

### Providers:

Ameritech	Beverly A. Smith
AT&T	Susan Panzano
Communication Access Center	Debra MacLean
Hamilton Telecommunications	Dixie Ziegler
Hands-On VRS	Ron Obray
Kansas Relay Service Inc.	Joyce Hightower
MCI	Tiina Keder
Nordia	Martin Beaulac
Sorenson Media	Pat Nola
Sprint	Paul Ludwick

### Sub-Contractors:

Birnbaum Interpreting Services	David Birnbaum
Communications Services for the Deaf	Randy Gerloff
Gallaudet Interpreting Service	Paul Kelly Deborah Van Cleve
Go America	Dan Luis
New Mexico Relay Network	Romy Cordova
Precision Response Corp.	Walter Berger Lynda Cannon
SBC	David Rosenthal Raul Mercado
Society's Assets	Bruce Nelson
Ultratec	Rob Engelke

# RELAY SERVICES DATA REQUEST INSTRUCTIONS

## A. GENERAL INFORMATION

In filling out the Relay Services Data Request form, bear in mind these general principles:

- **Do not include profit or tax allowances in expenses.** (FCC 04-137, ¶179-182)
- Only expenses to meet the **non-waived mandatory minimum standards** should be included. (FCC 04-137, ¶188-190)
- NECA will perform a **comparative analysis of all providers' data as part of determining reasonable costs.**
- Costs **must** be allocated between TRS and non - TRS services and the allocation methodology **must** be described. (FCC 04-137, ¶182, FN 520)
- If costs are allocated across TRS services (i.e. TRS, IP, STS, VRS), the allocation methodology **must** be described.
- Capital investment data, if applicable, must be submitted by service. **NECA will calculate an 11.25% rate of return on capital investment.** The result of this calculation will be included in the development of the 2006-2007 TRS, IP, STS, and VRS compensation rates. (FCC 04-137, ¶177-182)
- **If depreciated expenses are reported , the year end net book value of the capital investment from which depreciation was computed must be reported in Section F.**
- **NECA will apply a factor of 1.4% as an allowance for working capital to the total average cost per minute for each service to arrive at the reimbursement rate for each service.** The 1.4% represents one-twelfth (or one month) of the 11.25% rate of return, plus a tax allowance. (DA 04-1999, ¶16, FN 53)

This request has been designed to identify total traditional Telecommunications Relay Service (TRS), Internet Protocol (IP) Relay Service, Speech-to-Speech (STS) Service, Video Relay Service (VRS), and Captioned Telephone VCO (CTV) expense and demand data requirements. Providing this information will assure consistency in the development of an average rate per interstate minute for traditional TRS (including CTV), and all IP Relay minutes; a separate average rate per interstate minute for STS; and an average per minute rate for VRS to be effective July 2006 through June 2007. Expense data submitted on this data request should be:

- **total annual expenses** of providing traditional TRS, IP Relay, STS, VRS and CTV in English and Spanish, including local, intrastate, interstate and international expenses
- reported in **only one category**; the section total of expense categories should reflect the total expenses of providing each service (i.e. TRS, IP, STS, VRS and CTV).
- **actual 2004** expenses, **annualized** expenses for **2005**, and **projected** expenses for **2006 and 2007**

**If your company provides Traditional TRS, IP, STS, VRS and CTV**, please complete the appropriate expense page for each of the services performed. Each expense form is identified by service on the first line of the form.

**All reasonable expenses** of providing eligible relay services, whether as part of a state-contracted service or a stand-alone service, **are reportable** for inclusion in the development of the reimbursement rate. Return completed responses on or before **January 16, 2006** to:

Jackie Williams  
NECA TRS Fund Administration  
80 South Jefferson Road, Room N3097  
Whippany, New Jersey 07981

**Revisions to the January 16<sup>th</sup> submission will not be accepted after February 3, 2006.**

-NECA PROPRIETARY-

# RELAY SERVICES DATA REQUEST INSTRUCTIONS

*The original signed forms must be returned to NECA.* Questions concerning the data request should be referred to Maripat Brennan at 973-884-8063 or via email to [mbrenna@neca.org](mailto:mbrenna@neca.org). Also, Jackie Williams at 973-884-8334 or via e-mail at [jwilli@neca.org](mailto:jwilli@neca.org) is available to answer questions. This data will be the basis for reimbursement rates for all relay services, as well as the total fund size requirement. Carrier revenue information to determine the contribution base will be filed on April 3, 2006 via the FCC Form 499-A, Telecommunications Reporting Worksheet. NECA will use the provider cost and demand information and the carrier revenue information to calculate the carrier contribution factor. **On May 1, 2006, NECA will file with the FCC its proposed provider reimbursement rates for each eligible form of TRS, as well as its proposed fund size requirement and carrier contribution factor for the fund year July 1, 2006 through June 30, 2007.**

## B. FORM INSTRUCTIONS

### Provider Identification

- A. **Service Provider/Administrator:** Provide the requested information about the service provider -- the entity responsible for providing TRS/IP/STS/VRS and CTV. The contact name requested is the name of the person who will serve as the official provider interface for the interstate TRS Fund Administrator.
- B. **Data Request Response:** List the name and contact information for the person to whom questions and requests for clarification regarding the data request response should be directed.
- C. **Changes, Activities & Improvements:** If significant changes have occurred or are expected to occur with this service, please provide an explanation.
- D. **Other Information:** Provide the requested information for each state served. The rate information is confidential and will not be shared with anyone outside of NECA. Indicate with a check whether the rate is for a completed/conversation or a total/session minute.

**Center Location:** Please provide address, city and state, and the hours of operation for VRS centers.

## I. Total Traditional TRS Expense Data

Include **reasonable expenses attributable to providing traditional TRS** in English and Spanish as required under Part 64 of the FCC rules, such as gathering traffic, the center itself, and handing off calls to the interexchange carrier. TRS expenses do not include the expenses of the interexchange carrier terminating the call after it leaves the center. Those expenses are recovered by the carrier from the TRS user. When reporting expenses, please **round only to the next dollar**; report all amounts in whole dollars.

### A. Annual Recurring Fixed/Semi-Variable Expenses

1. **Rent:** Annual payments solely for land and/or buildings rented for the provision of TRS.
2. **Utilities:** Expenses associated with land and buildings, such as water, sewerage, fuel, T1 lines, internet connectivity and power. **Telephone service expenses, such as center toll free numbers, local and foreign exchange should also be included here.** Also see ITEM B. 4.
3. **Building Maintenance:** Expenses for maintenance and repair.
4. **Property Tax (if owned):** Taxes paid on property owned and used for the provision of TRS.
5. **Furniture (if leased):** Lease or rental expenses associated with center furnishings.
6. **Office Equipment (if leased):** Lease or rental expenses associated with office equipment.

**Subtotal Section A expenses.**

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# RELAY SERVICES DATA REQUEST INSTRUCTIONS

## B. Annual Recurring Variable Expenses (Direct TRS Operational Expenses)

1. **Salaries and Benefits:** Compensation to *non-management employees (persons performing communications assistant and interpreter activities)*, such as wages, salaries, commissions, bonuses, incentive awards and termination payments; payroll related benefits paid on behalf of employees, such as pensions, savings plans, workers' compensation required by law, insurance plans (life, hospital, medical, dental, vision); and social security and other payroll taxes. **Included in this expense is the cost of "contract interpreters and/or communication assistants" who are not employees.** **ADDITIONAL DATA REQUIRED – see Appendix 1**
2. **Salaries and Benefits:** Compensation to *management employees (relay center managers & supervisors)*, such as wages, salaries, commissions, bonuses, incentive awards and termination payments; payroll related benefits paid on behalf of employees, such as pensions, savings plans, workers' compensation required by law, insurance plans (life, hospital, medical, dental, vision); and social security and other payroll taxes. **ADDITIONAL DATA REQUIRED – see Appendix 1**
3. **Salaries and Benefits:** Compensation to *relay center staff*, such as wages, salaries, commissions, bonuses, incentive awards and termination payments; payroll related benefits paid on behalf of employees, such as pensions, savings plans, workers' compensation required by law, insurance plans (life, hospital, medical, dental, vision); and social security and other payroll taxes. **ADDITIONAL DATA REQUIRED – see Appendix 1**
4. **Telecommunications Expenses:** Expenses associated with inspecting, testing, analyzing and correcting trouble; repairing or reporting on telecommunications plant (switching, transmission, operator, cable and wire) to determine need for repairs, replacements, rearrangements, and changes; expenses for activities, such as controlling traffic flow, administering traffic measuring and monitoring devices, assigning equipment and load balancing, collecting and summarizing traffic data, administering trunking, and assigning interoffice facilities and circuit layout work. **Note: expenses reported here are in addition to the telephone service expenses reported in Section A 2.**
5. **Telecommunications Services Priority (TSP):** Expenses associated with providing TSP coverage. This coverage is limited to voice and busy-out circuits from the 9-1-1 selective router to the PSAP. In addition, expenses for the data circuits from the PSAP to the pooled ALI host (ALI data circuits) are to be included. **ADDITIONAL DATA REQUIRED- see Appendix 1**
6. **Billing Expenses:** Rating of toll messages and billing functions not recovered from other sources.
7. **Relay Center Expenses:** Expenses not included in other accounts, such as providing food services, libraries, archives, mail service, procuring office equipment, office supplies, materials and repairs.

**Subtotal Section B expenses.**

## C. Annual Administrative Expenses

- **To the extent these expenses cover TRS and non-TRS services, the expenses must be allocated and the basis for allocation explained.**
1. **Finance/Accounting:** Expenses incurred in providing accounting and financial services. Accounting services include payroll and disbursements, property accounting, capital recovery, regulatory accounting, tax accounting, auditing, capital and operating budget and control, and general accounting. Financial services include banking operations, cash management, benefit investment fund management, etc. **ADDITIONAL DATA REQUIRED - see Appendix 1**
  2. **Legal/Regulatory:** Expenses incurred for legal and regulatory services. Legal services include conducting and coordinating litigation, providing guidance on regulatory and labor matters, court expenses, filing fees, cost of counsel, etc. Regulatory services include preparing and presenting information for regulatory purposes, such as responding to this data request. **ADDITIONAL DATA REQUIRED - see Appendix 1**

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## RELAY SERVICES DATA REQUEST INSTRUCTIONS

3. **Engineering:** Expenses incurred in the general day to day engineering operation of the TRS telecommunications plant and /or IP network to meet applicable non-waived mandatory minimum standards. **ADDITIONAL DATA REQUIRED** – see Appendix 1
4. **Research and Development:** Expenses incurred for R&D required to meet applicable non-waived mandatory minimum standards. **ADDITIONAL DATA REQUIRED** – see Appendix 1
5. **Operations Support:** Expenses that assure the sustainability of service including troubleshooting, customer service and technical support.
6. **Human Resources:** Expenses incurred in performing personnel administration activities, including recruiting, hiring, forecasting, planning, training, scheduling , counseling employees and reporting. **ADDITIONAL DATA REQUIRED** – see Appendix 1
7. **Billing:** Administrative expenses of rating and providing billing information to interexchange and exchange carriers, if not recovered by other means. **ADDITIONAL DATA REQUIRED** - see Appendix 1
8. **Contract Management:** Expenses of managing activities required by the provider contracts. **ADDITIONAL DATA REQUIRED** – see Appendix 1
9. **Risk Management:** Management expenses associated with workmen's compensation, payments in settlement of accident and damage claims, insurance premiums against losses and damages, sickness and disability payment, etc.
10. **Other Corporate Overheads:** Other administrative expenses of providing TRS not included in previous categories. All costs over \$10,000 should be itemized. **ADDITIONAL DATA REQUIRED** – see Appendix 1

Subtotal Section C expenses.

### D. Annual Depreciation/Amortization Associated with Capital Investment

- Depreciation listed in this section **MUST** tie to the capital investment reported in Section F.

1. **Furniture & Fixtures:** Depreciation expense on furniture and/or fixtures. **ADDITIONAL DATA REQUIRED** – see Appendix 1
2. **Telecommunications Equipment:** Depreciation expense associated with capitalized expenses of telecommunications equipment including switching equipment, operator services equipment, cable and wire facilities, transmission equipment, and power equipment. **ADDITIONAL DATA REQUIRED** – see Appendix 1
3. **Leasehold:** Amortization of leasehold improvements – improvements which become a permanent part of a building, like walls or carpeting. **ADDITIONAL DATA REQUIRED** – see Appendix 1
4. **Other Capitalized:** TRS depreciation expense not accounted for in other categories. **ADDITIONAL DATA REQUIRED** – see Appendix 1

Subtotal Section D expenses.

### E. Other TRS Expenses

1. **Marketing/Advertising:** Expenses associated with promoting TRS services within the community. All costs over \$10,000 should be itemized. **The cost of equipment given to, sold to, and/or used by relay callers, and call incentives are NOT to be reported as expenses.** **ADDITIONAL DATA REQUIRED** – see Appendix 1
2. **Outreach:** Expenses of programs to educate the public on TRS. **ADDITIONAL DATA REQUIRED** – see Appendix 1

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