



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Sean Parnell, Governor
Susan K. Bell, Commissioner
T.W. Patch, Chairman

Regulatory Commission of Alaska

July 29, 2013

Marlene H. Dortch,
Office of the Secretary
Federal Communications Commission
445 12th St., SW, Rm TW-B204
Washington, DC 20554

Re: In the Matter of Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, CG Docket No. 03-123

Dear Ms. Dortch:

In compliance with 47 C.F.R. 64.606(f) and CG Docket No. 03-123, the Regulatory Commission of Alaska ("RCA") gives notice of a recent change of the Telecommunications Relay Service ("TRS") provider serving in Alaska. The RCA selected Sprint Communications Company L.P. ("Sprint") as Alaska's TRS provider effective July 1, 2013.¹ Sprint is certificated as Alaska's TRS provider for a minimum period of five years. The RCA may select a new provider after five years or retain Sprint for an additional five years.

The RCA also certifies that the Alaska TRS program continues to meet the minimum standards for TRS specified in 47 C.F.R. §64.604 after the selection of Sprint as Alaska's TRS provider. State regulations governing TRS provision in Alaska adopt the federal TRS standards and require the state's TRS provider to meet or exceed federal requirements concerning all operational, technical, and functional minimum standards for TRS in 47 C.F.R. §64.604.²

If you have questions regarding this matter please contact John Paul Manaois, Communications Common Carrier Specialist, at (907) 263-2174 or john.paul.manois@alaska.gov.

Sincerely,

T.W. Patch,
Chairman

Enclosure:
Order U-12-088(7), issued June 11, 2013

¹See attached Order U-12-088(7), dated June 11, 2013.

²3 AAC 51.020(e)(1).

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STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

T.W. Patch, Chairman
Paul F. Lisankie
Robert M. Pickett
Norman Rokeberg
Janis W. Wilson

In the Matter of the Selection of a)
Telecommunications Relay Service Provider in)
Alaska Pursuant to 3 AAC 51.010 -)
3 AAC 51.199)

U-12-088

ORDER NO. 7

**ORDER SELECTING TELECOMMUNICATIONS RELAY SERVICE
PROVIDER, ISSUING CERTIFICATE, AND REQUIRING FILINGS**

BY THE COMMISSION:

Summary

We select Sprint Communications Company L.P. (Sprint) as Alaska's Telecommunications Relay Service (TRS) provider for at least the next five years,¹ effective July 1, 2013. We require Sprint to file a bond and make other filings. We issue Certificate of Public Convenience and Necessity No. 750 to Sprint.

Background

We issued an order seeking applications to provide TRS in Alaska for at least the next five years under 3 AAC 51.020(a).² We held a consumer input hearing on

¹3 AAC 51.020(d).

²Order U-12-088(1), *Order Seeking Applications to Provide Telecommunications Relay Service in Alaska; Scheduling Consumer Input Hearing and Providing Opportunity for Written Comment; Addressing Timeline for Decision; Designating Commission Panel; and Appointing Administrative Law Judge*, dated June 11, 2012 (Order U-12-088(1)).

1 August 22, 2012, to accept comments from the TRS consumer community and other
2 interested persons regarding TRS in Alaska.³ We received applications from two
3 prospective TRS providers: Hamilton Telephone Company d/b/a Hamilton
4 Telecommunications (Hamilton)⁴ and Sprint.⁵ We requested additional information from
5 the applicants regarding Video Relay Service (VRS). We received responses from both
6 Hamilton⁶ and Sprint.⁷ A public hearing on the applications was held on March 26,
7 2013.⁸ We received public comments plus written and oral presentations from Hamilton
8 and Sprint at the public hearing.⁹

9 Discussion

10 TRS includes those services that enable deaf, hard of hearing, and
11 speech impaired persons to communicate by telephone with others. TRS also includes
12 services required to provide deaf, hard of hearing, and speech impaired persons with
13 reasonable access to all phases of public telephone service.¹⁰ TRS is mandated by
14

15 ³Order U-12-088(1) at 7-8; Tr. 2-17.

16 ⁴*Applications to Provide Telecommunications Relay Service in Alaska Docket*
17 *U-12-088 Order No. 1 Revised Filing Date: November 1, 2012*, filed October 31, 2012
(Hamilton Application).

18 ⁵*Application to Provide Telecommunications Relay Services in Alaska*, filed
19 November 1, 2012 (Sprint Application).

20 ⁶Correspondence from B. Slough, filed March 18, 2013 (Slough
Correspondence).

21 ⁷Correspondence from J. Skjeveland, filed March 19, 2013 (Skjeveland
Correspondence).

22 ⁸Order U-12-088(4), *Order Scheduling Public Hearing*, dated March 4, 2013;
23 Order U-12-088(5), *Order Rescheduling Public Hearing*, dated March 8, 2013.

24 ⁹Tr. 47-151; *Hamilton Relay is Relay Your Way*, filed March 26, 2013, by
Hamilton; *Empowering Tomorrow, Today*, filed March 26, 2013, by Sprint.

25 ¹⁰AS 42.05.296(a).

1 federal and state law.¹¹ We adopted the regulations at 3 AAC 51 to implement this
2 mandate.¹² These regulations govern our selection of a TRS provider for Alaska.¹³

3 Hamilton began as the local exchange service provider for Hamilton
4 County, Nebraska in 1901, and started providing relay service in 1991.¹⁴ Hamilton
5 currently provides TRS and Captioned Telephone (CapTel) services in 18 states and
6 United States territories.¹⁵ Hamilton stated that it would process Alaska relay calls
7 through its relay centers in Georgia, Louisiana, Maryland, Massachusetts, and
8 Nebraska.¹⁶ Hamilton asserted that Alaska relay users would receive the same high
9 quality and professional service that Hamilton provides in other states.¹⁷

10 Sprint started providing TRS in 1990.¹⁸ Sprint has TRS and CapTel call
11 centers in Minnesota, South Dakota, Texas, Wisconsin, Ohio, New York, Hawaii, and
12 New Zealand.¹⁹ Sprint currently provides TRS and CapTel services in 30 states and
13 Puerto Rico, for various federal government installations, and in New Zealand.²⁰ Sprint
14 asserted that it would provide TRS service in Alaska using the same equipment and
15 technology as it does in other states. Sprint claimed that it would also provide a
16

17 ¹¹47 U.S.C. § 225; AS 42.05.296(a).

18 ¹²3 AAC 51.010 - 3 AAC 51.199.

19 ¹³3 AAC 51.020.

20 ¹⁴Hamilton Application, Executive Summary at 1-2.

21 ¹⁵Hamilton Application, Executive Summary at 2-4; Attachment B.

22 ¹⁶Hamilton Application, Executive Summary at 20.

23 ¹⁷Hamilton Application, Executive Summary at 2 and 20.

24 ¹⁸Sprint Application at 1.

25 ¹⁹Sprint Application at 7.

26 ²⁰Sprint Application at 7.

1 customized outreach and equipment distribution program in Alaska.²¹ Sprint has
2 contracted with Communication Service for the Deaf, Inc. (CSD) to provide call center
3 services.²² CSD has provided TRS service in Alaska since 2002.²³

4 We required the applicants to provide us with the basic information
5 required by 3 AAC 51.020(e),²⁴ plus additional information and filings.²⁵ In reviewing
6 competing TRS provider applications, we ranked the applicants using the weighting
7 criteria set out in 3 AAC 51.020(e) and (f):

- 8 1) price for basic TRS expressed in dollars and cents per billable minute –
9 (40 percent);

12 ²¹Sprint Application at 2.

13 ²²Sprint Application at 18.

14 ²³Order U-01-065(3), *Order Selecting TRS Provider*, dated September 21, 2001.

15 ²⁴3 AAC 51.020(e) states:

16 In addition of the application information required under (a) of this section,
17 a TRS applicant shall provide documentation that verifies the applicant
18 has

18 (1) the ability to meet or exceed federal requirements concerning all
19 operational, technical, and functional minimum standards for TRS
20 specified in 47 C.F.R. 64.604, issued June 21, 2000; and

21 (2) procedures to

21 (A) solicit input from users of the service and carriers whose
22 customers use TRS;

22 (B) fairly and expeditiously resolve customer complaints;

23 (C) develop and implement community outreach and education
24 services and programs; and

24 (D) provide for TTY equipment distribution to customers.

25 ²⁵Order U-12-088(1) at 3-7.

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- 2) quality of service (40 percent), which includes:
 - a) the ability to meet or exceed federal requirements concerning all operational, technical, and functional minimum standards for TRS; and;
 - b) procedures for (i) soliciting input from users of the service and carriers whose customers use TRS; (ii) fairly and expeditiously resolving customer complaints; (iii) developing and implementing community outreach and education services and programs; and (iv) providing for text telephone (TTY)²⁶ equipment distribution to customers;²⁷ and
- 3) availability of, and price for, optional services and ability to meet or exceed any other criteria specified in Order U-12-088(1) (20 percent).

Evaluation of Applications

Price for Basic TRS

Federal rules require TRS providers to provide the following basic TRS calls: (1) text-to-voice and voice-to-text; (2) voice carry over (VCO),²⁸ two-line VCO,

²⁶3 AAC 51.199(10).

²⁷In general we will refer to these four sub-components as the “outreach service quality procedures.”

²⁸Voice carry over (VCO). A form of TRS where the person with hearing disability is able to speak directly to the other end user. The CA [Communications Assistant] types the response back to the person with the hearing disability. The CA does not voice the conversation. Two-line VCO is a VCO service that allows TRS users to use one telephone line for voicing and the other for receiving TTY messages. A VCO-to-TTY TRS call allows a relay conversation to take place between a VCO user and a TTY user. VCO-to-VCO allows a relay conversation to take place between two VCO users (47 C.F.R. § 64.601(a)(29)).

1 VCO-to-TTY,²⁹ VCO-to-VCO;³⁰ and (3) hearing carry over (HCO),³¹ two-line HCO,
2 HCO-to-TTY, HCO-to-HCO.³² Federal rules also require TRS providers to provide call
3 release, speed dialing, and three-way calling features.³³

4 We directed the applicants to submit separate pricing for traditional TRS,
5 CapTel service, Speech-to-Speech relay service (STS), TTY equipment for distribution
6 to customers, and the monthly price proposed for outreach and educational services.³⁴
7 We allowed applicants to submit proposed TRS, CapTel, and STS prices on a per
8 minute or a monthly flat rate basis.³⁵ Hamilton and Sprint proposed prices for these
9 services on a per minute basis.³⁶ The following chart indicates the prices proposed by
10 the applicants for these services:

Service	Hamilton	Sprint
Traditional TRS	\$1.95/minute	\$1.30/minute
CapTel	\$1.95/minute	\$1.70/minute
STS	\$1.95/minute	\$1.30/minute

14
15 ²⁹Text telephone (TTY). A machine that employs graphic communication in the
16 transmission of coded signals through a wire or radio communication system (47 C.F.R.
§ 64.601(a)(23)).

17 ³⁰47 C.F.R. § 64.601(a)(29).

18 ³¹Hearing carry over (HCO). A form of TRS where the person with the speech
19 disability is able to listen to the other end user and, in reply, the CA speaks the text as
20 typed by the person with the speech disability. The CA does not type any conversation.
21 Two-line HCO is an HCO service that allows TRS users to use one telephone line for
hearing and the other for sending TTY messages. HCO-to-TTY allows a relay
conversation to take place between an HCO user and a TTY user. HCO-to-HCO allows
a relay conversation to take place between two HCO users (47 C.F.R. § 64.601(a)(9)).

22 ³²47 C.F.R. § 64.604(a)(3)(v).

23 ³³47 C.F.R. § 64.604(a)(3)(vi).

24 ³⁴Order U-12-088(1) at 4.

25 ³⁵Order U-12-088(1) at 4.

26 ³⁶Hamilton Application, Tab 8 at 1; Sprint Application at 69.

1 We use the following formula for awarding points for the basic TRS price
2 criteria:

3
$$\text{Basic TRS price points} = \text{Lowest bid} \div \text{applicant's bid} \times 40 \text{ points}^{37}$$

4 For having the lowest bid price for basic TRS, Sprint is awarded 40 points.³⁸ Hamilton
5 is awarded 27 points.³⁹

6 Quality of Service

7 In order to meet the quality of service requirements, we required the
8 applicants to provide information demonstrating their ability to meet or exceed federal
9 requirements concerning all operational, technical, and functional minimum standards
10 for TRS.⁴⁰ We also required each applicant to:

- 11
- 12 • describe the corrective action it would take if it failed to meet its committed performance levels;
 - 13 • submit procedures for soliciting input from TRS users and carriers;
 - 14 • submit procedures for complaint resolution;
 - 15 • submit procedures for outreach and education;
 - 16 • submit procedures for TTY distribution; and
 - 17 • submit a detailed budget for the proposed first year outreach and education expenditures.⁴¹

18 We encouraged applicants to demonstrate their knowledge of Alaska and the particular
19 needs of its TRS user community.⁴²

20 ³⁷Order U-01-065(3), *Order Selecting TRS Provider*, dated September 21, 2001,
21 at 3.

22 ³⁸ $[\$1.30 \div \$1.30] \times 40 = 40 \text{ points.}$

23 ³⁹ $[\$1.30 \div \$1.95] \times 40 = 26.67 \text{ points.}$

24 ⁴⁰Order U-12-088(1) at 5.

25 ⁴¹Order U-12-088(1) at 5.

26 ⁴²Order U-12-088(1) at 5.

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Federal Standards

We require the TRS provider to meet or exceed the federal TRS requirements set out in 47 C.F.R. 64.604.⁴³ The federal mandatory minimum standards for TRS are divided into three categories: operational,⁴⁴ technical,⁴⁵ and functional⁴⁶ standards. Operational standards include training and skill requirements for Communications Assistants (CAs), the manner in which TRS calls are handled, and types of TRS calls provided. Technical standards include the requirement for equal access to interexchange carriers, the provision of caller ID service, adequate facility staffing, and minimum speed in answering TRS calls. Functional standards include complaint resolution and maintenance of customer complaint logs.

Hamilton and Sprint provided information that showed their ability to meet or exceed all applicable federal minimum operational, technical, and functional minimum standards for TRS. The applicants noted that their CAs have sufficient training and competent skills required to effectively meet the communication needs for TRS.⁴⁷

Hamilton and Sprint stated that they would provide the required federal basic TRS calls and other variations such as VCO-HCO, HCO-VCO, reverse two-line HCO and VCO, VCO and HCO with privacy, and other call features and services.⁴⁸

⁴³3 AAC 51.020(e)(1).

⁴⁴47 C.F.R. § 64.604(a).

⁴⁵47 C.F.R. § 64.604(b).

⁴⁶47 C.F.R. § 64.604(c).

⁴⁷Hamilton Application, Tab 1 at 11, 16; Sprint Application, Exhibit 2 at 96, 117.

⁴⁸Hamilton Application, Tab 1 at 61-66, Attachment C; Sprint Application, Exhibit 2 at 131-134, Exhibit 8.

1 Hamilton and Sprint also stated that they would provide call release, speed dialing, and
2 three-way calling features as required by the federal rules.⁴⁹

3 Hamilton noted that third party quality testing conducted by the Paisley
4 Group, Ltd (PGL) indicated that Hamilton was tied for first place for TTY calls that are
5 60 words per minute (wpm) or greater.⁵⁰ Sprint noted that in audits conducted by PGL
6 in 2011 and 2012, Sprint's CAs typed an average of 77.5 wpm.⁵¹

7 Hamilton and Sprint stated that they have adequate staff to provide
8 sufficient service to Alaskan TRS users.⁵² Hamilton noted that it had sufficient
9 workstations and trunk facilities in all relay centers and maintained at least 10 percent
10 more workstations than normally needed to accommodate increased call volumes.⁵³
11 Hamilton also submitted a proposed disaster recovery plan⁵⁴ and a step-by-step
12 description of call processing.⁵⁵

13 Sprint stated that it had 10 TRS, CapTel, and Relay customer service
14 centers throughout the U.S., which ensured adequate staffing for TRS and CapTel
15 calls.⁵⁶ Sprint noted that it samples average answer times every 15 minutes to analyze

17 ⁴⁹Hamilton Application, Tab 1 at 66-67; Sprint Application, Exhibit 2 at 134-135.

18 ⁵⁰Hamilton Application, Tab 1 at 35 (PGL tests were made between January 3,
19 2012, and February 15, 2012).

20 ⁵¹Sprint Application, Exhibit 2 at 122.

21 ⁵²Hamilton Application, Tab 1 at 92; Sprint Application, Exhibit 2 at 144.

22 ⁵³Hamilton Application, Tab 1 at 92-93.

23 ⁵⁴Hamilton Application, Executive Summary at 40 (disaster recovery plan is
24 designated as Attachment L, granted confidential treatment by Order U-12-088(3),
25 *Order Granting Petition for Confidential Treatment and Denying Petition for Confidential*
26 *Treatment*, dated November 30, 2012).

⁵⁵Hamilton Application, Tab 1 at 89-91.

⁵⁶Sprint Application, Exhibit 2 at 144.

1 call processes and volumes and to make adjustments as necessary.⁵⁷ Sprint also
2 noted that it had redundant switches and back-up power systems.⁵⁸

3 The applicants affirmed that they will answer 85 percent of all calls within
4 10 seconds as required by federal rules.⁵⁹ Hamilton's call records from September
5 2011 through August 2012 indicated an average of 94.76 percent answered calls in
6 10 seconds.⁶⁰ Sprint stated that for 2009 through 2011, it and CSD answered over 95
7 percent of Alaska TRS calls within 10 seconds.⁶¹

8 Corrective Action

9 Hamilton stated that it would provide TRS and CapTel no later than 90
10 days after certification or agree to pay a penalty of \$5,000 each day thereafter until
11 service begins.⁶² Hamilton also stated that it would answer 85 percent of all Alaska
12 relay calls within 10 seconds in compliance with federal service level standard.
13 Hamilton proposed that there would not be a penalty for the first four cumulative
14 violations of the 10 seconds requirement per calendar month. For the fifth violation of
15 any month, Hamilton would credit the commission \$1,000.⁶³

16 Sprint asserted that its operating practice is to meet or exceed all federal
17 and contractual requirements.⁶⁴ Sprint stated that a system of incentives to promote

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19 ⁵⁷Sprint Application, Exhibit 2 at 144-145.

20 ⁵⁸Sprint Application at 10; Exhibit 2 at 149; Exhibit 12 for Sprint's network
21 configuration.

22 ⁵⁹Hamilton Application, Tab 1 at 95; Sprint Application, Exhibit 2 at 145.

23 ⁶⁰Hamilton Application, Tab 1 at 96-97.

24 ⁶¹Sprint Application, Exhibit 2 at 145.

25 ⁶²Hamilton Application, Tab 1 at 1.

26 ⁶³Hamilton Application, Tab 1 at 1.

⁶⁴Sprint Application at 81.

1 performance that exceeds the minimum levels is more effective than a system of
2 penalties as imposing penalties only promotes incentive to meet the minimum service
3 levels.⁶⁵ Sprint stated that an example of an incentive could be granting a bonus rate
4 for exceeding service requirements or exceptional service.⁶⁶

5 Procedures

6 Hamilton stated that it would seek feedback from relay users, the
7 commission, the Alaska Relay Board,⁶⁷ and consumer organizations regarding the
8 quality of service provided by Hamilton.⁶⁸ Some of the steps Hamilton would implement
9 to gather feedback from consumers include the use of a customer inquiry form, survey
10 tools, and customer service contacts.⁶⁹ Hamilton stated that it would have an Outreach
11 Coordinator in the state that would receive opinions and suggestions from consumers.⁷⁰

12 For resolution of customer complaints, Hamilton provided a process which
13 included inquiries for TRS and outreach materials being handled by a customer service
14 representative and outreach coordinator.⁷¹ Issues related to CAs would be directed to
15 the CA supervisor and Relay Center Manager. Complaints related to service or

16 _____
17 ⁶⁵Sprint Application at 81.

18 ⁶⁶Sprint Application at 81.

19 ⁶⁷The Alaska Relay Board is composed of a voluntary group who use relay
20 services and members of the Alaska Telephone Association or local exchange carriers.
21 The current board members include Steve Merriam, Chief Executive Officer of ASTAC,
22 Daniel LaBrosse, Pamela Mueller-Guy, and Dean Gates as representatives of the
23 Deaf/Hard of Hearing community, and Albert Berke as an honorary representative of the
24 Deaf/Hard of Hearing community ([http://www.alaskarelay.com/PDF/news/
25 Alaska_NL_dec_12.pdf](http://www.alaskarelay.com/PDF/news/Alaska_NL_dec_12.pdf)).

26 ⁶⁸Hamilton Application, Tab 7 (Consumer Input) at 1.

⁶⁹Hamilton Application, Tab 7 at 2.

⁷⁰Hamilton Application, Tab 1 at 133.

⁷¹Hamilton Application, Tab 1 at 129-130.

1 procedural issues would be directed to internal personnel and discussed at staff
2 meetings. Technical issues would be directed to Hamilton's technical support staff. If a
3 customer was not satisfied with any action taken by Hamilton, the customer would be
4 able to escalate the complaint to the commission.⁷² Hamilton stated that it would
5 answer all customer inquiries within 24 hours and resolve all complaints within 10 days
6 depending on the complexity of the problem.⁷³

7 Hamilton discussed the functions of its Alaska Relay Outreach
8 Coordinator. These include: a) designing an annual outreach plan to promote TRS and
9 CapTel, b) coordinating and implementing outreach and educational relay programs
10 across the state, c) delivering presentations to prospective customers on all relay
11 services, d) determining how to improve the overall quality of relay services, and e)
12 meeting with the commission to review and plan the outreach services and equipment
13 distribution program.⁷⁴

14 Hamilton stated that it would subcontract the equipment distribution
15 program to Converse Communications Corporation (Converse), but that it will be
16 responsible for Converse's performance and consumer's contact for the program.⁷⁵
17 Hamilton stated that the eligibility criteria for the equipment distribution program would
18 include: proof of Alaskan residency; having a hearing loss certificate from a doctor,
19 audiologist's report, or speech-language pathologist; must be a first time applicant that
20
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22 ⁷²Hamilton Application, Tab 1 at 130.

23 ⁷³Hamilton Application, Tab 1 at 130.

24 ⁷⁴Hamilton Application, Tab 1 at 134-135; Attachment A at 124 (includes the job
description of the Outreach Coordinator).

25 ⁷⁵Hamilton Application, Attachment D at 11.

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1 does not currently have program equipment; and requirement that the applicant
2 maintain a landline service.⁷⁶

3 Sprint stated that it would seek feedback from the commission, the
4 Advisory Board, individual TRS users, including local organizations, schools, agencies,
5 and businesses serving relay users.⁷⁷ Sprint also stated that it would use several
6 methods to gather consumer input. These include: a) a quick online survey placed on
7 the Alaska Relay website, b) communication with the Relay Program Manager and
8 Relay Ambassadors, c) access to customer service, and d) personal consultation at
9 tradeshows and conferences.⁷⁸

10 Sprint provided a tracking process for dealing with customer complaints.⁷⁹
11 Sprint stated that all complaints would be addressed within 24 hours either through the
12 customer service, on-site technical support, or the Relay Program Manager.⁸⁰
13 Complaints (and commendations) would be entered into Sprint's Customer Contact
14 Online Database, which would notify the appropriate person.⁸¹ Complaints related to
15 CAs would be resolved by the CA's supervisor and, if unresolved by the supervisor,
16 would be escalated to the Relay Program Manager.⁸²

17 Sprint stated that, having heard the public comments in this proceeding, it
18 would develop and implement an effective community outreach and education to
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20 ⁷⁶Hamilton Application, Attachment D at 11.

21 ⁷⁷Sprint Application at 21-22.

22 ⁷⁸Sprint Application at 22-23, 81.

23 ⁷⁹Sprint Application at 29.

24 ⁸⁰Sprint Application at 28.

25 ⁸¹Sprint Application at 30.

26 ⁸²Sprint Application at 30.

1 support Alaska Relay.⁸³ Sprint stated that it would implement a Relay Ambassador
2 Program which would allow local individuals, associations, groups, or business to
3 support the outreach program.⁸⁴ The responsibilities of the Relay Ambassadors would
4 include: a) formal presentations, b) on-site training, c) workshops, d) brochures and
5 exhibits, e) one-on-one assistance, f) advertisements, and g) onsite equipment
6 distribution.⁸⁵ Sprint noted that many local organizations had shown interest in
7 becoming Relay Ambassadors.⁸⁶

8 Other than TTY units, Sprint stated that it would include CapTel phones as
9 part of the equipment distribution program. Sprint stated that it would distribute up to
10 120 units of Relay equipment annually.⁸⁷ The Relay Program Manager and Relay
11 Ambassadors would implement distribution of applications and distribution of equipment
12 to eligible customers.⁸⁸ Eligibility for the equipment distribution program would include:
13 proof of Alaska residency and a written verification that certifies a hearing or speech
14 impairment.⁸⁹

15 Budget for First Year Outreach and Educational Expenditures

16 Hamilton provided a monthly budget of \$12,500 (\$150,000 per year) for
17 outreach and education program, which would be used to fund labor costs, advertising,
18 outreach materials, and other activities related with outreach and education of Alaska

20 ⁸³Sprint Application at 35.

21 ⁸⁴Sprint Application at 37.

22 ⁸⁵Sprint Application at 37.

23 ⁸⁶Sprint Application at 37-38.

24 ⁸⁷Sprint Application at 63.

25 ⁸⁸Sprint Application at 63.

26 ⁸⁹Sprint Application at 66.

1 Relay and CapTel.⁹⁰ Sprint proposed an annual budget of \$120,000 for the first year of
 2 the outreach and education program, which would be used to fund the Relay
 3 Ambassador Program, public service announcements, outreach materials, and
 4 sponsorships.⁹¹

5 Knowledge of Alaska and Alaska TRS User Community

6 Sprint stated that it is the only provider with experience in providing TRS
 7 and CapTel and outreach services over a large and diverse area like Alaska.⁹² Sprint
 8 stated that it will work with the local community to tailor a solution for customers in
 9 Alaska.⁹³

10 Evaluation of Quality of Service

11 The task of evaluating quality of service and assigning quantitative values
 12 for each applicant's bid is more subjective than the evaluation of basic TRS price
 13 offerings. We use the following scoring system for quality of service, which is basically
 14 dividing the highest possible score (i.e., 40 points) by the number of criteria.

Criteria	Highest Score
<i>3 AAC 51.020(e)</i>	
Meet or exceed federal standards	5
Solicit input from users	5
Fairly and expeditiously resolve customer complaints	5
Develop and implement community outreach and education services and programs	5
Provide TTY equipment distribution to customers	5
<i>Additional criteria (Order U-12-088(1))</i>	

22 _____
 23 ⁹⁰Hamilton Application, Tab 8 at 2.

24 ⁹¹Sprint Application at 3, 81.

25 ⁹²Sprint Application at 1.

26 ⁹³Sprint Application at 81.

1	Corrective action for failure to meet committed performance levels	5
2	Detailed budget for proposed first year of outreach and education expenditures	5
3	Demonstrate knowledge of Alaska and the particular needs of its TRS user community	5
4	Total Points Possible	40

5 We find that both applicants equally deserve the highest possible scores
6 for the service quality standards set out in 3 AAC 51.020(e). The applications indicate
7 that Hamilton and Sprint have extensive experience in providing TRS services and
8 outreach in other states. Both applicants have demonstrated their ability to meet or
9 exceed the federal standards. Further, Hamilton and Sprint have provided generally
10 similar procedures for soliciting input from TRS users, resolving customer complaints,
11 developing and implementing community outreach and education program, and
12 providing equipment distribution to customers.

13 In addition to the service quality standards in 3 AAC 51.020(e), we also
14 required applicants to provide information related to corrective action if they fail to meet
15 their committed performance levels and detailed budgets for their proposed first year of
16 outreach and education expenditures.⁹⁴ We requested that applicants demonstrate
17 their knowledge of Alaska and the needs of the state's TRS user community.⁹⁵

18 For corrective action, Hamilton offered to impose financial penalties for
19 subpar performance. In contrast, Sprint stated that it does not believe in imposing
20 penalties and suggested that we offer bonuses for exceeding committed performance
21 levels. Sprint's response was not in conformance with our requirement. Therefore,
22 under this criterion we grant a full five points to Hamilton and zero points to Sprint.

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24 ⁹⁴Order U-12-088(1) at 5.

25 ⁹⁵Order U-12-088(1) at 5.

1 A comparison of the first year budget for outreach program shows that
2 Hamilton's first year budget of \$150,000 (\$12,500 x 12) is higher than Sprint's proposed
3 budget of \$120,000. Both budget proposals are less than CSD's current annual budget
4 of \$184,800 (\$15,400 x 12). Under this criterion, we grant three points to Hamilton, and
5 the full five points to Sprint.

6 In regards to the request that applicants demonstrate knowledge of Alaska
7 and the needs of Alaska's TRS user community, Hamilton did not provide sufficient
8 information to address this requirement. Although Hamilton proposed services and
9 programs that apply to TRS users in general, it did not provide information specific to
10 Alaska. In contrast, Sprint noted that it and CSD have provided TRS in Alaska for the
11 past 10 years,⁹⁶ and that it developed its application based on the comments at the
12 consumer input hearing conducted by the commission.⁹⁷ Under this criterion, we do not
13 grant any points to Hamilton, and we grant the full five points to Sprint.

14 In summary, we grant a total of 33 points to Hamilton and 35 points to
15 Sprint for quality of service.

16 Availability and Price for Optional Services

17 Hamilton and Sprint proposed optional services and features above the
18 FCC's minimum standards for TRS service. Hamilton's proposed optional services
19 included CapTel and other variations and features of CapTel.⁹⁸ Hamilton also proposed
20 optional services with additional charges⁹⁹ such as Remote Conference Captioning,
21

22 _____
23 ⁹⁶Sprint Application at 1, 18.

24 ⁹⁷Sprint Application at 81-82.

25 ⁹⁸Hamilton Application, Tab 1 at 156.

26 ⁹⁹Hamilton Application, Tab 8 at 3.

1 STS Training Line, and Visually Assisted STS (VA-STS).¹⁰⁰ Sprint's proposed optional
2 services included Spanish TRS, STS Training Line, Deaf Blind Service, and CapTel
3 (and other variations and features) with no additional cost to customers.¹⁰¹ Sprint did
4 not include Remote Conference Captioning in its optional services and features list.

5 Hamilton proposed a monthly budget of \$3,740 for TRS Fund billing and
6 collection, which would be performed by Rolka Loube Saltzer Associates (RLSA). This
7 amount is in addition to Hamilton's proposed monthly budget of \$12,500 for outreach
8 and education program, for total fixed monthly budget of \$16,240.¹⁰² Sprint's proposed
9 fixed monthly budget for outreach, equipment distribution, Alaska TRS Fund billing and
10 collection, and program manager support is higher at \$17,500.¹⁰³

11 Video Relay Service

12 At our August 22, 2012, consumer input hearing, there was discussion of
13 the need for Video Relay Service (VRS) at airports and in the Alaska Deaf Center
14 (under development).¹⁰⁴ VRS is described by the Federal Communications
15 Commission (FCC) as:

16 Video Relay Service (VRS) is a form of Telecommunications Relay
17 Service (TRS) that enables persons with hearing disabilities who
18 use American Sign Language (ASL) to communicate with voice
19 telephone users through video equipment, rather than through
20 typed text. Video equipment links the VRS user with a TRS
operator – called a “communications assistant” (CA) – so that the
VRS user and the CA can see and communicate with each other in
signed conversation. Because the conversation between the VRS

21 ¹⁰⁰Hamilton Application, Tab 2 at 2-3.

22 ¹⁰¹Sprint Application at 82 (additional service enhancements are shown in
23 Exhibit 8).

24 ¹⁰²Hamilton Application, Tab 8 at 2.

25 ¹⁰³Sprint Application at 69.

26 ¹⁰⁴Tr. 5-6.

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user and the CA flows much more quickly than with a text-based TRS call, VRS has become an enormously popular form of TRS.¹⁰⁵

In response to our VRS inquiry, we learned that Hamilton had discontinued providing VRS on December 1, 2008,¹⁰⁶ while Sprint discontinued providing VRS in December 2011,¹⁰⁷ except to the Federal Government, New Zealand, and other States and/or businesses who choose to purchase VRS separately.¹⁰⁸ VRS is available to customers in Alaska through service providers certified by the FCC.¹⁰⁹ Sprint noted that one VRS provider is willing to install five videophones in underserved areas in Alaska.¹¹⁰ Both Hamilton and Sprint offered to provide VRS service in Alaska, should Alaska become responsible for that service.¹¹¹

We find that VRS is available in Alaska through any of the providers authorized by the FCC, and that billable minutes related to VRS are paid for through the Interstate TRS Fund, not the Alaska TRS Fund. Accordingly, we do not include VRS in our evaluation of the applications under optional services.

Evaluation of Availability and Price of Optional Services

We find that Hamilton and Sprint generally offer the same additional and optional services for TRS and CapTel although Hamilton proposed additional charges for some of those services or features. For instance, Hamilton proposed STS Training

¹⁰⁵<http://www.fcc.gov/guides/video-relay-services>.

¹⁰⁶Slough Correspondence at 4 (Hamilton has discontinued VRS, and VRS is funded and regulated by the FCC).

¹⁰⁷Skjeveland Correspondence at 5 (Sprint discontinued VRS as a result of FCC requirements).

¹⁰⁸Skjeveland Correspondence at 6.

¹⁰⁹The FCC keeps a list of TRS providers including those certified to provide VRS at: <http://www.fcc.gov/encyclopedia/trs-providers>.

¹¹⁰Skjeveland Correspondence at 6.

¹¹¹Slough Correspondence at 4; Skjeveland Correspondence at 6.

1 Line and VA-STS at an additional charge, while Sprint offered those services at no
2 additional cost. On the other side, Hamilton proposed providing Remote Conference
3 Captioning service and Sprint did not. It is unknown if Sprint can provide such service,
4 or what Sprint would charge for this service if available. Sprint's proposal includes
5 higher charges for management of the TRS Fund than was proposed by Hamilton.
6 Based on the above, we award 18 optional service points to Hamilton and 18 optional
7 service points to Sprint.

8 Evaluation Summary

9 The table below provides a summary of the points we have awarded to
10 Hamilton and Sprint.

11

Criteria	Hamilton Points	Sprint Points
Price for Basic TRS	27	40
Service Quality	33	35
Price and Availability of Additional Services	18	18
Total	78	93

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13

14 Based upon our evaluation of the competing applications filed by Hamilton and Sprint,
15 we select Sprint to be the TRS provider for Alaska, effective at 12 a.m. Alaska Daylight
16 Time on July 1, 2013, through at least July 1, 2018.¹¹² A certificate of public
17 convenience and necessity (Certificate) authorizing Sprint to provide TRS service in
18 Alaska will be issued under separate cover.

19 Other Issues

20 Termination of Certificate

21 With our selection of Sprint as the TRS provider in Alaska, we hereby
22 terminate Certificate No. 436 issued to CSD on September 21, 2001, as subsequently
23 modified. Termination is effective at midnight Alaska Daylight Time on June 30, 2013.

24
25 ¹¹²3 AAC 51.020(d).

1 Equipment Distribution

2 The eligibility criteria for the equipment distribution program in Sprint's
3 Application¹¹³ is inconsistent with the eligibility criteria stated in the draft tariff attached
4 to Sprint's Application.¹¹⁴ Specifically, the draft tariff includes an income eligibility
5 criterion that is lacking from Sprint's Application.

6 AS 42.05.296 requires us to provide reasonable access to public
7 telephone services to deaf, hard of hearing, and speech impaired telephone
8 subscribers. One purpose of the TRS equipment distribution program is to provide
9 access to the public telephone service by persons who, because they are deaf, hard of
10 hearing, or speech impaired, cannot adequately access this system without specialized
11 equipment. This specialized equipment can be significantly more expensive than
12 standard telephone equipment. Limiting this publicly funded equipment distribution
13 program to those subscribers who demonstrate income eligibility through participation in
14 a means-test social service program administered by the state or federal government is
15 consistent with federal practice¹¹⁵ and our past practice.¹¹⁶ We require Sprint to include
16 the equipment distribution program income eligibility standard stated in its draft tariff as
17 part of its permanent tariff.

18 Tariff

19 The selected TRS provider is required to file a tariff incorporating the
20 terms and conditions specified in its application.¹¹⁷ Except for the equipment

21 ¹¹³Sprint Application at 66.

22 ¹¹⁴Sprint Application, Exhibit 1 at Sheets 17-18.

23 ¹¹⁵See 47 C.F.R. § 64.610(d)(2).

24 ¹¹⁶See CSD Tariff Sheet 13, approved by Letter Order No. L0700457, dated
October 23, 2007.

25 ¹¹⁷3 AAC 51.030(a).

26

1 distribution program income eligibility standard discussed above, we find that the draft
2 tariff Sprint filed with its application complies with this requirement. By July 1, 2013,
3 Sprint shall file its permanent tariff consistent with the requirements of 3 AAC 48.330 –
4 3 AAC 48.380. In conformance with 3 AAC 48.340(a), Sprint's tariff sheets shall reflect
5 Certificate No. 750. In conformance with the requirements of 3 AAC 48.220(a), Sprint's
6 permanent tariff should be submitted under Tariff Advice Letter No. TA1-750. Sprint
7 may request that its permanent tariff go into effect on July 1, 2013.

8 Bonding/Escrow

9 Pursuant to 3 AAC 51.030(b),¹¹⁸ Sprint is required to post a bond or enter
10 into an escrow arrangement with us. We provided the formula below for calculation of
11 the initial bond or escrow amount.¹¹⁹

12
$$\text{Most Recent Monthly MOU}^{120} \times \text{Contract Rate per Minute} \times 1.5$$

13 Based on this formula, we calculate the initial bond or escrow amount to be \$8,780.
14 This amount was calculated as approximately 1.5 times the TRS provider's monthly
15 revenue requirement. The TRS, STS and CapTel minutes used in the calculation below
16 were based on the March 2013 report from CSD, and the contract rate per minute was
17 based on Sprint's proposed rates for TRS, STS, and CapTel.

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22 ¹¹⁸3 AAC 51.030(b) states:

23 The TRS provider shall enter into an escrow arrangement or post a bond
24 with the commission in accordance with the terms and amount specified by
25 the commission in its order issued under 3 AAC 51.020.

26 ¹¹⁹Order U-12-088(1) at 7.

¹²⁰Minutes of Use (MOU).

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For TRS and STS minutes	
3,255 TRS and STS minutes x \$1.30/minute x 1.5	\$6,347.25
For CapTel minutes	
954 CapTel minutes x \$1.70/minute x 1.5	\$2,432.70
Total	\$8,779.95

The initial bond will be adjusted if Sprint's actual monthly revenue requirement differs from the initial bond or escrow by more than twenty percent for three consecutive months.¹²¹

Outreach and Educational Services Budget

Sprint proposed a fixed budget for outreach and education services, but did not provide a break-down of the proposed amount.¹²² In order to closely monitor appropriate use of the TRS Fund, we require Sprint to include in its 3 AAC 51.030 monthly report a detailed progress report of its outreach and education services and equipment distribution program. The report should include the amount of equipment distributed.

As elements of the overall outreach and education program are accomplished, other goals and programs may require greater emphasis.¹²³ Therefore, we require Sprint to annually submit a new proposed outreach and education program budget for the following fiscal year along with a report of its actual expenses for the preceding fiscal year. We require Sprint to file the proposed budget and expenditure report every March 1st. The proposed outreach and education program budgets shall be submitted in the following format.

¹²¹Order U-12-088(1) at 7.

¹²²Sprint Application at 3-6.

¹²³See TA5-436, filed July 10, 2007, at 6.

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Outreach Program Budget Schedules							
A	B	C	D	E	F	G	H
Budget Item	2013-14 Budget	2013-14 YTD Exp.	2013-14 Remaining Exp.	2013-14 Projected Total (C+D)	2013-14 Projected Over/(Under) (E-B)	2014-15 Budget	Notes, Explanation, Justification
	\$	\$	\$	\$	\$	\$	

TRS Surplus Revenue Account

Universal access funds collected from telephone subscribers in excess of the monthly TRS revenue requirement are to be retained by the TRS provider in a low-risk interest bearing account entitled “surplus revenue account.”¹²⁴ We learned that CSD had transferred the surplus revenue account from Wells Fargo, a national bank, to a local South Dakota bank. This transfer concerned us, because we had no advance knowledge of the transfer and no ready means of evaluating risk related to deposits in a state chartered bank. CSD reported that as of March 31, 2013, the surplus revenue account balance was \$866,589.77.¹²⁵

We require CSD to transfer the surplus revenue account fund balance to Sprint on or before July 1, 2013. We require Sprint to deposit the surplus revenue account fund balance in a low-risk interest bearing account with a bank doing business in Alaska. We may in the future require Sprint to add an RCA Commissioner as a signatory on the TRS surplus revenue account, with a requirement that such person’s signature be required on any large or unusual withdrawals from the account.

Final Order

This order constitutes the final decision in this proceeding. This decision may be appealed within thirty days of this order in accordance with AS 22.10.020(d) and the Alaska Rules of Court, Rules of Appellate Procedure, Rule 602(a)(2). In addition to

¹²⁴3 AAC 51.040(h).

¹²⁵Correspondence from A. Bonyng, filed May 1, 2013, in CSD company file.

1 the appellate rights afforded by AS 22.10.020(d), a party has the right to file a petition
2 for reconsideration in accordance with 3 AAC 48.105. If such a petition is filed, the time
3 period for filing an appeal is then calculated in accordance with Alaska Rules of Court,
4 Rules of Appellate Procedure, Rule 602(a)(2).

5 **ORDER**

6 THE COMMISSION FURTHER ORDERS:

7 1. Certificate of Public Convenience and Necessity No. 750 is awarded to
8 Sprint Communications Company L.P. for the provision of Telecommunication Relay
9 Service effective 12 a.m. Alaska Daylight Time on July 1, 2013.

10 2. The Certificate of Public Convenience and Necessity No. 436 held by
11 Communication Service for the Deaf, Inc. to provide Telecommunications Relay Service
12 shall terminate at midnight Alaska Daylight Time on June 30, 2013.

13 3. By July 1, 2013, Sprint Communications Company L.P. shall file proof
14 of a bond or escrow in the amount of \$8,780.

15 4. By July 1, 2013, Sprint Communications Company L.P. shall refile its
16 proposed Telecommunications Relay Service tariff in the manner discussed in the body
17 of this order.

18 5. By July 1, 2013, Communication Service for the Deaf, Inc. shall
19 transfer the Telecommunications Relay Service surplus revenue account to Sprint
20 Communications Company L.P.

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6. By July 1, 2013, Sprint Communications Company L.P. shall deposit the Telecommunications Relay Service surplus revenue account to a low-risk interest bearing account with a bank doing business in Alaska, as discussed in the body of this order.

DATED AND EFFECTIVE at Anchorage, Alaska, this 11th day of June, 2013.

BY DIRECTION OF THE COMMISSION
(Commissioners Robert M. Pickett and Janis W. Wilson,
not participating.)



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