

**FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

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

**Interstate Telecommunications Relay Services Fund  
Payment Formula and Fund Size Estimate**

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**Payment Formula and Fund Size Estimate  
Interstate Telecommunications Relay Services (TRS) Fund  
For July 2020 through June 2021**

**I. Introduction**

Rolka Loube Saltzer Associates LLC dba Rolka Loube (RL), as Interstate Telecommunications Relay Services (TRS) Fund Administrator (the Administrator), herein submits proposed compensation rates, demand projections, projected fund size and proposed carrier contribution factors for the period July 1, 2020, through June 30, 2021, in accordance with section 64.604 of the Federal Communications Commission’s (FCC or Commission) rules.<sup>1</sup>

The Administrator projects a net fund cash requirement for fund year 2020-2021 of \$1,634,678,939. The net fund cash requirement is the product of rates calculated consistent with Commission Orders and Rules; demand projections for each supported service; administrative overheads; and a budgetary reserve less the projected prior year

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<sup>1</sup> 47 C.F.R. §64.604 (c)(5)(iii)(H).

fund balance. The projected contribution factor supporting IP CTS is 0.00941 based on the IP CTS revenue requirements divided by estimated interstate and intrastate end-user revenue. The projected contribution factor for all other fund requirements is 0.01381 based on the balance of the TRS Fund revenue requirement divided by the estimated interstate end-user revenue.

In accordance with the Commission's 2007 *Cost Recovery Order*,<sup>2</sup> the Administrator has used the Multi-state Average Rate Structure (MARS) methodology, based on the weighted average of competitively bid state rates, to propose compensation rates for interstate Traditional Relay Service (TRS) (\$3.7526 per minute), interstate Speech-to-Speech (STS) (\$4.8836 per minute), and interstate Captioned Telephone Service (CTS) (\$2.3153 per minute).<sup>3</sup>

The IP Relay compensation rate is subject to a price-cap-like methodology as further described in the 2019-2020 Rate Order (\$1.7146 per minute)<sup>4</sup>.

In the *IP CTS Modernization and Reform Order*, the Commission terminated use of the MARS methodology for IP CTS, adopted interim rates for the provision of IP CTS for fund years 2018-19 and 2019-20, and established a Further Notice of Proposed Rulemaking<sup>5</sup>. That proposed Rulemaking remains pending.

Per the 2017 *Report and Order and Order*,<sup>6</sup> the Commission determined that maintaining a tiered Video Relay Service (VRS) rate structure for the next four years (until June 30, 2021) was the best alternative structure under consideration and indicated

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<sup>2</sup> Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, CG Docket No. 03-123, Report and Order and Declaratory Ruling, 22 FCC Rcd. 20140 (2007) (Cost Recovery Order)

<sup>3</sup> Only the interstate costs of these services, which are offered through state relay programs, are supported by the TRS Fund. Currently, IP CTS, Internet Protocol Relay services and Video Relay Services are not offered through state relay programs and are funded solely through the TRS Fund.

<sup>4</sup> See Order, CG Docket No. 03-123 and CG Docket No. 10-51, rel. June 28, 2019 at paragraphs 8-20.

<sup>5</sup> Misuse of Internet Protocol (IP) Captioned Telephone Service, CG Docket No. 13-24 and CG Docket No. 03-123, Report and Order, Declaratory Ruling, Further Notice of Proposed Rulemaking and Notice of Inquiry, rel. June 8, 2018,

<sup>6</sup> See: FCC 17-86 rel. July 6, 2017.

that the VRS compensation rate structure would be revisited as necessary, in light of future developments.

A Commission *Report and Order*<sup>7</sup>, amended the contribution rule to provide that TRS Fund contributions for the support of IP CTS shall be calculated based on the total interstate and intrastate end-user revenues of each telecommunications carrier and VoIP service provider beginning with the 2020-2021 program year<sup>8</sup>. The total contributions needed to support the TRS Fund are not affected, therefore two contribution factors are calculated and included: (1) to support IP CTS requirements and (2) to support the traditionally calculated factor for all other service requirements. The Commission required a separate contribution factor for IP CTS that is applied to all the end-user revenues for each TRS Fund contributor. As the first step in implementing the approach, the Administrator is directed to determine an IP CTS revenue requirement, based on the applicable IP CTS compensation rate(s) and projected demand. The IP CTS revenue requirement shall also include the portion of the TRS Fund reserve that is attributable to IP CTS. Next, based on the total intrastate and interstate end-user revenue data reported by TRS Fund contributors on Forms 499-A, the Administrator shall compute a separate TRS Fund contribution factor for IP CTS, by dividing the IP CTS revenue requirement by contributors' total intrastate and interstate end-user revenues. Calendar year 2019 end-user revenues, estimated by the Data Collection Agent (DCA), were still being gathered and compiled from reporting entities when this recommendation was prepared for submission. The revenue estimate contains placeholders for reports which are not deemed late until after the due date of May 1 for this Annual Report. We recommend, as we have in prior years, that the Commission use the current best available 499-A information from the DCA to recalculate the contribution factors when it becomes available, prior to adoption of an Order for the upcoming program year. Our current recommendation has been calculated using the latest information available at the time of this submission. According to the best available estimate, the annual interstate contribution base for 2020-21 is \$44,595,858,727, which is approximately 12% below the

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<sup>7</sup> See Report and Order, CG Docket No. 13-24 and CG Docket No. 03-123, released November 25, 2019.

<sup>8</sup> See Public Notice of Effective Date rel. January 10, 2020 identifying the effective date of the rule change to be February 5, 2020.

level used for the current program year, And the estimated intrastate and interstate end-user services revenue contribution base for 2020-21 is \$108,240,077,298. The contribution factors for the 2020-2021 fund year, derived from the corresponding ratio of estimated fund size requirements to prior calendar year revenues, are proposed to be 0.01381 for interstate contributors, to fund all services except IP CTS and 0.00941 for interstate and intrastate contributors to fund IP CTS. Upon approval by the Commission, the Administrator will begin billing carriers for the 2020-2021 funding period in July 2020.

## II. Interstate TRS Fund Overview

The Interstate TRS Fund (TRS Fund/fund) is designed to compensate eligible relay service providers<sup>9</sup> for the reasonable costs of furnishing “[t]elephone transmission services that provide the ability for an individual who is deaf, hard of hearing, deaf-blind, or who has a speech disability to engage in communication by wire or radio with one or more individuals in a manner that is functionally equivalent to the ability of a hearing individual who does not have a hearing or speech disability to communicate using voice communications services by wire or radio.”<sup>10</sup>

Services that are currently compensated from the TRS Fund include interstate traditional Telecommunications Relay Service (TRS), interstate Captioned Telephone Service (CTS), interstate Speech-To-Speech relay service (STS), Video Relay Service (VRS), Internet Protocol (IP) Relay service, and Internet Protocol Captioned Telephone Service (IP CTS). The Administrator reimburses providers at compensation rates computed by the Administrator in accordance with Commission rules and approved or modified by the Commission. In 2007, the Commission’s *Cost Recovery Order* adopted methodologies for establishing the reimbursement rates for the various relay services.<sup>11</sup>

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<sup>9</sup> Eligible providers are TRS providers operating under contract with state TRS programs and Internet Protocol (IP) Relay providers certified by the Commission pursuant to 47 C.F.R. § 64.606.

<sup>10</sup> 47 U.S.C. § 225(a)(3).

<sup>11</sup> The methodologies included price caps for IP Relay and a tiered rate structure for VRS. The Commission set IP Relay and VRS rates for a period of 3 years and confirmed that the initial year for the applicability of the rates was the 2007-2008 fund year. The initial three year period for the IP Relay and VRS methodologies sunset as of June 30, 2010. See *Cost Recovery Order* ¶¶ 97, 107-108. In the 2010

This Annual Report incorporates the costs reported by VRS, IP Relay and IP CTS service providers as part of their incurred costs for calendar years 2018 and 2019, as well as any amounts projected for 2020 and 2021. The provider Annual Reports, including demand and cost projections were made prior to experiencing any impacts of the COVID-19 pandemic, and therefore were not reflected in the provider Annual Reports. As the Administrator, RL has invited service providers to report material changes to their annual cost and demand projections and will monitor those provider reports of cost and demand changes which may materially impact costs or demand projections supporting the Order and contribution factors adopted in this proceeding for the 2020-2021 fund year.

In mid-March the Commission recognized that due to widespread public concern about the spread of the coronavirus, (COVID-19), as well as school closings and other measures recently taken by various state and local authorities, TRS providers are experiencing a sharp increase in traffic levels, and simultaneously, a sharp reduction in the number of communications assistants (CAs) able to work at TRS call centers. The Commission on its own motion granted temporary waivers<sup>12</sup> of certain requirements under sections 64.604 and 64.606 of the Commission's rules in order to ensure the uninterrupted availability of TRS in the United States during this public health emergency. The reported demand for IP based services in March 2020, spiked above the projected 2019-2020 monthly levels. The increased demand is presumed to be associated with COVID-19 pandemic. The level of demand experienced by the service providers for the second half of March ranged from 25% to 33% above recently experienced levels. Service providers also orally reported that they are experiencing additional (undocumented) costs as the pandemic impacts the availability of CAs and the expense of provisioning alternate arrangements for CAs working from home. Historically the Administrator has recommended accepting the service provider demand and cost

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*Rate Order* the Commission initiated a new 3-year cycle for IP Relay rates and adopted interim, one-year rates for VRS, to be effective while the Commission considered broad reform. In the *2013 Rate Order* the Commission initiated another 3-year cycle for IP Relay rates. In the 2013 VRS Reform Order the Commission established new VRS tiers and set rates in six month increments through June 2017.

<sup>12</sup> See CG Docket Nos. 03-123 adn10-51 Rel. March 16, 2020, DA20-281.

projections, but under the current circumstances, acceptance of projections made prior to knowledge of the impact of the pandemic on demand and costs is misplaced. Per minute costs are a function of both cost and demand levels. Although both appear to be increasing relative to the historic and projected levels, neither can be accurately reflected with the limited amount of data available. Therefore, in order to ensure that the TRS Fund projects adequate revenues for the upcoming program year, although we are not recommending additional reimbursement level adjustments, the Administrator is recommending that the levels of projected demand be increased by an additional twenty five percent (25%) when calculating requirements and contribution factors.

The Commission's shared funding mechanism for the TRS Fund ensures that the costs of meeting relay service obligations are borne equitably. Contributors support the TRS Fund based on their relative share of intrastate, VoIP, interstate and international end-user revenues.<sup>13</sup> The TRS funding period begins on July 1st and ends June 30th of the following calendar year. For the July 2020 to June 2021 fund year, the Administrator has used the carriers' estimated 2019 end-user revenues<sup>14</sup> as the basis for calculating carriers' contribution obligations. The interstate and international contribution base has become smaller each year and the reductions to the contribution base are shown in the following table 1. RL anticipates a 12% reduction in the interstate contribution base for the program year beginning July 1, 2020, for a contribution base of \$44,595,858,727. This will be the first occasion for the use of the combined intrastate and interstate end-user revenues as a portion of the contribution base; therefore we are not reporting on historic changes to the intrastate portion of the contribution base estimate of \$108,240,077,298.

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<sup>13</sup> See 47 C.F.R. §64.604(c)(5)(iii)(A)-(C).

<sup>14</sup> Revenues are reported on the Telecommunications Reporting Worksheet, FCC Form 499-A, on April 1, 2020, and provided to the Administrator by the Universal Service Administrative Company (USAC), the Revenue Data Collection Agent (DCA). At the time of preparation of this filing, the information from the DCA is considered preliminary and updated data will be used for the calculation of carrier contributions.



**Table 1 DCA Reported Contribution Base**

<b>Program Year beginning</b>	<b>Contribution Base</b>
2004	\$ 81,954,191,761
2005	\$ 80,666,621,324
2006	\$ 80,457,972,602
2007	\$ 77,898,078,806
2008	\$ 79,428,092,243
2009	\$ 78,895,806,171
2010	\$ 72,844,997,816
2011	\$ 69,450,220,823
2012	\$ 67,206,226,973
2013	\$ 67,278,109,560
2014	\$ 65,234,609,107
2015	\$ 64,129,341,109
2016	\$ 61,424,575,348
2017	\$ 58,034,785,511
2018	\$ 53,380,042,779
2019	\$ 50,876,678,778
2020	\$ 44,595,858,727

The DCA also provides updates to the data reported by carriers throughout the program year to reflect a variety of changed contributor circumstances, such as gone out of business, no telecommunications revenues, bankruptcies, mergers and acquisitions. The contribution base changes from year to year, and changes over the course of the program year. Changes to the contribution base reported to the Administrator by the DCA during the current program year have reduced the available funding level by approximately \$2 million.<sup>15</sup> This erosion of funding is one of the factors considered in recommending a two month budgetary reserve allowance but the erosion of funding has not been a specific item included in the net funding requirements.

The DCA provides the Administrator with the FCC Form 499-A carrier revenue information used to calculate the contribution factor and maintains the carrier database

<sup>15</sup> See Exhibit 4.  $(\$50,883,758,423 - \$50,809,259,296) * 0.02779 = \$2,070,330.74$

for all funds. Revisions to FCC Form 499-A revenue data are provided by the DCA to the Administrator and other program managers so that corrections may be made to carrier billing. Revisions may be telecommunications service provider initiated or may be the result of an audit. The first edition of the reported 2020 499-A submissions is provided to the Administrator on or about April 20<sup>th</sup>. Each subsequent month, the DCA will provide updated information including information received from contributors that did not file by April 1<sup>st</sup>. During the first several months of the program year, there are substantial adjustments to the contribution base derived from the first edition of the reported 2020 499-A submissions.<sup>16</sup> The Administrator anticipates submitting an updated contribution factor recommendation to the Commission for consideration in response to the Public Notice regarding this submission.

Upon approval of the contribution factors by the Commission, the Administrator will promptly bill carriers for the 2020-2021 funding period which begins July 1, 2020. Annual contributions will be due within 28 days after their July invoice date. Carriers whose contributions are \$1,200 or more have the option to be invoiced in twelve equal monthly installments. Invoices will be due four weeks after the issue date of the monthly invoice. RL has assigned each monthly contributor to one of three monthly invoice cycles and issues approximately one third of the monthly invoices on the first three Fridays of each month.

RL expects to begin issuing invoices for the 2020-2021 program year on or about Friday, July 17, 2019. Receipts associated with those invoices will begin to arrive in mid-August. This lag in the receipt of revenues is not currently recognized as significant because there has not been a material change in the yield of the contribution factor great enough to impact cash flow associated with the final billing cycles.

Per-minute compensation rates will be effective for minutes of service beginning July 1st, at the rates approved by the Commission. Although the Administrator generally has been able to process requests for compensation submissions in less than 30 days, provider reimbursement requests must be processed within sixty (60) days<sup>17</sup>. For

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<sup>16</sup> See Exhibit 4 regarding changes reported during the current program year.

<sup>17</sup> See 47 C.F.R. 64.604(C)(5)(iii)(L)

example, minutes handled by providers in May 2020 are expected to be reported between June 10 and 15, 2020, and providers will then receive compensation for those minutes at the rates in effect at the time service was provided, on or about July 10, 2020.<sup>18</sup> This lag between the provision of services and the issuance of payments is reflected in the demand and cash flow projections, and forms the basis of the recommended TRS Fund reserve requirements.

### III. TRS Rate Development

#### MARS

The *Cost Recovery Order* adopted the Multi-state Average Rate Structure (MARS) plan as the basis for calculating the compensation rate for interstate Traditional Relay Service (TRS), interstate Speech-To-Speech (STS), and interstate Captioned Telephone Service (CTS).<sup>19</sup> Each year, the Administrator will calculate a MARS rate for interstate TRS, STS, and CTS, based on the weighted average of state rates. TRS and STS are calculated on a combined basis, whereas CTS is calculated separately.<sup>20</sup>

The Commission identified the steps to be used by the Administrator to determine MARS-based compensation rates.<sup>21</sup> The Administrator must first collect intrastate traditional TRS, STS, and CTS compensation rate data for the prior calendar year. Accordingly, the Administrator requested the following information from each state TRS administrator, and each provider, of interstate traditional TRS, STS and CTS for calendar year 2019 in January 2020, and requested that it be provided no later than the end of February 2020:<sup>22</sup>

- a. the per-minute compensation rate for intrastate TRS and STS
- b. the per-minute compensation rate for intrastate CTS
- c. whether the rate applies to session or conversation minutes

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<sup>18</sup> See Exhibit 3, Anticipated Reporting and Disbursement Schedule. The reporting and disbursement schedule is subject to modification based on exogenous circumstances.

<sup>19</sup> Cost Recovery Order at ¶ 16.

<sup>20</sup> *Id.*

<sup>21</sup> Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, CG Docket No. 03-123; Structure and Practices of the Video Relay Service Program, CG Docket No. 10-51, FCC 11-104, Rel. June 30, 2011 at ¶¶ 9-18.

<sup>22</sup> The Annual Data Collection Form is included at Appendix A.

- d. the number of intrastate session minutes for TRS and STS
- e. the number of intrastate session minutes for CTS
- f. the number of intrastate conversation minutes for TRS and STS
- g. the number of intrastate conversation minutes for CTS
- h. any amounts paid by the state to the provider for relay service during the previous calendar year that are not included in the contractual per-minute compensation rate.

The Administrator determines whether there are anomalies in any state's data that necessitate it being excluded from the MARS calculation;<sup>23</sup> calculates each state's total dollars paid for the year for intrastate traditional TRS, STS, and CTS services; and calculates the final rate by dividing the total dollars paid by all states by the total conversation minutes of all states for TRS and STS. The process is repeated for CTS.

#### **A. Traditional TRS and STS Formula Development**

Ten state jurisdictions<sup>24</sup> provide service based on a flat rate for the service rather than on a per-minute rate, due to the small volume of minutes for the services in those jurisdictions. Costs recovered on a flat rate basis are included in the MARS calculation as additional costs paid to providers. The conversation minutes of flat rate states have been included in the calculation. For the remaining states, the District of Columbia, and Puerto Rico, the Administrator multiplied each jurisdiction's TRS and STS rate by the corresponding number of intrastate session minutes or intrastate conversation minutes, whichever the jurisdiction's rate was based upon.<sup>25</sup> For those states experiencing a mid-year rate change, the calculation was performed for each rate and corresponding service period minutes. The calculation was made for each jurisdiction and the resulting weighted dollar amounts were summed to produce a total dollar amount for each service. If additional amounts paid by a state to the relay service provider(s) during the applicable period and were not included in the contractual per-minute compensation rate, but were applicable to the provision of relay service, those amounts were added to the weighted

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<sup>23</sup> For example, if there were no state TRS Fund and the cost of providing Relay services were recovered by the service provider based on each LEC's proportionate share of subscriber lines in the state, MARS-like data would not be available and thus, would be excluded from the MARS computation.

<sup>24</sup> Colorado, Connecticut, Delaware, Hawaii, Illinois, Maine, North Carolina, North Dakota, Rhode Island, and South Carolina.

<sup>25</sup> *Id.* at ¶ 30

dollar total by the Administrator.<sup>26</sup> As a final step, the Administrator divided the resulting total weighted dollar and supplemental payment amount by the total number of intrastate TRS and STS conversation minutes.<sup>27</sup> The results of this calculation can be found in Exhibit 1-1, which displays the array of rates reported by the individual state jurisdictions in ascending rate order. It does not identify the states in deference to provider requests for confidentiality.

RL hereby renews its recommendation that the Commission authorize future reports to identify the rates and demand by state, unless the reporting state asserts a claim of confidentiality regarding its compensation rates. Only two providers currently provide state services reflected in the MARS calculations.

The total dollar amount paid out for intrastate TRS and STS during calendar year 2019 amounted to \$17,569,659.68. The total conversation minutes for intrastate TRS and STS for calendar year 2019 were 4,682,017. The proposed compensation rate is developed by dividing the total 2019 intrastate dollar amount by the total 2019 intrastate conversation minutes, resulting in a proposed MARS rate of \$3.7526 per conversation minute for interstate traditional TRS for the 2020-2021 funding period. The proposed rate is approximately 20% above the 2019-2020 MARS rate of \$3.1107 per conversation minute.

In the *Cost Recovery Order*, the Commission added an additional amount of \$1.131 to the 2007-2008 interstate STS compensation rate to be used by the providers for outreach efforts.<sup>28</sup> In the ensuing fund years, the Commission has found it appropriate to continue the outreach additive at the same level.

The Administrator continues to recommend adding the \$1.131 to the MARS-based STS rate resulting in a total proposed STS rate of \$4.8836 per minute; an increase

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<sup>26</sup> *Id.* at ¶ 31

<sup>27</sup> *Id.*

<sup>28</sup> *Id.* at ¶¶ 57, 61

of 15% from the \$4.2417 per-minute rate for the 2019-2020 fund year.<sup>29</sup> However, the Administrator notes that the demand for STS continues to be small compared to the other services. The outreach additive, projected to be less than \$200,000( $\$1.131 * 169,575$  minutes = \$191,789) across the two service providers when applied to the per-minute rate, may not be having the desired result. The Administrator lacks adequate information to determine if this community is being adequately served or to determine the underlying cause of the continued reduction in the volume of this service.

### **B. CTS Formula Development**

The proposed MARS CTS rate was calculated by following the same steps described above but substituting CTS related data for the TRS and STS data. The results of this calculation can be found in Exhibit 1-2. Exhibit 1-2 summarizes the data provided by the individual state jurisdictions.

The total dollars for intrastate CTS, including the amounts paid to relay providers not included in the compensation rate, declined 22% from \$28,300,248 for calendar year 2018 to \$22,211,654.55 for calendar year 2019. The total conversation minutes for intrastate CTS also declined 22% from 12,414,889 for calendar year 2018 to 9,593,579 for calendar year 2019. The total 2019 intrastate dollars divided by 2019 intrastate CTS minutes equals a calculated compensation rate of \$2.3153 per conversation minute for interstate CTS for the 2020 – 2021 funding period.

The proposed MARS CTS rate represents a 1.5% increase from the 2019–2020 rate of \$2.2795. The associated fund revenue requirement at this reimbursement rate level will be \$6,641,290 in program year 2020-2021, a decrease of \$56,003 ( $\$6,641,290 - \$6,585,287 = \$56,003$ ) from the amount projected for the program year ending June 30, 2020.

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<sup>29</sup> At its April 2018 meeting, the Interstate TRS Advisory Council was informed of the Administrator's intent to recommend that \$1.131 per minute of extra funding for speech to speech outreach purposes be maintained.

### C. IP CTS Formula Development

The RL 2019 Annual Data Collection Form requested historical cost data regarding the provision of IP CTS in calendar years 2018 and 2019 as well as projected costs for 2020 and 2021 based on the cost categories reported by service providers for IP based services and for VRS services. The results of analysis of that IP CTS data are found in Exhibit 1-3. Exhibit 1-3 contains information compiled by the Administrator from annual cost data supplied by IP CTS service providers for the annual periods 2015 through 2019, as well as the current projected costs for both 2020 and 2021. This Exhibit demonstrates that the MARS-based calculation of a rate for IP CTS, consistently produced a rate well above the reported level of provider-reported costs for the period. Based on the number of reported minutes of service, IP CTS continues to be the most popular TRS service. In the *IP CTS Modernization and Reform Order*, the Commission eliminated the use of MARS to calculate IP CTS rates and adopted interim rates for the provision of IP CTS, effective from July 1, 2018, through June 30, 2020. For the period July 1, 2019, through June 30, 2020, the interim rate established by the Commission is \$1.58. This rate can only be changed by Order of the Commission. The rulemaking initiated in the *IP CTS Modernization and Reform Order* remains open and therefore the Administrator's calculated revenue requirement is made based on a continuation of the currently authorized rate of \$1.58 per minute.

In the past, the Commission has raised concerns about the extent to which projected costs provide a reliable basis for setting TRS compensation rates. In the VRS context, the Commission has often resolved this issue by using a weighted average of providers' historical and projected per-minute costs to set compensation rates. The Commission recently found this blended approach to be a reasonably accurate predictor of actual VRS costs and followed this approach in setting interim IP CTS rates.<sup>30</sup>

The total industry average cost for IP-CTS service decreased from \$1.2798 in 2016 to \$1.2485 in 2019, while the average state-program CTS rate, as calculated under the MARS formula, increased from \$1.9058 to \$2.2795 in 2019 over the same period and

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<sup>30</sup> See FCC 18-79 Rel. June 8, 2018 at para. 23.

will be \$2.3153 for 2020-2021. Major factors causing the difference between the average IP CTS cost and the average CTS rate are the growth in the demand for IP-CTS, which generates economies of scale for providers, and the contrasting decrease in the demand for CTS service, with the inverse effect. If the MARS approach had continued to be applied in 2019-2020, approximately 9.6 million 2019 CTS conversation minutes would have been used to establish the reimbursement rate for 520.7 million minutes of provider pre-pandemic projected (July 2020 through June 2021) IP CTS demand. The demand for IP CTS service exceeded 50 times the level of demand for the service that would be used as a proxy to establish its reimbursement rate if the CTS rate were to be used!

The average cost-based rate for IP CTS, based on provider-projected costs for 2020 and 2021, plus a 10% operating margin, is approximately \$1.3878.<sup>31</sup> The reported average cost continues to decline in every category, except for depreciation. The reported costs of the highest cost providers also continued to decline. The average projected costs however indicate a reversal of the decreasing average costs in light of increasing projected expenditures in the categories of indirect costs, marketing and “other,” which also increase the operating margin. The category “other” includes primarily sub-contracted services and license fees. The rate of \$1.58 adopted by the Commission in FCC 18-79 to be effective through the period ended June 30, 2020 is above the average projected provider cost plus the operating margin. However, not only do the reported and projected costs of the five service providers vary among the cost categories, as with all averages there are providers whose costs are above the average provider-projected costs for 2020-21, plus a 10% operating margin and those that are below the average provider-projected costs for 2020-21, plus a 10% operating margin.

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<sup>31</sup> See Exhibit 1-3.



#### D. IP Relay Formula Development

*[Due to the single provider offering service cost information has been redacted from this recommendation.]*

The Commission adopted a cost recovery methodology for IP Relay based on a price-cap-like methodology, effective for the 2019-2020 fund year, beginning a new three-year rate cycle. The resulting 2019-2020 rate of \$1.67 per minute included an allowance for costs of outreach efforts necessary to reach consumers who are deaf-blind<sup>32</sup> as well as a number of adjustments to the rate calculation to align IP Relay rate setting with recent Commission precedent and address gaps in the national outreach program.

*Operating Margin.* To harmonize the setting of an IP Relay compensation rate with recent Commission policy determinations on TRS compensation, the Commission replaced the allowed rate of return on capital investment with an allowed operating margin, which permits recovery of a designated percentage of average expenses, as a supplement to recovery of average expenses within the same zone of reasonableness established for VRS, a range between 7.6% and 12.35% and designated the high end of the range for use in making the calculation.

*Research and Development.* The Commission also concluded that the research and development costs described in Sprint's 2019 waiver request are allowable expenses that may be recovered without the necessity of a waiver.

*Cost Averaging.* Also consistent with recent Commission policy determinations regarding other forms of TRS, in setting a new base compensation rate for IP Relay the Commission relied on a cost calculation that averaged Sprint's projected costs for 2019 with its historical costs reported for 2018.<sup>33</sup>

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<sup>32</sup> To enable such outreach, the Bureau granted a limited waiver of the rule disallowing TRS Fund compensation for IP Relay outreach costs. *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities; Structure and Practices of the Video Relay Service Program*, CG Docket Nos. 10-51 and 03-123, Order, 31 FCC Red 7246, 7250-52, paras. 13-20 (CGB 2016) (*2016 TRS Rate Order*).

<sup>33</sup> The Commission recently affirmed the use of this blended approach for setting VRS compensation rates, and it also followed this approach in setting interim compensation for IP CTS providers. *See 2017 VRS Rate Order*, 32 FCC Red at 5928-29, para. 69; *2018 IP CTS Modernization and Reform Order*, 33 FCC Red at 5813, para. 23. The Commission has found that using an average of projected costs for the calendar year in which a rate is established (in this case 2019) and historical costs for the preceding calendar year (in

*Outreach to the Deaf-Blind Community.* The Commission renewed for one year the partial waiver of the Commission's prohibition on outreach cost recovery, which was initially granted in 2016, and renewed in 2017, 2018 and again in 2019, to permit recovery of costs for specific IP Relay outreach efforts to meet the TRS needs of people who are deaf-blind.<sup>34</sup>

*Other Outreach Expenses.* The Commission also found that special circumstances warrant a limited waiver of the prohibition against compensation for IP Relay outreach costs. This waiver (1) will serve the public interest by enabling outreach to potential IP Relay users not currently being reached by the National Outreach Program; and (2) will not undermine the policy underlying the rule because Sprint, as the sole provider of IP Relay service, has little incentive to divert outreach funds to branded marketing.

Sprint, as the only remaining IP Relay service provider, is required to report historical and projected costs to the Administrator on an annual basis. Reporting on the Sprint cost data at this point will reveal information considered to be confidential by Sprint.

In view of the relatively stable level of IP Relay demand, Rolka Loube recommends that the IP Relay rate continue to include the allowance for deaf-blind outreach activities. Because the Commission has adopted the inclusion of an operating margin rather than a return on investment when determining rates for VRS and IP CTS, Rolka Loube also recommends supplementing the IP Relay rate with an operating margin rather than a return on investment. By adding in deaf-blind outreach activities and the 12.35% operating margin previously selected by the Commission for operating margin, the fund requirements and contribution factor recommendation include the recommended rate of \$1.7146.

## **E. Video Relay Service Formula Development**

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this case 2018) is a reasonably accurate predictor of actual costs incurred for the Fund Year. *2017 VRS Rate Order*, 32 FCC Rcd at 5928-29, para. 69.

<sup>34</sup> See *2016 TRS Rate Order*, 31 FCC Rcd at 7251-52, para. 19; see also *2017 TRS Rate Order*, 32 FCC Rcd at 5145-46, paras. 11-13; *2018 TRS Rate Order*, 33 FCC Rcd at 6304, para. 11.

On June 10, 2013, the Commission released a Report and Order and Further Notice of Proposed Rulemaking, herein referred to as the “VRS Reform Order” in which it revised the Tier structure and established the VRS compensation rates to be used through June 30, 2017, unless otherwise set by further Commission Order.

The Commission established the current VRS reimbursement rates and the Tier structure in the Report and Order and Order (*Report and Order*) adopted and released July 6, 2017, in CG Docket No. 10-51 and 03-123 (FCC 17-86). The referenced Report and Order addressed Allowable Cost Categories, Capital Cost Recovery and Operating Margin, Rate Structure, the Tier structure and Tier levels and related compensation matters.

The tiers which became effective in July 2017 through June 30, 2021 are shown in Table 2 below:

**Table 2: Reconfigured Rate Tiers for VRS Compensation  
2017 – 2021**

Tier Numbers	Previous Tier Definition (The range of a provider’s monthly VRS minutes to which the Tier is applicable)	New Tier Definition (The range of a provider’s monthly VRS minutes to which the Tier is applicable)
Emergent		0-500,000
I	0-500,000	0-1,000,000
II	500,000.1-1,000,000	1,000,000.1 – 2,500,000
III	Over 1,000,000	Over 2,500,000

The progressive adjustment of rates for each tier is illustrated in Table 3 below, which shows the rates adopted for fund years 2017-18, 2018-19, 2019-20, and 2020-21.

**Table 3: Rates Adopted for Fund Years 2017-18 through 2020-21**

Per FCC 17-86	2017-2018	2018-2019	2019-2020	2020-2021
Emergent service < 500,000 minutes/month	\$5.29	\$5.29	\$5.29	\$5.29
Tier I service up to 1,000,000 minutes/month	\$4.82	\$4.82	\$4.82	\$4.82
Tier II service over 1 million up to 2,500,000 minutes/month	\$3.97	\$3.97	\$3.97	\$3.97
Tier III service over 2,500,000 minutes/month	\$3.21	\$2.83	\$2.63	\$2.63

The rates established in the Report and Order are to be applied as scheduled to all VRS providers absent further action by the Commission.

Although the Commission has adopted a four-year Tier and Rate plan, Video Relay Service providers are required to report historical and projected costs to the Administrator on an annual basis.

For analysis purposes, the Administrator segregated the provider historical and projected costs into eight distinct categories for review:

- **Facilities** - expenses associated with land and buildings, etc.;
- **CA Related Expense** - costs of the individuals performing the interpretive services;
- **Non-CA Relay Center Expense** - other costs associated with the relay center, including supervisory management, telecommunications expense, etc.;
- **Indirect Expense** - finance, human resources, legal expenses, executive compensation, etc.;

- **Depreciation Expense** - annual depreciation on facilities and equipment;
- **Marketing Expense** - projected costs of advertising the provider's service;
- **Other Expenses** - projected expenses not directly associated with one of the other expense categories; and
- **Operating Margin** - assumed percentage within the FCC-determined "Zone of Reasonableness."

Data submitted by the providers in response to the Administrator's Annual Data Request are shown below. The data is summed across the providers by category and then divided by annual VRS minutes.

**Table 4. VRS Service Provider Reported and Projected costs**

Category	2018	2019	2020	2021	2020-2021 Average
Facilities	0.1800	0.1825	0.1948	0.1985	0.1967
CA Related	1.3910	1.3880	1.4717	1.4928	1.4823
Non-CA Relay Center	0.3099	0.2851	0.2916	0.2967	0.2942
Indirect	0.5404	0.5688	0.6569	0.6725	0.6647
Depreciation	0.0910	0.0705	0.0587	0.0617	0.0602
Marketing	0.0940	0.1038	0.1010	0.1115	0.1063
Other	0	0	0	0	0
Operating Margin	0.2606	0.2599	0.2775	0.2834	0.2804
Total Cost	2.8669	2.8585	3.0523	3.1172	3.0847

The average cost of VRS service is projected to increase \$0.222 from the two-year historic average of \$2.8627<sup>35</sup> to \$3.0847, in the projected two-year average. CA related expenditures per minute are projected to increase from \$1.3880 in 2019 to \$1.4717 in 2020 and to \$1.4928 in 2021. Non-CA Relay Center related expenditures per minute are projected to increase slightly from \$0.2851 in 2019 to \$0.2916 in 2020 and to \$0.2967 in 2021. Indirect per minute expenditures to increase from \$0.5688 in 2019 to \$0.6569 in 2020 and to \$0.6725 in 2021.

#### **IV. Demand Projection Methodology**

In order to estimate the annual funding requirement and propose a contribution factor, an estimate of the interstate funding requirement for each of the services is required. The fund requirement equals the service rate multiplied by the service demand reimbursed during the program year, July through June. The Administrator has adjusted the demand levels of the rate year to reflect the two-month difference between the provision of service and the reimbursement for that service. Providers of services being compensated using the MARS-based rate methodology, (i.e. traditional TRS, STS and CTS) are not required to submit demand projections.

In this report, as was done previously, historical demand was used to estimate the future demand for traditional interstate TRS, STS and CTS. Using the regression data analysis tool of Microsoft Office Excel, the Administrator projected demand for the 2020-2021 fund year using actual data available to the Administrator at the time the filing is due to the Commission.<sup>36</sup> For each of these services, the Administrator projected demand and an estimated funding requirement based on the proposed compensation rates for the funding year. This approach has historically provided reasonably accurate results for these services.

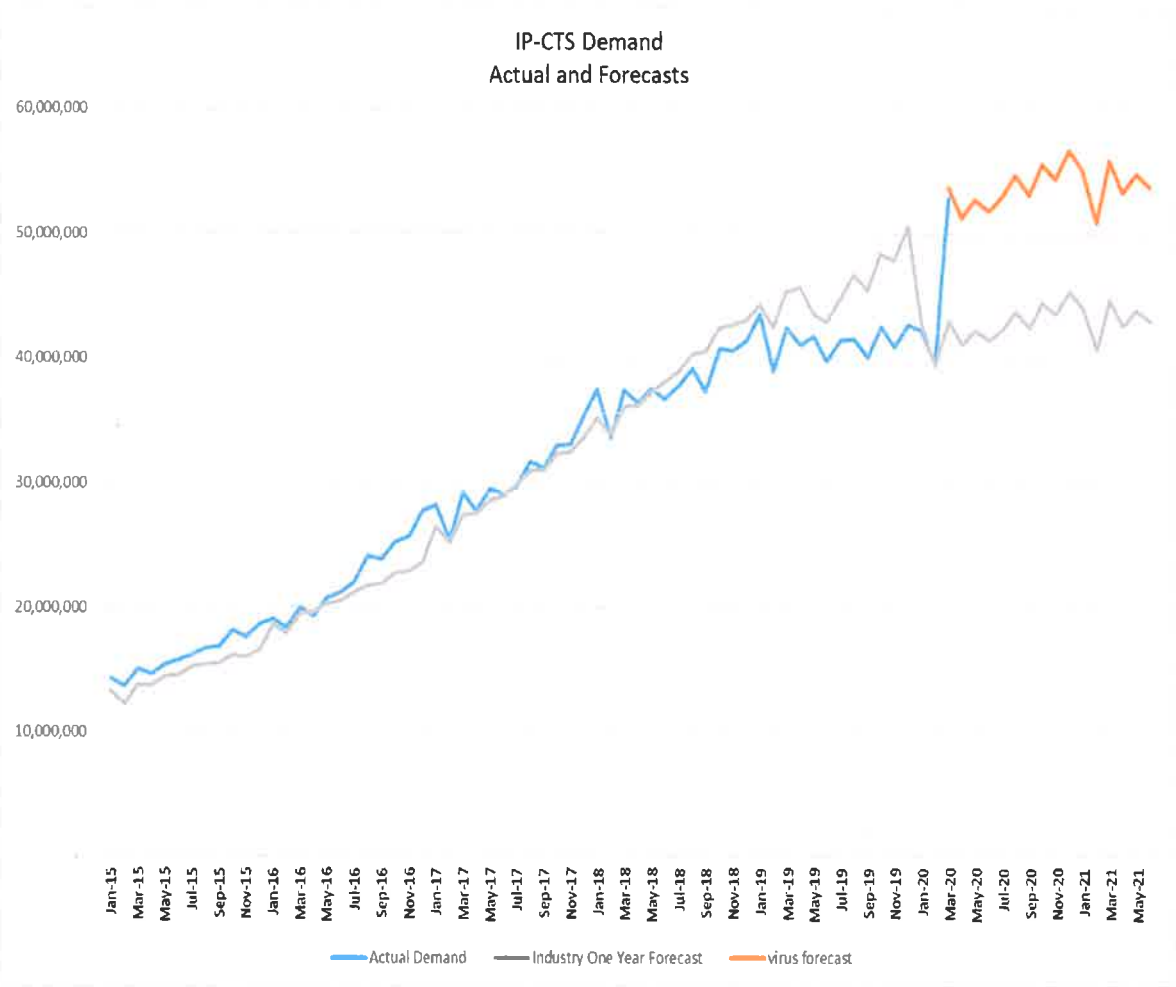
The Administrator has historically used the forecasts submitted by the providers for IP Relay, IP CTS and VRS services. This approach has historically provided reasonably accurate results for these services. However, the reported demand for

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<sup>35</sup> Fund Year costs are the average of the two historical or projected years that are part of the program year that begins July and ends June.

<sup>36</sup> In most instances this embodies July 2015 through March 2019 minutes.

services spiked dramatically above the projected demand for March 2020 and it is anticipated that demand will remain high for the duration of the COVID-19 pandemic. Due to the uncertain impact of the pandemic on projected demand the Administrator has applied a 25% increase to the provider projected demand for the months May 2020 through April 2021 when determining the fund requirements. The following graph shows the IP CTS reported and projected demand. Rolka Loube recommends that the Commission direct the Administrator to monitor provider costs through June 2020 and report further on the status of the fund, no later than December 31, 2020.



The Administrator has applied the rate of \$1.58 applicable to IP CTS awaiting further direction from the Commission regarding the pending rulemaking. The IP Relay reimbursement rate has been developed consistent with the Commission’s determination

in the 2019-2020 rate Order.<sup>37</sup> The VRS reimbursement rate is not subject to change and remains at the level previously specified by the Commission.

The IP CTS industry demand projection for the 2020-2021 funding year totals 517,476,253 minutes,<sup>38</sup> a significant decrease<sup>39</sup> when compared to the projection for the 2019-2020 fund year of 568,474,075 minutes.<sup>40</sup> Throughout the current program year the reported demand for IP Relay and VRS Service closely tracked projected demand. However, IP CTS remained well below the level projected for this fund year, until the impact of the pandemic began to be experienced in mid-March, not only for IP CTS but also for each of the IP based services. The reported March demand, for each IP based service, exceeded the levels projected for the service last year.

## V. Additional Funding Requirements

### A. National Deaf-Blind Equipment Distribution Program

In its August 4, 2016 Order,<sup>41</sup> the Commission permanently established a National Deaf-Blind Equipment Distribution Program (NDBEDP) to certify and provide reimbursement to entities in each state so that they can distribute specialized CPE to low-income individuals who are deaf-blind.<sup>42</sup> Funding for this program has been established at \$10,000,000 per year beginning with the 2012 – 2013 fund year. As such, \$10,000,000 has been included in the Interstate TRS funding requirement for the 2020-2021 fund year.

Allowances for ongoing VRS reforms, database administration, fund administration, data collection agent costs, TRS Fund Advisory Council expense, audits of service providers, an independent financial audit of the fund, bankruptcy

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<sup>37</sup> See Order, CG Docket Nos. 03-123 and 10-51 Rel. June 28, 2019, DA 19-607.

<sup>38</sup> May 2020 – April 2021.

<sup>39</sup>  $(517,476,253/568,474,075=91\%)$

<sup>40</sup> May 2019 – April 2020.

<sup>41</sup> See: FCC 16-101 adopted August 4, 2016, Rel. August 5, 2016.

<sup>42</sup> *Implementation of the Twenty-First Century Communications and Video Accessibility Act of 2010, Section 105, Relay Services for Deaf-Blind Individuals*, Report and Order, CG Docket No. 10-210, Adopted April 4, 2011



representation, the development and implementation of an IPERIA audit plan approved by the OMB, and identity validation costs totaling \$19,251,000 are included as other TRS Fund administration costs.

## **VI. Contribution Factor Calculation**

As previously noted, reimbursement requests are to be processed within sixty (60) days of receipt by the Administrator. Operationally, service provided in May will be reported to the Administrator in June and paid in July, the first month of the upcoming program year. Similarly, service provided in June will be reported in July and paid in August, the second month of the upcoming program year. To accurately account for this lag, the Administrator's funding recommendation for the fund year from July 2020 through June 2021 reflects the demand for the May 2020 - April 2021 time period. The Administrator has recommended that the payment reserve incorporate a two-month accrual for anticipated provider distributions that will be paid in the following year (i.e. May 2021 and June 2021).

Collectively, anticipated expenditures for the six relay services and the additional fund requirements total \$1,909,678,939. Interest on invested funds for the July 2020-June 2021 period is projected to be zero and is no longer available to be subtracted as an offset from these projected fund requirements in calculating the 2020-2021 budget.

Historically, the Administrator has recommended that the TRS Fund include an additional component to protect the Interstate TRS program from running short of available funds before the end of the TRS Fund year. In its 2009 and 2010 Rate Orders, the Commission accepted the Administrator's recommendation to include a surplus of one month's projected distributions to providers.<sup>43</sup> The Administrator recommended for the 2014-2015 funding year that the budgetary reserve be increased to two months. The reserve is a reasonable precautionary measure to guard against the possibility of unanticipated demand for TRS that can unexpectedly increase the need to fund payments during the course of a fund year. In the 2014-2015 Rate Order,<sup>44</sup> the Commission

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<sup>43</sup> Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, Order, CG Docket No. 03-123, 23 FCC Rcd 9976 (2008 Rate Order) at n. 56

<sup>44</sup> See DA 14-946, para. 23.

accepted the change to increase the reserve as described. The use of a budgetary reserve of two months of projected distributions to providers is comprised of a reserve attributable to projected May and June 2021 IP CTS service in the amount of \$171,433,015 and a reserve attributable to all other projected TRS and IP-based Services for May and June 2012 in the amount of \$98,715,122 for a combined total reserve of \$270.1 million. It is anticipated that there will be a surplus of approximately \$275 million on June 30, 2020, which is deducted from the funding requirement when determining the contribution factor.

The total projected net funding requirement for the 2020-2021 funding year is estimated to be \$1,634,678,939. The component parts of the projected funding requirement are displayed in Exhibit 2.

Based on the 2020-2021 demand projections and the proposed rates contained herein, coupled with the anticipated calendar-year 2019 revenue bases, the Administrator estimates that the contribution factors are 0.01381 for non-IP CTS TRS services and 0.00941 for IP CTS services.

## **VII. Program Administration**

### **A. Interstate TRS Fund Advisory Council Reports**

Pursuant to section 64.604 of the Commission's rules, the Advisory Council (Council) offers recommendations to the Administrator regarding interstate TRS cost-recovery matters.<sup>45</sup> The Advisory Council includes non-paid volunteers from the hearing and speech disability community, TRS users (voice and text telephone), state regulators and relay administrators, interstate service providers, and TRS providers. Appendix C contains a listing of current Advisory Council members.<sup>46</sup>

On September 15, 2019, the Advisory Council met in Phoenix, Arizona. The meeting included an extensive overview of developments at the FCC presented by Eliot

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<sup>45</sup> 47 C.F.R. § 64.604 (c)(5)(iii)(H).

<sup>46</sup> In a July 1999 Order, the FCC authorized the addition of a position in the hearing and speech disability community category for a representative from the speech disability community. *See Appointment of the*

Greenwald, Deputy Chief, Disability Rights Office (DRO) of the FCC and a discussion of the Health of the Fund by the Administrator, Rolka Loube. The Council members expressed interest in matters relating to the potential authorization of the service known as Automated Speech Recognition (ASR), the potential certification of several pending ASR providers' applications and the potential impact on IP CTS service. A few questions were raised regarding the potential impacts of potential government shutdown and debt limits. There were observations regarding the adverse impact of the lack of salary adjustments for several years on the quality and number of qualified interpreters. Concern was registered regarding the potential uses of personal information required for identity validation by the entities collecting the information from users, as well as the multiple obstacles to accessing services inherent in the number of agencies that can be involved. During the new business portion of the meeting the Council established a new subcommittee to identify deaf-blind issues specifically related to the TRS fund, and also established a subcommittee to consider the recommendations of the Disability Advisory Council (DAC) to the Commission and the implementation of an IP CTS User Registration Database (URD) on the fund. The Council also continued interest in the work of a subcommittee that subject to non-disclosure agreements with the service providers will once again have access to the service provider annual cost and demand submissions to the Administrator.

The method and sequence of conducting the spring 2020 meetings and of the TRS Fund Advisory Council has been modified from the traditional practices in deference to the social distancing practices in place during the current health pandemic. On April 3, 2020, the Council conducted an abbreviated virtual meeting, via Zoom, in lieu of an in-person meeting. The meeting was scheduled to be held virtually due to the governmental limitations recommend in response to the COVID-19 pandemic. All members were able to participate, and members of the public were also able to attend the virtual proceedings. The virtual meeting included an overview of developments at the FCC related to COVID-19, presented by Eliot Greenwald, Deputy Chief, Disability Rights Office (DRO). An

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*Telecommunications Relay Services (TRS) Fund Administrator and Composition of the Interstate TRS Advisory Council, CC Docket No. 90-571, Memorandum Opinion and Order, 14 FCC Rcd 10553 (1999).*

overview of the draft findings to be submitted to the FCC was presented by Robert Loube and Garrett McGrath of Rolka Loube. The topics addressed included compensation rates, demand projections and contribution factors, based on the annual data collection from state programs and from certified service providers applicable to the fund year beginning July 1, 2021. Those same logistical limitations and complications of the virtual meeting were applicable to the work of the Council sub-committee regarding confidential access to service provider cost submissions by the members of the Advisory Council subcommittee. The sub-committee access to provider cost and demand data, and ability to comment on the Rolka Loube presentation during the virtual meeting of the full Advisory Council were incomplete. The subcommittee review of provider cost data has continued following the April 3, 2020, meeting with the expectation of providing comments to the full membership for consideration and eventual recommendation to Rolka Loube prior to Rolka Loube submitting comments in response to the FCC formal comment period following the April 30, 2020 submission. The sub-committee has indicated its intention to comment on the following subjects: provider research and development expenditures; a tiered IP CTS rate structure; a temporary freeze of the IP CTS rate; the period for updating pandemic related demand and cost data; as well as a timeline for consideration of an appropriate rate(s) determination methodology. The new business and other business of the Council was deferred to be addressed during the regularly scheduled Health of the Fund conference call to also be conducted via Zoom. The minutes of the September 2019 and the April 2020 meetings were not available in time for this submission but may be submitted to the Commission during the anticipated comment period on this Annual Report recommendation.

### **B. Audit Report**

Included in Appendix E is a copy of the TRS Fund Performance Status comparing the projected budgetary levels for the current program year with the actual results of operations for the period July 2018 through March 2019.

## **Appendices:**

- Appendix A** Interstate TRS Fund 2018 Intrastate Rate and Minute Data for MARS Methodology (State Data Collection Form & Instructions)
- Appendix B** Interstate TRS Fund Annual Provider Information (Provider Data Collection Form & Instructions)
- Appendix C** Current Advisory Council Members
- Appendix D** TRS Council meeting Minutes of September 2019 and April 2020 were unavailable at the time of submission.
- Appendix E** TRS Fund Status Report through March 2020.
- Appendix F** The 2019-2020 Rolka Loube Report

## **Exhibits:**

- Exhibit 1-1** Displays TRS & STS data collected from states for the Interstate MARS rate calculation.
- Exhibit 1-2** Displays CTS data collected from states for the Interstate MARS rate calculation.
- Exhibit 1-3** IP CTS historical cost, Rate and demand data.
- Exhibit 1-3.1** --- IP CTS Revenue, Expense and Profit Estimates for Tariff Year 2019-2020 (REDACTED) (**HIGHLY CONFIDENTIAL, NOT FOR PUBLIC INSPECTION**).
- Exhibit 1-3.2** --- IP CTS Cost Trend Data
- Exhibit 1-4** **Graph** Displaying IP CTS Historical and Projected Demand
- Exhibit 2** Displays the proposed Interstate TRS Fund Size and Contribution Factor for the July 2020 through June 2021 Fund Year.
- Exhibit 3** Historical Contribution Base Data
- Exhibit 4** Erosion of 2019-2020 Contribution Base.



The 2020-2021 Rolka Loube Report  
*Appendix A*

## *Interstate TRS Fund*

# 2019 Annual State Rate Data Request Filing Instructions

Should you have any questions about these instructions or completion/content of the forms, please contact Bob Loube at 301-681-0338 or [bobloube@earthlink.net](mailto:bobloube@earthlink.net). Questions about the submission of this data request can be emailed to [TRSDataRequest@rolkaloube.com](mailto:TRSDataRequest@rolkaloube.com), or call 717-585-6605, extension 625.

### **Filing Requirements / Schedule / File Preparation**

Form required of all states and US territories:

- Rate and Demand

Form to be completed as appropriate:

- Additional Costs Paid to Provider

Filing deadline:

Forms must be emailed to [TRSDataRequest@rolkaloube.com](mailto:TRSDataRequest@rolkaloube.com) on or before **February 20, 2020**.

Naming your file:

Each Excel workbook must be saved and submitted as a whole collection of completed data forms using this filing naming template: **xx\_2019\_Annual\_v.xls**, example: **PR\_2019\_Annual\_0.xls**

- xx Represents an abbreviation of the state or US territory (i.e. PA, DC, PR)
- v Represents a single digit for the version of the filing. The first filing submitted for the carrier should be 0. **If the file is being replaced for some reason, increment by 1 each time a replacement file is created for submission.**

### **General Information**

On November 19, 2007, the Federal Communications Commission (“FCC” or “Commission”) released a Report and Order (FCC 07-186) adopting new cost recovery methodologies for the various forms of TRS. For traditional TRS, STS, and CTS, the Commission adopted the MARS Plan. One MARS rate is calculated that applies to Interstate TRS and STS, and one MARS rate is calculated that applies to Interstate CTS.

Under the MARS plan each January the Fund Administrator will request each state TRS administrator, and each provider of TRS, STS, and CTS to provide the following data for the previous calendar year: (1) per-minute compensation rates for intrastate traditional TRS, STS, and CTS; (2) whether the rate applies to session minutes or conversation minutes; (3) the number of intrastate session minutes for traditional TRS, STS, and CTS; and (4) the number of intrastate conversation minutes for traditional TRS, STS, and CTS. If the contractual per-minute compensation rate does not include all of the costs paid by the state to the provider for the relay service, the state should also list other amounts paid to the provider during the relevant calendar year. All information submitted will be considered by RLSA to be confidential.

The intrastate minutes also include allocated 800-number, 900-number, and inbound two-line CTS minutes allocated as intrastate minutes (FCC DA 08-1476 ¶15). These allocated intrastate minutes must be included in the MARS calculation to ensure the rate reflects all intrastate minutes compensated by the states.

### **Completing the “Rate and Demand Worksheet”**

Per the Commission Report and Order FCC 07-186, each state TRS administrator and each provider of interstate TRS and STS is to provide the following data for the previous calendar year: per-minute compensation rates for intrastate traditional TRS and STS; whether the rate applies to session minutes or conversation minutes; the number of intrastate session minutes for traditional TRS and STS; and the number of intrastate conversation minutes for traditional TRS and STS.

Per the Commission Report and Order FCC 07-186, each state administrator and each provider of CTS is to provide the following data for the previous calendar year: per-minute compensation rates for intrastate CTS; whether the rate applies to session minutes or conversation minutes; the number of intrastate session minutes for CTS; and the number of intrastate conversation minutes for CTS.

#### Header Instructions:

1. **Jurisdiction:** Enter the two character abbreviation for the state or territory being reported (such as “PR”, “VI”, “DC”, etc.).
2. **Prepared By:** Enter the name of the person responsible for the content of this report.
3. **Telephone:** Enter the telephone number, including an extension if appropriate, of the person named in step 2.
4. **Email Address:** Enter the email address of the person named in step 2.



Column Instructions: (Note that the jurisdiction column will complete automatically once a service type and provider have been entered.)

1. **Service Type:** Select the service type using the drop down list or type “TRS”, “STS” or “CTS”.
2. **Provider:** Enter the name of the service provider.
3. **Rate Start Date:** Enter a valid date including month, day and year when the contract rate became effective (such as “3/1/2018”). Note: Only rates that were in effect at some point during 2019 are to be reported.
4. **Rate End Date:** Enter a valid date including month, day and year when the contract rate terminates (such as “9/30/2019”). Note: Only rates that were in effect at some point during 2019 are to be reported.
5. **Conversation Rate:** Enter the per-minute compensation rate when the compensation rate is based upon actual intrastate conversation minutes (such as “4.52”). The currency format is already configured within the form and therefore, a dollar sign should not be typed.
6. **Session Rate:** Enter the per-minute compensation rate when the compensation rate is based upon actual intrastate session minutes (such as “4.52”). The currency format is already configured within the form and therefore, a dollar sign should not be typed.
7. **Conversation Minutes:** Enter the total intrastate conversation minutes for the period in which the rate was effective during the calendar year 2019.
8. **Session Minutes:** Enter the total intrastate session minutes for the period in which the rate was effective during the calendar year 2019.

### **Additional Cost Paid to the Provider**

Please identify any incentives or services that were paid to a TRS provider during calendar year 2019 in addition to the payments reported on the “rate and demand” worksheet. Incentives, whether direct or indirect, that relate to usage are prohibited for any form of TRS; any types of incentives for any form of TRS, whether direct or indirect, are not reasonable costs of providing TRS.

Column Instructions: (Note that the jurisdiction column will complete automatically once a service type and provider have been entered.)

1. **Provider:** Enter the name of the service provider.
2. **Service Type:** Select the service type using the drop down list or type either “TRS”, “STS” or “CTS”.

3. **Rate Start Date:** Enter a valid date including month, day and year when the rate being reported began (such as “3/1/2018”).
4. **Rate End Date:** Enter a valid date including month, day and year when the rate being reported terminates (such as “9/30/2019”).
5. **Amount:** Enter the amount of additional payments to the provider. The currency format is already configured within the form and therefore, a dollar sign should not be typed.
6. **Description:** Describe the type of cost or incentive paid to the provider.

### **Questions:**

**Q:** My state is somewhat unique among states as we pay a monthly TRS rate based on center operating costs, not a per minute compensation rate as requested. How do I best capture that information on the form for you to use?

**A:** Do not complete the rate portion of the “rate and demand” form because it obviously does not apply to this situation. We are also interested in the amount of TRS demand in the prior year, so please enter the number of minutes, if possible.

In the form, “Add. Cost Paid to Provider”, please complete this form. In the “amount” column, enter the annual amount paid to the provider. However, if the rate was established for a portion of the year, enter the amount paid for that portion. Indicate in the rate start and end date columns, the portion of the year that the rate was in effect. Use a separate row each time the rate changed.

**Q:** Our rate for STS is included in the monthly TRS rate. Do I list STS on the form separately, or note that the monthly TRS rate includes STS in the “provider” column?

**A:** In the “description” column, explain how the compensation is determined. If STS and TRS are combined, indicate that. Do not try to make an artificial separation of the payments if there is no basis for the separation. However, if you know the costs for TRS separately from the costs of STS, you can provide that information in the description column.





Approved by OMB  
Jan 2020 version  
OMB Control number 3060-0463  
See instructions for public burden estimate

If you have questions about the content of these forms, please contact:  
Please send this completed workbook by February 20, 2020 to:

**Bob Loube**

[bobloube@earthlink.net](mailto:bobloube@earthlink.net)

301-681-0338

[IRSDataRequests@rockwell.com](mailto:IRSDataRequests@rockwell.com)

717-585-6605



 **Contract Holder**  
47QRAA18D00FA

The 2020-2021 Rolka Loube Report  
*Appendix B*

## *Interstate TRS Fund*

# 2019 Annual TRS Provider Data Request Filing Instructions

Should you have any questions about these instructions or completion/content of the forms, please contact Bob Loube at 301-681-0338 or [bobloube@earthlink.net](mailto:bobloube@earthlink.net). Questions about the submission of this data request can be emailed to [TRSDataRequest@rolkaloube.com](mailto:TRSDataRequest@rolkaloube.com), or call 717-585-6605, extension 625.

### Filing Requirements / Schedule / File Preparation

Forms required of all providers:

- Annual Provider Information (“Basics”)

Forms to be completed as appropriate:

- Intrastate Rate and Minute Data for MARS Methodology
- Additional Provider-Paid Costs
- Additional Costs Paid to Provider
- Video Relay Service (“VRS”) Expense and Capital Investments Data
- Internet Protocol Relay (“IP Relay”) Service Expense and Capital Investments Data
- IP Captioned Telephone Service (“IP CTS”) Expense and Capital Investments Data Associated with CA Provisioned Service (“IP CTS CA”)
- IP CTS Expense and Capital Investments Data Associated with ASR Provisioned Service (“IP CTS ASR”)
- Annual VRS Demand Data
- Annual IP Relay Demand Data
- Annual IP CTS Demand Data

Filing deadline:

All forms must be uploaded to the Rolka Loube (“RL”) secure FTP portal **on or before February 20, 2020**.

Naming your file:

Each Excel workbook must be saved and submitted as a whole collection of completed data forms (*aka* worksheets) using this filing naming template: [xxxxxx\\_YYYY\\_Annual\\_v.xlsx](#) .

- xxxxxx Represents the 6 digits of the provider's filer ID.
- YYYY Represents the four digit year designation for the most recent historical data being reported.
- v Represents a single digit for the version of the filing. The first filing submitted for the carrier should be 0. **If the file is being replaced for some reason, increment by 1 each time a replacement file is created for submission.**

## General Information

On November 19, 2007, the Federal Communications Commission ("FCC" or "Commission") released a Report and Order (FCC 07-186) adopting new cost recovery methodologies for the various forms of TRS. The Order also clarified the nature and extent to which certain categories of costs are compensable from the Fund.

The Order also provided that:

- Indirect overhead costs are not reasonable costs of providing TRS. Appropriate overhead costs are those costs directly related to, and which directly support, the provision of relay service. Indirect overhead costs may not be allocated to TRS by an entity that provides services other than TRS based on the percentage of the entity's revenues that are derived from the provision of TRS. (FCC 07-186, ¶¶74-75).
- Start-up expenses are compensable, but must be amortized in accordance with generally accepted accounting rules (FCC 07-186, ¶¶76-77).
- All costs submitted must directly support the provision of relay service (FCC 07-186, ¶75).
- Reasonable executive compensation for persons who directly support the provision of TRS is compensable from the Fund (FCC 07-186, ¶79). For example, if executives of a company that provides a variety of services in addition to TRS do not personally work on TRS issues, no part of their salaries can be included in the company's TRS cost submission (FCC 07-186, ¶75).
- Financial transaction costs or fees unrelated to the provision of relay service are not compensable as reasonable costs of providing service. Such costs include costs and fees relating to a change in ownership of the entity providing relay service, the sale of the entity, the spinoff of part of the entity, or any other



transaction directed at the ownership, control, or structure of the relay provider (FCC 07-186, ¶80).

- Costs attributable to relay hardware and software used by the consumer, including, but not limited to, marketing, installation, maintenance costs, and testing are not compensable from the Fund. Compensable expenses do not include expenses for customer premises equipment – whether for the equipment itself, equipment distribution, marketing, or installation of the equipment or necessary software (FCC 07-186, ¶82). Any information requested is for informational purposes only.
- 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)
- Capital investment data, if applicable, must be submitted by service. (FCC 04-137, ¶177-182)
- If depreciation expenses are reported, the year-end net book value of the capital investment from which depreciation was computed must be reported in Section F. Depreciation attributable to relay hardware and software used by the consumer is not compensable from the Fund.
- STS providers must include a report detailing specific outreach efforts directly attributable to the additional support for STS outreach.
  - The following are examples of non-compensable fund costs:
    - Costs associated with an Internet-based TRS consumer’s acquisition of a ten-digit geographic telephone number.
    - Costs associated with an Internet-based consumer’s acquisition and usage of a toll free telephone number.
    - E911 charges imposed on TRS providers under a state or local E911 funding mechanism. (FCC 08-275, ¶47-56)

The preceding General Information is representative of Commission determinations but is not intended to be a complete list of FCC Orders which have addressed costs. All reasonable expenses of providing eligible relay services, whether as part of a state-contracted service or a stand-alone service, are reportable.

## Completing the ‘Basics’ Worksheet

1. **ID & Provider Name:** In the first white box, select your company name from the drop down list.

2. **Contact Name:** Enter the name of the person who prepared the report. This person will be contacted by RL if there are any questions or problems with the submission.
3. **Contact Email Address:** Enter the email address of the person identified in step 2.
4. **Contact Telephone:** Enter the telephone number of the person identified in step 2, including area code and any appropriate extension number.
5. **Explanation of Changes:** In the next box, enter details about any changes since your last filing and/or plans for change for the upcoming tariff year 2020-2021 (July – June).

## Completing the 'Rate and Minute Data' Worksheet

Since the Commission Report and Order FCC 07-186, each provider of interstate TRS, STS and CTS is to annually provide the following data for the previous calendar year: per-minute compensation rates for intrastate traditional TRS, CTS and STS; whether the rate applies to session minutes or conversation minutes; the number of intrastate session minutes for traditional TRS, CTS and STS; and the number of intrastate conversation minutes for traditional TRS, CTS and STS.

### Column Instructions:

1. **Provider:** This information will automatically be populated with the provider's 6-digit ID selected within the Basics sheet after the Service Type and the Jurisdiction columns are completed.
2. **Service Type:** Either select the service type using the drop down list or type either "TRS", "STS" or "CTS".
3. **Jurisdiction:** Enter the appropriate state or territory (such as "Puerto Rico", "PR", "VI", "Guam", etc.)
4. **Rate Start Date:** Enter a valid date including month, day and year when the contract being reported began (such as "3/1/2019").
5. **Rate End Date:** Enter a valid date including month, day and year when the contract being reported terminates (such as "2/28/2020").
6. **Conversation Rate:** Enter the per-minute compensation rate when the compensation rate is based upon actual intrastate conversation minutes (such as "4.52"). The currency format is already configured within the form and therefore, a dollar sign should not be typed. If the compensation is not per

minute, record the compensation information in the form “Additional Costs Paid to Provider”.

7. **Session Rate:** Enter the per-minute compensation rate when the compensation rate is based upon actual intrastate session minutes (such as “4.52”). The currency format is already configured within the form and therefore, a dollar sign should not be typed. If the compensation is not per minute, record the compensation information in the form “Additional Costs Paid to Provider”.
8. **Conversation Minutes:** Enter the total intrastate conversation minutes for the period in which the rate was effective during the calendar year 2019.
9. **Session Minutes:** Enter the total intrastate session minutes for the period in which the rate was effective during the calendar year 2019.

## Completing the ‘Additional Provider-Paid Costs’ Worksheet

Please identify any incentives or services the TRS provider paid for or provided, during calendar year 2019, for which the state was not required to pay. Reminder – certain types of incentive payments are prohibited by Commission rules and orders.

Column Instructions:

1. **Provider:** This information will automatically be populated with the provider’s 6-digit ID selected within the Basics sheet after the Service Type and the Jurisdiction columns are completed.
2. **Service Type:** Either select the service type using the drop down list or type either “TRS”, “STS” or “CTS”.
3. **Jurisdiction:** Enter the appropriate state or territory (such as “Puerto Rico”, “PR”, “VI”, “Guam”, etc.)
4. **Rate Start Date:** Enter a valid date including month, day and year when the contract being reported began (such as “3/1/2019”).
5. **Rate End Date:** Enter a valid date including month, day and year when the contract being reported terminates (such as “2/28/2020”).
6. **Amount:** Enter the amount of provider-paid costs. The currency format is already configured within the form and therefore, a dollar sign should not be typed.

7. **Description:** Describe the type of cost or incentive paid for by the provider. Reminder – certain types of incentive payments are prohibited by Commission rules and orders.

## Completing the 'Additional Costs Paid to Provider' Worksheet

If the contractual per-minute compensation rate does not include all the costs paid by the state to the provider for the relay service, enter amounts paid to the provider during 2019.

### Column Instructions:

1. **Provider:** This information will automatically be populated with the provider's 6-digit ID selected within the Basics sheet after the Service Type and the Jurisdiction columns are completed.
2. **Service Type:** Either select the service type using the drop down list or type either "TRS", "STS", "CTS" "IPCTS", "IP" or "VRS".
3. **Jurisdiction:** Enter the appropriate state or territory (such as "Puerto Rico", "PR", "VI", "Guam", etc.)
4. **Rate Start Date:** Enter a valid date including month, day and year when the contract being reported began (such as "3/1/2019").
5. **Rate End Date:** Enter a valid date including month, day and year when the contract being reported terminates (such as "2/28/2020").
6. **Amount:** Enter the amount of payments for 2019. The currency format is already configured within the form and therefore, a dollar sign should not be typed.
7. **Description:** Describe the type of payment to the provider for 2019.
8. **Source:** Identify the entity that provided the payment to the provider.

## Completing the 'Video Relay Service Expense and Capital Investments Data' Worksheet

Include claimed expenses attributable to providing Video Relay Service as required under Part 64 of the FCC rules, such as gathering traffic, the center itself, and handing off calls

to the interexchange carrier. When reporting expenses, report all amounts in whole dollars. For the four columns: 2018, 2019, 2020 and 2021 enter Actual or Projected amounts as requested. All amounts should be traceable to the company's trial balance. For each category of cost the total submitted should tie to the category expenses in the Appendix H, Sections 1 and 2, income statements. E.g. A1 rent for the Video Relay Service ("VRS") Relay Service Data Request ("RSDR") submission should tie to the A1 rent expense VRS column in the income statements.

**Provide all spreadsheets used to allocate cost among the TRS services. \*\*\*  
See Appendix 1, Section A for further instructions \*\*\***

**A. Annual Recurring Fixed/Semi-Variable Expenses see Appendix 1.** Submit all expenses associated with building rent, utilities, maintenance, property tax, leased furniture and office equipment.

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

**B. Annual Recurring Variable Expenses (Direct VRS Operating Expenses)**

1. **Salaries and Benefits: *Non-management employees (persons performing Communications Assistant ("CA") and interpreter activities)*,** compensation 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 IS REQUIRED – see Appendix 1**

2. **Salaries and Benefits: *Management employees (relay center managers & supervisors)***, compensation 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 IS REQUIRED – see Appendix 1** See discussion of executive compensation at paragraphs 78-79 of the Commission’s Report and Order and Declaratory Ruling, released on November 19, 2007 (FCC 07-186).
3. **Salaries and Benefits: *Relay center staff compensation***, 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 IS 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 equipment and facilities, automatic call distributor 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. **Billing Expenses:** Rating of toll messages and billing functions not recovered from other sources.
6. **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.

### **C. Annual Administrative Expenses**

Indirect overhead costs are not reasonable costs of providing TRS. Appropriate overhead costs are those costs that are directly related to, and directly support, the

provision of relay service. Indirect overhead costs may not be allocated to TRS by an entity that provides services other than TRS based on the percentage of the entity's revenues that are derived from the provision of TRS. (FCC 07-186, ¶74-75).

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, and benefit investment fund management, etc. **ADDITIONAL DATA IS 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 IS REQUIRED - see Appendix 1**
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 IS REQUIRED see Appendix 1**
4. **Research and Development:** Expenses incurred for R&D required to meet applicable non-waived mandatory minimum standards. **ADDITIONAL DATA IS REQUIRED – see Appendix 1**
5. **Operations Support:** Expenses that ensure the sustainability of service including troubleshooting, customer service and technical support. **ADDITIONAL DATA IS REQUIRED – see Appendix 1**
6. **Human Resources:** Expenses incurred in performing personnel administration activities, including recruiting, hiring, forecasting, planning, training, scheduling, counseling employees and reporting. **ADDITIONAL DATA IS 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 IS REQUIRED - see Appendix 1**
8. **Contract Management:** Expenses of managing activities required by the provider contracts. **ADDITIONAL DATA IS 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 Overhead:** Other administrative expenses of providing TRS not included in previous categories. All costs over \$10,000 should be itemized. **ADDITIONAL DATA IS REQUIRED – see Appendix 1** See discussion of overhead costs at paragraphs 74-75 of the Commission's Report and Order and Declaratory Ruling, released on November 19, 2007 (FCC 07-186).

#### **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 IS 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 IS 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 IS REQUIRED – see Appendix 1**
4. **Software:** Amortization expenses associated with capitalized software.
5. **Other Capitalized:** depreciation expense not accounted for in other categories. **ADDITIONAL DATA IS REQUIRED – see Appendix 1**

#### **E. Other Expenses**

1. **a) Advertising:** Advertising is a form of communication intended to persuade an audience (viewers, readers or listeners) to purchase or take some action upon products, ideas, or services. It includes the name of a product or service and how that product or service could benefit the consumer, to persuade a target market to purchase or to consume that particular brand. These messages are usually paid for by sponsors and viewed via various media.
- b) Marketing:** Marketing is the wide range of activities involved in making sure that you're continuing to meet the needs of your customers and getting value



in return. Marketing activities include "inbound marketing," such as market research to find out, for example, what groups of potential customers exist, what are their needs, which of those needs can be met, how they should be met, etc. Inbound marketing also includes analyzing the competition, positioning your new product or service (finding your market niche), and pricing your products and services. "Outbound marketing" includes promoting a product through continued advertising, promotions, public relations and sales. Marketing represents expenditures by the provider to persuade users to choose their particular relay service over that of other relay service providers. **All costs over \$10,000 should be itemized.** The costs of equipment given to, sold to, and/or used by relay callers, and incentives are NOT to be reported as expenses. Reminder – certain types of incentive payments are prohibited by Commission rules and orders. **ADDITIONAL DATA IS REQUIRED – see Appendix 1.** See discussion at paragraph 82, Report and Order and Declaratory Ruling, released on November 19, 2007 (FCC 07-186).

2. **Outreach:** Outreach is an effort by individuals in an organization or group to connect their ideas or practices to the efforts of other organizations, groups, specific audiences or the general public. Unlike marketing, outreach does not inherently revolve around a product or strategies to increase market share. Typically non-profits, civic groups, and churches engage in outreach. **ADDITIONAL DATA IS REQUIRED – see Appendix 1.** See discussion at paragraph 82, Report and Order and Declaratory Ruling, released on November 19, 2007 (FCC 07-186).
3. **Sub-Contractor:** 3rd party costs associated with a contract to provide IP Relay, IP CTS, and VRS. Do not include profit or tax allowances of sub-contractor. Provide these costs excluding any costs associated with license fees. If it is not possible to separate license fees from sub-contractor costs, provide total sub-contractor costs and state that the costs may include license fees. **ADDITIONAL DATA IS REQUIRED – see Appendix 1.**
4. **License fees paid to a third party.** Third party costs associated with the payment of a license fee associated with the use of a sub-contractor's technology, software or equipment. **Additional DATA IS REQUIRED – see Appendix 1.**
5. **License fees paid to an affiliate.** Costs associated with the payment of a license fee associated with the use of an affiliate's technology, software or equipment. **Additional DATA IS REQUIRED – see Appendix 1.**
6. Software Expense

7. Customer Premise Equipment Expense. **ADDITIONAL DATA IS REQUIRED – see Appendix 1**
8. Other: Expenses not previously reported. **ADDITIONAL DATA IS REQUIRED – see Appendix 1**

#### **F. Capital Investments**

Please provide the year end net book value of capital investments by categories listed in Section F from which the depreciation expenses in Section D were calculated. **ADDITIONAL DATA IS REQUIRED – see Appendix 1**

#### **G. Costs Associated with E911 and Numbering for Internet-Based Telecommunications Relay Services**

Costs may be submitted for:

“those additional costs incurred by a provider that directly relate to (1) ensuring that database information is properly and timely updated and maintained; (2) processing and transmitting calls made to ten-digit numbers assigned pursuant to this Order; (3) routing emergency calls to an appropriate Public Safety Answering Point (“PSAP”); (4) other implementation-related tasks directly related to facilitating ten-digit numbering and emergency call handling; and (5) consumer outreach and education related to the requirements and services adopted in this Order” (FCC 08-151 ¶100).

The following costs are not compensable from the fund: (A) Costs associated with an Internet-based TRS consumer’s acquisition of a ten-digit geographic telephone number, (B) costs associated with an Internet-based consumer’s acquisition and usage of a toll free telephone number, and (C) E911 charges imposed on TRS providers under a state or local E911 funding mechanism. (FCC 08-275, ¶47-56). Do not include these costs. Do not include costs already included in the per minute IP Relay, IP CTS, and Video Relay Service compensation rate calculated pursuant to the Commission’s rules.

### **Completing the ‘IP-Relay Expense and Capital Investments Data’ Worksheet (IP Relay Tab)**

Include reasonable expenses attributable to providing IP Relay as required under Part 64 of the FCC rules, such as gathering traffic, the center itself, and handing off calls to the carrier. When reporting expenses, please report all amounts in whole dollars. **Follow the same instructions for Sections A through G, as listed above in Video Relay Services Expense and Capital Investments Data, except substitute IP-Relay expenses and capital investments for VRS.**

## Completing the 'IP-CTS CA Services Expense and Capital Investments Data' Worksheet

Include reasonable expenses attributable to providing IP CTS using Communications Assistants (“CAs”) as required under Part 64 of the FCC rules, such as gathering traffic, the center itself, and handing off calls to the carrier. When reporting expenses, please report all amounts in whole dollars. **Follow the same instructions for Sections A through G, as listed above in Video Relay Services Expense and Capital Investments Data, except substitute IP CTS CA expenses and capital investments for VRS.**

## Completing the 'Annual IP-CTS Automated Speech Recognition Services Expense and Capital Investments Data' Worksheet

Include reasonable expenses attributable to providing IP CTS using Automated Speech Recognition (“ASR”) as required under Part 64 of the FCC rules, such as gathering traffic, the center itself, and handing off calls to the carrier. When reporting expenses, please report all amounts in whole dollars. **Follow the same instructions for Sections A through G, as listed above in Video Relay Services Expense and Capital Investments Data, except substitute IP CTS ASR expenses and capital investments for VRS.**

## Completing the 'Annual IP-Relay, IP CTS CA, IP CTS ASR, and VRS Demand Data' Worksheets

All minute data should be reported in conversation minutes. Conversation minutes are measured in terms of conversation time, i.e., from calling party connection to called party until the disconnection of both parties. Do not include time for call set-up, call ringing, waiting for an answer, calls that reach busy numbers or receive no answers, or the call wrap-up. 2018 and 2019 minutes should be actual conversation minutes. Minutes for 2020 and 2021 should be projected conversation minutes by month. The projected minutes should reflect reasonable growth rates and include other considerations that might increase or decrease the minutes handled by a center, such as adding a new state to a center. Include a description of the methodology used to determine the projected minutes for 2020 and 2021.

## APPENDIX 1 For IP Relay, IP CTS CA, IP CTS ASR, and VRS

This Appendix applies to each service separately.

### SECTION A: Annual Recurring Fixed/Semi-Variable Expenses

For Section A expenses that are provisioned jointly with the expenses for other telecommunications relay services, provide the total company expenses, a description of how the total expenses are allocated among the TRS services and between TRS and non-TRS services, and the percent allocation for each service. For example, a building lease could be allocated based on the relative square feet of the building used to provide the services. Include a spreadsheet that documents the allocation. All relationships and equations in the spreadsheet should be active. Do not copy and paste special any data.

### SECTION B: Annual Recurring Variable Expenses

#### 1. Salaries and Benefits

- a) Provide a detailed schedule of the number of full-time employees and part-time equivalent employees – **Non-management (persons performing communications assistant and interpreter activities)**, their job title and job description, and the components of their compensation, including salaries and benefits. This includes the cost of contract interpreters and/or communication assistants. The schedule should tie to the actual and projected amounts for 2018-2021. Please provide data for each center and job title and job description for each employee classification. Number of employees should be the average for the year.

Please provide data for each center. This should be the average for the year, not year-end numbers.

- b) Provide a detailed schedule of the occupancy and utilization percentages used to develop the number of employees required to meet call volumes. The schedule should tie to the schedule requested in A above.

Occupancy Percentage = # of minutes a CA/Interpreter is occupied processing a call (including set-up, wrap-up) / # of available minutes (payroll time). Provide the numerator and the denominator data separately.

Utilization Percentage = # of conversation minutes (does not include set-up, wrap-up) / # of minutes a CA/Interpreter is occupied processing a call (including set-up, wrap-up). Provide the numerator and the denominator data separately.

Please also include information on the normal workday length and the amount of time CAs/interpreters are at their desks waiting to take calls (available/payroll time minus lunch, breaks, vacation).

- c) Provide the speed of answer you are staffing to meet for each center. This should be the average for the year, not year-end data.
1. Number of communication assistant and interpreter seats at each call center
  2. Number of call centers
  3. Average hourly salary for communication assistants and interpreters
  4. Provide fully loaded CA costs including labor, facilities and CA direct G&A
2. Salaries and Benefits - Provide a detailed schedule of the number of management employees (relay center managers & supervisors), their job titles and job description, and the components of their compensation, including salaries and benefits. The schedule should tie to the actual and projected demand for 2018-2021. Please provide data for each center and job title and job description for each employee classification. See discussion of executive compensation at paragraphs 75, 78-79 of the Commission's Report and Order and Declaratory Ruling, released on November 19, 2007 (FCC 07-186). Number of employees should be the average for the year.
3. Salaries and Benefits - Provide a detailed schedule of the number of relay center staff (clerical staff and others who perform non-communications assistant and interpreter activities) employees, their job title and job description, and the components of their compensation, including salaries and benefits. The schedule should tie to the actual and projected demand for 2018-2021. Please provide data for each center, and job title and job description for each employee classification. Number of employees should be the average for the year.
4. Provide a schedule of telecommunications expenses for each call center. Include the vendor, a description of the good(s) or service(s), and the amount.
5. Provide a schedule of the billing expenses for each call center. If billing is performed in-house, provide the work hours required. If billing is provided by a vendor, include the vendor, a description of the good(s) or service(s), and the amount.
6. Provide a schedule of relay center expenses for each call service. Include the vendor, a description of the good(s) or service(s), and the amount.

## **SECTION C: Annual Administrative Expenses**

### **1. Finance/Accounting**

- a) Provide a detailed schedule of the number of employees, job title, job description, and the components of their compensation, including salaries and benefits. Number of employees should be the average for the year.
- b) Provide a schedule of other expenses incurred in providing accounting and financial services. Include the vendor, a description of the good(s) or service(s), and the amount.

### **2. Legal/ Regulatory**

- a) Provide a detailed schedule of the number of employees, job title, job description, and the components of their compensation, including salaries and benefits. Number of employees should be the average of the year.
- b) Provide a schedule of other expenses incurred in providing legal services and a description of those expenses. Include the vendor, a description of the good(s) or service(s), and the amount.

### **3. Engineering (day-to-day operations)**

- a) Provide a detailed schedule of the number of employees, their job title, job description and the components of their compensation, including salaries and benefits. Number of employees should be the average for the year.
- b) Describe Engineering activities and explain how it relates to meeting the non-waived mandatory minimum standards. (See FCC 04-137, ¶¶ 188-190)

### **4. Research and Development**

- a) Provide a detailed schedule of the number of employees, job title, job description, and the components of their compensation, including salaries and benefits. Number of employees should be the average for the year. Provide a break down based on platform, software and customer premise equipment.
- b) Provide a schedule of other expenses incurred in providing research and development services and a description of those expenses. Include the vendor, a description of the good(s) or service(s), and the amount.
- c) Describe each TRS-related Research and Development project and explain how it relates to meeting the non-waived mandatory minimum standards. (See FCC 04-137, ¶¶ 188-190)

5. Operations Support

- a) Provide a detailed schedule of the number of employees, job title, job description, and the components of their compensation, including salary and benefits. Number of employees should be the average for the year.
- b) Provide a schedule of other expenses incurred in providing operations support and a description of those expenses. Include the vendor, a description of the good(s) or service(s), and the amount.

6. Human Resources

- a) Provide a detailed schedule of the number of employees, job title, job description, and the components of their compensation, including salaries and benefits. Number of employees should be the average for the year.
- b) Provide a schedule of other expenses incurred in providing human resources services and a description of those expenses. Include the vendor, a description of the good(s) or service(s), and the amount. This includes forecasting, planning, recruiting and reporting.

7. Billing

- a) Provide a detailed schedule of the number of employees, job title, job description and the components of their compensation, including salaries and benefits. Number of employees should be the average for the year.
- b) Provide other administrative expenses incurred in rating and providing billing information to exchange and interexchange carriers if not recovered by other means.

8. Contract Management

- a) Provide a detailed schedule of the number of employees, job title, job description, and the components of their compensation, including salaries and benefits. Number of employees should be the average for the year.
- b) Provide a schedule of managing activities required by provider contract and a description of those activities. Include vendor, a description of service(s) or good(s), and the amount

9. Risk Management (No additional information is needed)

#### 10. Other Corporate Overheads

- a) Provide a detailed schedule of the number of employees, job title, job description and the components of their compensation, including salaries and benefits. Number of employees should be the average for the year.
- b) Itemize any costs over \$10,000. See discussion of overhead costs at paragraphs 74-75 of the Commission's Report and Order and Declaratory Ruling, released on November 19, 2007 (FCC 07-186).

### **SECTION D: Annual Depreciation/Amortization Associated with Capital Investment**

Depreciation method and period applied should be included. Departures from traditional depreciation methods should be explained in detail. We emphasize that the depreciable life, depreciation method, and depreciation expense must be categorized by items listed in Section D.

### **SECTION E: Other Expenses**

#### 1. Marketing/Advertising Expenses

- a) Provide a detailed schedule of the number of employees, job title, job description and the components of their compensation, including salaries and benefits. This includes product management expenses associated with managing product lifecycle. Number of employees should be the average of the year.
- b) Provide a schedule of expenses for marketing/advertising. Include the vendor, a description of the good(s) or service(s), and the amount.
- c) Do not report the cost and any associated costs of equipment given to, sold to, and/or used by relay callers in any expenses.
- d) Do not report expenses associated with marketing, installation, and training, including, but not limited to, test calls, on the equipment.

#### 2. Outreach Expenses

- a) Provide a detailed schedule of the number of employees, job title, job description, and the components of their compensation, including salaries and benefits. Number of employees should be the average for the year.
- b) Provide a schedule of expenses for outreach. Include the vendor, a description of the good(s) or service(s), and the amount.



- c) Do not report the cost and any associated costs of equipment given to, sold to, and/or used by relay callers in any expenses.
- d) Do not report expenses associated with outreach, installation, and training, including, but not limited to, test calls, on customer premises' equipment. See discussion at paragraph 82 and Declaratory Ruling at paragraphs 89-94 of the Commission's Report and Order and Declaratory Ruling, released on November 19, 2007 (FCC 07-186).

3. Sub-Contractor Expenses

- a) Provide a schedule of sub-contractor expenses. Include the vendor, RSDR category of expense, a description of the good(s) or service(s), and the amount.
- b) Provide a copy of each sub-contractor contract.
- c) For each contract with a sub-contractor, provide the termination date of the contract.
- d) For each contract with a sub-contractor, provide the billing rate(s) and the billing units for the years 2018-2021.
- e) For each contract with a sub-contractor, provide the underlying costs of the sub-contractor by the costs listed in the RSDR. If those costs are not available, please state that those costs are not available.

4. License fees paid to a third party

- a. Provide a description of the items purchased according to the license fee agreement.
- b. Provide the billing rate(s) and billable units associated with the license fees for the years 2018-2021.

5. License fees paid to an affiliate

- a. Provide a description of the items purchased according to the license fee agreement.
- b. Provide the billing rate(s) and billable units associated with the license fees for the years 2018-2021.

6. Software (No additional information is needed)

7. Customer Premise Equipment

- a) Provide a detailed schedule of the number of sales, installation and maintenance employees, job title, job description and the components of their compensation, including salaries and benefits. Number of employees should be the average for the year.
  - b) Provide the number of Customer Premise Equipment units sold, produced and installed.
  - c) Provide the Cost of Goods Sold. Costs attributable to relay hardware and software used by the consumer, including, but not limited to, marketing, installation, maintenance costs, and testing are not compensable from the Fund. These costs are reported for informational purposes only.
8. Other - Do not include "Profit or Tax Allowances." List and explain expenses not stated in other categories.

**SECTION F: Capital Investments**

Support data for capital investment should include where appropriate, among other things: all capital equipment purchased in order to provide each form of TRS, itemized by equipment class, gross book values, accumulated depreciation, and net book values. Only report the year-end net book value in Section F.

Support data for VRS equipment should separately identify investments used by communications assistants and interpreters to interact with end-users, and equipment used to monitor and supervise call centers.

For each type of equipment provide gross book values, accumulated depreciation and net book values.

For equipment used to monitor and supervise call centers that provide multiple TRS services, provide the total company investments, describe how total investments are allocated among the services, and the percent allocation for each service.

Only include capital investment items that are long term in nature and subject to depreciation. Items such as office supplies should be listed in Section B. 6. Relay Center Expenses.

**SECTION G: Costs Associated with E911 and Numbering for Internet-Based Telecommunications Relay Services**

Provide the total number of E911 calls handled for the years 2018–2019.

**SECTION H: Financial Data (This information should be supplied at the provider level rather than for each individual service)**

1. Provide the corporate income statement and balance sheet for the entity for 2018 and 2019.
2. Provide a supporting schedule that ties to the income/balance sheet that contains the following information:
  - a. A column for each TRS service and a column for “Other” that contains the non-TRS service amount.
  - b. Rows for each of the categories of expense that were submitted with the data submission under sections A through G.
  - c. An explanation of the services provided related to the amounts in the “Other” column.
3. Please provide the applicable state corporate income tax rates for each state where you provide VRS, IP-Relay, IP CTS CA, or IP CTS ASR. If any state does not have a corporate income tax, please indicate that the rate does not exist.
4. Please provide a list of all debt instruments, where debt instruments include notes, bonds, loans, commercial paper and similar financial obligations.
5. For each listed debt instrument, please provide:
  - a. The balance as of December 31, 2019
  - b. The expected balance as of April 30, 2020
  - c. The interest rate
  - d. Interest paid in 2018
  - e. Interest paid in 2019
  - f. Estimated interest payments in 2020
  - g. Estimated interest payments in 2021
  - h. Principal payments in 2018
  - i. Principal payments in 2019
  - j. Estimated principal payments in 2020
  - k. Estimated principal payments in 2021
  - l. Maturity date
  - m. An explanation of any covenants associated with the debt instrument
  - n. The metric associated with the covenant, for example, an interest coverage ratio of 3

- o. 2019 performance regarding the metric, for example, in 2019 the actual interest coverage ratio was 4.3

- 6. Provide any lead-lag study or any other study that would support a working capital requirement performed by or for the provider.

**Persons willfully making false statements on this form can be punished by fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. §1001.**

### **PRIVACY ACT AND PAPERWORK REDUCTION ACT STATEMENTS**

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. If we believe there may be a violation or a potential violation of a FCC statute, regulation, rule or order, your certification may be referred to the Federal, state or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation, or order. In certain cases, the information in your certification may be disclosed to the Department of Justice or a court or adjudicative body when a) the FCC; or b) any employee of the FCC; or c) the United States Government is a party of a proceeding before the body or has an interest in the proceeding.

We have estimated that this collection of information will take 5.0 hours annually. Our estimate includes the time to read the instructions, look through existing records, gather and maintain required data, and actually complete and review the form or response. If you have any comments on this estimate, or on how we can improve the collection and reduce the burden it causes you, please write the Federal Communications Commission, Office of Managing Director, AMD-PERM, Washington, DC 20554, Paperwork Reduction Act Project (3060-1249). We will also accept your PRA comments if you send an e-mail to [PRA@fcc.gov](mailto:PRA@fcc.gov).

Please DO NOT SEND COMPLETED FORMS TO THIS ADDRESS. You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid OMB control number and/or we fail to provide you with this notice. This collection has been assigned an OMB control number of 3060-1249.

**THIS NOTICE IS REQUIRED BY THE PRIVACY ACT OF 1974, PUBLIC LAW 93- 579, DECEMBER 31, 1974, 5 U.S.C. SECTION 552a(e)(3) AND THE PAPERWORK REDUCTION ACT OF 1995, PUBLIC LAW 104-13, OCTOBER 1, 1995, 44 U.S.C. SECTION 3507.**

# Interstate TRS Fund

## Annual Provider Information

Provider Name	
Contact Name	
Contact Email Address	
Contact Telephone	
For signature at the bottom of this form:	
Senior Officer Name	
Senior Officer Title	

To assist RolkaLoube in understanding your data, in the box below, please summarize any service changes/activities/improvements since the 2018 filing, or planned for tariff year 2019-2020 (July thru June), that caused/may cause substantial changes in cost and/or demand data. Include the methodology used to determine the projected minutes for calendar years 2020 and 2021. Examples: addition of a state; loss of a state contract; increase in volumes due to specific outreach program; call volume decrease due to use of internet or other non-TRS technology; decrease in minutes due to new, time saving technology; changes in volumes due to abnormal weather conditions; etc. Include any characteristics unique to a particular service or changes in the relay services marketplace as a whole.

Should you have questions about completing or submitting these forms, please see the filing instructions.

I swear under penalty of perjury that I am \_\_\_\_\_, \_\_\_\_\_, an officer of the above-named reporting entity and that I have examined the foregoing reports and that all requested information has been provided and all statements of fact, are true and accurate.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

# Interstate TRS Fund

Approved by OMB  
Jan 2020 version  
OMB Control number 3060-0463  
*See instructions for public burden estimate*

## 2019 Intrastate Rate and Minute Data for MARS Methodology

Report data for calendar year 2019							Actual Intrastate Per Minute Compensation Rates		Number of Intrastate Minutes		
Provider	Service Type	Jurisdiction	Rate Start Date	Rate End Date	Conversation Rate	Session Rate	Conversation Minutes	Session Minutes			



# Interstate TRS Fund

Approved by OMB  
 Jan 2020 version  
 OMB Control number 3060-0463  
 See instructions for public burden estimate

## Additional Costs Paid to Provider for Calendar Year 2019

Provider	Service Type	Jurisdiction	Rate Start Date	Rate End Date	Amount	Description	Source



# Interstate TRS Fund

Approved by OMB  
Jan 2020 version  
OMB Control number 3060-0463  
See instructions for public burden  
estimate

## Video Relay Service Expense and Capital Investments Data

Provider:

	Actuals		Projection	
	2018	2019	2020	2021
<b>A. Annual Recurring Fixed / Semi-Variable Expenses</b>				
1. Rent				
2. Utilities				
3. Building Maintenance				
4. Property Tax (if owned)				
5. Furniture (if leased)				
6. Office Equipment (if leased)				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>B. Annual Recurring Variable Expenses (Direct TRS Operating Expenses)</b>				
1. Salaries & Benefits (Relay Center: Non - Management)				
2. Salaries & Benefits (Relay Center: Management)				
3. Salaries & Benefits (Relay Center Staff)				
4. Telecommunications Expenses				
5. Billing Expenses				
6. Relay Center Expenses				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>C. Annual Administrative Expenses</b>				
1. Finance/Accounting				
2. Legal/Regulatory				
3. Engineering				
4. Research and Development				
5. Operations Support				
6. Human Resources				
7. Billing				
8. Contract Management				
9. Risk Management				
10. Other Corporate Overheads				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>D. Annual Depreciation Associated with Capital Investment</b>				
1. Furniture & Fixtures				
2. Telecommunications Equipment				
3. Leasehold				
4. Software				
5. Other Capitalized				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>E. Other TRS Expenses</b>				
1. Marketing/Advertising Expenses				
2. Outreach Expenses				
3. Sub Contractor Expenses excluding license fees				
4. License Fees paid to a third party				
5. License fees paid to an affiliate				
6. Software				
7. Customer Premise Equipment				
8. Other				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>F. Capital Investments</b>				
1. Furniture & Fixtures				
2. Telecommunications Equipment				
3. Leasehold				
4. Software				
5. Other Capitalized				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>G. Costs Associated with E911 and Numbering with Internet-Based Telecommunications Relay Services</b>				

# Interstate TRS Fund

Approved by OMB  
 Jan 2020 version  
 OMB Control number 3060-0463  
 See Instructions for public burden  
 estimate

## IP Relay Service Expense and Capital Investments Data

Provider:

	Actuals		Projection	
	2018	2019	2020	2021
<b>A. Annual Recurring Fixed / Semi-Variable Expenses</b>				
1. Rent				
2. Utilities				
3. Building Maintenance				
4. Property Tax (if owned)				
5. Furniture (if leased)				
6. Office Equipment (if leased)				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>B. Annual Recurring Variable Expenses (Direct TRS Operating Expenses)</b>				
1. Salaries & Benefits (Relay Center: Non - Management)				
2. Salaries & Benefits (Relay Center: Management)				
3. Salaries & Benefits (Relay Center Staff)				
4. Telecommunications Expenses				
5. Billing Expenses				
6. Relay Center Expenses				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>C. Annual Administrative Expenses</b>				
1. Finance/Accounting				
2. Legal/Regulatory				
3. Engineering				
4. Research and Development				
5. Operations Support				
6. Human Resources				
7. Billing				
8. Contract Management				
9. Risk Management				
10. Other Corporate Overheads				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>D. Annual Depreciation Associated with Capital Investment</b>				
1. Furniture & Fixtures				
2. Telecommunications Equipment				
3. Leasehold				
4. Software				
5. Other Capitalized				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>E. Other TRS Expenses</b>				
1. Marketing/Advertising Expenses				
2. Outreach Expenses				
3. Sub Contractor Expenses excluding license fees				
4. License fees paid to a third party				
5. License fees paid to an affiliate				
6. Software				
7. Customer Distributed Equipment				
7. Other				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>F. Capital Investments</b>				
1. Furniture & Fixtures				
2. Telecommunications Equipment				
3. Leasehold				
4. Software				
5. Other Capitalized				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>G. Costs Associated with E911 and Numbering with internet-based Telecommunications Relay Services</b>				

# Interstate TRS Fund

Approved by OMB  
Jan 2020 version  
OMB Control number 3060-0463  
See instructions for public burden  
estimate

## IP CTS Expense and Capital Investments Data Associated with CA Provisioned Service

Provider:

	Actuals		Projection	
	2018	2019	2020	2021
<b>A. Annual Recurring Fixed / Semi-Variable Expenses</b>				
1. Rent				
2. Utilities				
3. Building Maintenance				
4. Property Tax (if owned)				
5. Furniture (if leased)				
6. Office Equipment (if leased)				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>B. Annual Recurring Variable Expenses (Direct TRS Operating Expenses)</b>				
1. Salaries & Benefits (Relay Center: Non - Management)				
2. Salaries & Benefits (Relay Center: Management)				
3. Salaries & Benefits (Relay Center Staff)				
4. Telecommunications Expenses				
5. Billing Expenses				
6. Relay Center Expenses				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>C. Annual Administrative Expenses</b>				
1. Finance/Accounting				
2. Legal/Regulatory				
3. Engineering				
4. Research and Development				
5. Operations Support				
6. Human Resources				
7. Billing				
8. Contract Management				
9. Risk Management				
10. Other Corporate Overheads				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>D. Annual Depreciation Associated with Capital Investment</b>				
1. Furniture & Fixtures				
2. Telecommunications Equipment				
3. Leasehold				
4. Software				
5. Other Capitalized				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>E. Other TRS Expenses</b>				
1. Marketing/Advertising Expenses				
2. Outreach Expenses				
3. Sub Contractor Expenses excluding license fees				
4. License fees paid to a third party				
5. License fees paid to an affiliate				
6. Software				
7. Customer Distributed Equipment				
8. Other				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>F. Capital Investments</b>				
1. Furniture & Fixtures				
2. Telecommunications Equipment				
3. Leasehold				
4. Software				
5. Other Capitalized				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>G. Costs Associated with E911 and Numbering with internet-based Telecommunications Relay Services</b>				

# Interstate TRS Fund

Approved by OMB  
 Jan 2020 version  
 OMB Control number 3060-0463  
 See instructions for public burden  
 estimate

## IP CTS Expense and Capital Investments Data Associated with ASR Provisioned Service

Provider:

	Actuals		Projection	
	2018	2019	2020	2021
<b>A. Annual Recurring Fixed / Semi-Variable Expenses</b>				
1. Rent				
2. Utilities				
3. Building Maintenance				
4. Property Tax (if owned)				
5. Furniture (if leased)				
6. Office Equipment (if leased)				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>B. Annual Recurring Variable Expenses (Direct TRS Operating Expenses)</b>				
1. Salaries & Benefits (Relay Center: Non - Management)				
2. Salaries & Benefits (Relay Center: Management)				
3. Salaries & Benefits (Relay Center Staff)				
4. Telecommunications Expenses				
5. Billing Expenses				
6. Relay Center Expenses				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>C. Annual Administrative Expenses</b>				
1. Finance/Accounting				
2. Legal/Regulatory				
3. Engineering				
4. Research and Development				
5. Operations Support				
6. Human Resources				
7. Billing				
8. Contract Management				
9. Risk Management				
10. Other Corporate Overheads				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>D. Annual Depreciation Associated with Capital Investment</b>				
1. Furniture & Fixtures				
2. Telecommunications Equipment				
3. Leasehold				
4. Software				
5. Other Capitalized				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>E. Other TRS Expenses</b>				
1. Marketing/Advertising Expenses				
2. Outreach Expenses				
3. Sub Contractor Expenses excluding license fees				
4. License fees paid to a third party				
5. License fees paid to an affiliate				
6. Software				
7. Customer Distributed Equipment				
8. Other				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>F. Capital Investments</b>				
1. Furniture & Fixtures				
2. Telecommunications Equipment				
3. Leasehold				
4. Software				
5. Other Capitalized				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>G. Costs Associated with E911 and Numbering with internet-based Telecommunications Relay Services</b>				

# Interstate TRS Fund

## Annual VRS Demand Data

Provider:

### Interstate Video Relay Service (VRS) Conversation Minutes

	Actuals		Projected	
	2018	2019	2020	2021
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

# Interstate TRS Fund

## Annual IP Relay Demand Data

Provider:

Interstate Internet Protocol Relay (IP-Relay) Conversation  
Minutes

	Actuals		Projected	
	2018	2019	2020	2021
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

# Interstate TRS Fund

## Annual IP CTS Demand Data

Provider:

Interstate Internet Protocol Captioned Telephone Service (IP  
CTS) Conversation Minutes using CAs

	Actuals		Projected	
	2018	2019	2020	2021
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

# Interstate TRS Fund

## Annual IP CTS Demand Data

**Provider:**

**Interstate Internet Protocol Captioned Telephone Service (IP CTS) Conversation Minutes using ASR**

	Actuals		Projected	
	2018	2019	2020	2021
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				



Appendix 1 for IP Relay, IP CTS, and VRS  
See instructions for Appendix 1

Approved by OMB  
Jan 2020 version

OMB Control number 3060-0663  
See instructions for public burden estimate

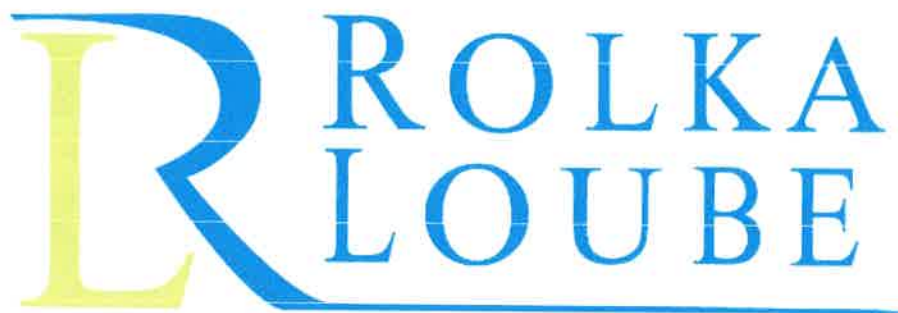
If you have questions about the content of these forms, please contact:

Please send this completed workbook by February 20, 2020 to:

**Bob Loube**

[bblobe@earthlink.net](mailto:bblobe@earthlink.net) 301-681-0338

[IRSDataRequest@irs.gov](mailto:IRSDataRequest@irs.gov) 717-585-6605



The 2020-2021 Rolka Loube Report  
*Appendix C*

Appendix C  
2020 TRS Fund Advisory Council Membership

Office			Office			Office			
#	Representing	SEAT	NAME	TERM	TITLE	EMPLOYER	ADDRESS	PHONE	EMAIL ADDRESS
1	Deaf and Hard of Hearing Community	Community #1	Al Sommerstrahl	3/1/2013	Retired	Deaf Seniors of America	10910 Brewer House Road Rockville, MD 20852-3463	(240) 292-6786	<a href="mailto:alsommer@dcfwd.com">alsommer@dcfwd.com</a>
		Community #2	Shannon Smith	5/1/2015	Director of Accessibility & Human Resources	Teltek	1081 West Innovation Drive Kearney, MO 64060	(816) 479-0424 (VP) (816) 628-1949 (TTY) (816) 501-9478 (M)	<a href="mailto:shannon@teltek.com">shannon@teltek.com</a>
3	Hearing/Speech Disability Community	Community/Consumer #1	Andrew Fitzreider	9/1/2019		City of Seattle	13520 Linden Ave North #221 Seattle, WA 98133	260-243-9678	<a href="mailto:ajfitzerr@aerconcast.net">ajfitzerr@aerconcast.net</a>
		Community/Consumer #2	Bryen M. Yunashko	10/1/2018	CEO	Self employed - Access256 Productions, LLC			<a href="mailto:bjlo@bryen.com">bjlo@bryen.com</a>
5	TRS Users	TRS Users #1	Ron Bibler (Chair)	10/1/2007	CEO	Selfemployed - Bibler Financial Group	518 Deer Drive Great Falls, MT 59404	(406) 727-7851	<a href="mailto:ron@biberfinancial.com">ron@biberfinancial.com</a>
		TRS Users #2	Zainab Alkebsi, Esq (Vice Chair)	5/1/2016	Policy Counsel	Law and Advocacy Center National Association of the Deaf	8630 Fenton Street, Suite 820, Silver Spring, MD 20910-3819	301-563-9111	<a href="mailto:zainab.alkrebsi@nad.org">zainab.alkrebsi@nad.org</a>
7	State Representatives	State Reg #1	Sarah Hofmann	5/1/2016	Commissioner	Vermont Public Utility Commission.	113 State Street - 4th Floor Montpelier, VT 05620-3701	802-522-4068	<a href="mailto:sarah.hofmann@vermont.gov">sarah.hofmann@vermont.gov</a>
		State Reg #2	Tim Schram	8/1/2011	Commissioner	Nebraska Public Service Commission	300 The Atrium 1200 N Street Lincoln, NE 68508-2020	(402) 471-0218	<a href="mailto:tim.schram@nebraskapsc.gov">tim.schram@nebraskapsc.gov</a>
9	State Regulatory Relay Administration	State Reg Relay Admin #1	Steve Peck	7/1/2015	TRS Program Manager	Department of Social Human Services/Office of the Deaf and Hard of Hearing	44540 10th Ave. SE, Lacey, WA 98503	(360) 339-7762	<a href="mailto:steven.peck@shs.wa.gov">steven.peck@shs.wa.gov</a>
		State Reg Relay Admin #2	Holly Bise	5/1/2019	State Relay Administrator	Colorado	1560 Broadway, Suite 250, Denver, CO 80202	303-894-2024	<a href="mailto:holly.bise@state.co.us">holly.bise@state.co.us</a>
11	Interstate Service Providers	TRS Contributors #1	Phillip Hupf	9/1/2012	Senior Analyst	Hamilton Telephone	1001 Twelfth Street Aurora, Nebraska 68818	(402) 694-5101	<a href="mailto:phupf@hamiltonrelay.com">phupf@hamiltonrelay.com</a>
		TRS Contributors #2	Linda Vandeloop (Secretary)	4/1/2016	Asst VP, Fed Regulatory	AT&T	1120 20th Street, N.W. 10th Floor Washington, D.C. 20036	(202) 457-3033	<a href="mailto:lv8571@att.com">lv8571@att.com</a> <a href="mailto:linda.vandeloop@att.com">linda.vandeloop@att.com</a>
13	TRS Providers	TRS Providers #1	Jeff Rosen, Esq	4/1/2014	General Counsel	Convo Communications, LLC	Capital of TX Hwy Suite 350 Austin, TX 78704	(240) 406-7238	<a href="mailto:jeff@convoconvoy.com">jeff@convoconvoy.com</a>
		TRS Providers #2	Mark A. Tauscher	4/1/2010	Mgr Business Development	Sprint	Phoenix, AZ	(623) 207-9356 FAX (913) 523-1136	<a href="mailto:mark.a.tauscher@sprint.com">mark.a.tauscher@sprint.com</a>



## The 2020-2021 Rolka Loube Report *Appendix D*

September 2019 Minutes of the TRS Fund Advisory Council  
Not available at the time of submission  
Anticipate submission during the Public Comment Period  
Applicable to this report and recommendation



The 2020-2021 Rolka Loube Report  
*Appendix E*

TR5 Fund													
PROJECTION July 2019 - June 2020													
	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Year End TOTAL
PRIOR BALANCE	\$274,219,601.53	\$273,286,212.67	\$273,006,981.11	\$276,551,611.95	\$275,200,162.88	\$276,644,519.23	\$272,660,551.66	\$272,275,945.86	\$266,132,811.29	\$258,002,872.91	\$258,676,672.69	\$249,793,564.64	\$249,793,564.64
CONTRIBUTIONS													
RECEIVABLES													
PAYMENTS	\$117,831,699.91	\$117,831,699.91	\$117,831,699.91	\$117,831,699.91	\$117,831,699.91	\$117,831,699.91	\$117,831,699.91	\$117,831,699.91	\$117,831,699.91	\$117,831,699.91	\$117,831,699.91	\$117,831,699.91	\$1,413,980,398.94
REFUNDS	\$ (117,267,760.97)	\$ (118,333,981.15)	\$ (118,333,981.15)	\$ (119,400,148.98)	\$ (116,187,343.50)	\$ (121,715,667.20)	\$ (118,516,305.93)	\$ (123,574,834.40)	\$ (128,300,438.29)	\$ (117,217,900.13)	\$ (126,714,607.96)	\$ (121,733,048.32)	\$ (1,441,483,456.88)
INTEREST INCOME	\$500,976.51	\$500,000.00	\$225,000.00	\$225,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BALANCE	\$275,286,516.98	\$273,006,981.18	\$276,551,611.95	\$275,200,162.88	\$276,644,519.23	\$272,860,551.90	\$272,275,945.86	\$266,132,811.29	\$258,002,872.91	\$258,676,672.69	\$249,793,564.64	\$249,793,564.64	\$249,793,564.64
Cumulative Actual for VRS Withheld minutes													
Cumulative Actual for IP													
Actual for NDBEDP													
AS Reported July 2019 - June 2020													
TR5 Fund	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Year End TOTAL
PRIOR BALANCE	\$274,219,601.53	\$281,297,362.77	\$301,164,113.14	\$312,651,115.45	\$336,047,543.38	\$370,534,009.49	\$346,247,589.69	\$380,884,187.52	\$343,374,028.66	\$380,540,736.52	\$380,540,736.52	\$380,540,736.52	\$2,812,926.99
CONTRIBUTIONS	\$123,842,545.70	\$130,328,344.46	\$120,094,771.76	\$133,295,314.89	\$139,649,584.55	\$88,609,985.28	\$139,752,280.72	\$72,880,765.78	\$149,772,128.12	\$149,772,128.12	\$149,772,128.12	\$149,772,128.12	\$1,098,225,721.26
RECEIVABLES													
PAYMENTS	\$ (117,267,760.97)	\$ (118,333,981.15)	\$ (118,333,981.15)	\$ (119,400,148.98)	\$ (116,187,343.50)	\$ (121,715,667.20)	\$ (118,516,305.93)	\$ (123,574,834.40)	\$ (128,300,438.29)	\$ (117,217,900.13)	\$ (126,714,607.96)	\$ (121,733,048.32)	\$ (1,441,483,456.88)
REFUNDS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
INTEREST INCOME	\$500,976.51	\$500,000.00	\$225,000.00	\$225,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BALANCE	\$275,286,516.98	\$273,006,981.18	\$276,551,611.95	\$275,200,162.88	\$276,644,519.23	\$272,860,551.90	\$272,275,945.86	\$266,132,811.29	\$258,002,872.91	\$258,676,672.69	\$249,793,564.64	\$249,793,564.64	\$249,793,564.64
Cumulative Actual for VRS Withheld minutes													
Cumulative Actual for IP													
Actual for NDBEDP													
PY 17-18 (S/CLOED)													
PY 18-18													
Actual for NDBEDP													
PY 18-20													
Actual for IP CTR													
Revenue variance	\$6,010,845.75	\$12,996,644.55	\$2,763,071.85	\$15,463,614.98	\$21,817,884.64	-\$29,221,714.63	\$21,970,580.81	-\$44,950,934.13	\$31,940,428.21	-\$117,831,699.91	-\$117,831,699.91	-\$117,831,699.91	\$121,733,048.53
Expense variance	\$0.00	\$7,349,122.48	\$5,501,889.34	\$6,583,752.61	\$10,582,660.65	\$8,819,262.18	\$13,400,621.06	\$13,183,909.84	\$13,699,604.47	\$117,217,900.13	\$126,714,607.96	\$130,747,171.86	\$124,648,520.50
Balance variance	\$6,010,845.75	\$5,647,522.07	\$281,181,222.51	\$60,847,379.50	\$93,689,099.26	\$73,287,037.79	\$108,608,241.66	\$76,641,217.37	\$122,477,863.61	\$121,864,068.83	\$130,747,171.86	\$134,648,520.50	\$134,648,520.50



 Contract Holder  
47CRAA18C001A

## The 2019-2020 Rolka Loube Report

### *Appendix F*

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## **Introduction**

Rolka Loube (RL) provides an Annual Report to the Federal Communications Commission (FCC) documenting information about the programs it administers on behalf of the FCC's Telecommunications Relay Service (TRS) programs. This appendix is the third annual Rolka Loube Report. We submit this report as part of our ongoing effort to inform the public regarding the activities of the Administrator.

### **I. About Rolka Loube**

Rolka Loube, a GSA approved government contractor, serves as a neutral third-party administrator of trust funds established at the direction of utility regulators such as the FCC. Specifically, in its capacity as the Interstate TRS Fund Administrator, Rolka Loube has developed customized database applications, which are capable of in-depth data analysis. These advanced technologies ensure that millions of monthly individual call detail records are vetted to determine whether the information submitted meets the legal criteria for compensation. Despite the complexity of the systems and procedures we employ, we strive to ensure our clients and program participants are well-informed with understandable explanations and a "no surprises" approach to communication.

Rolka Loube's consulting group also offers a wide variety of public utility regulation services primarily focused on matters related to telecommunications accounting, pricing, and neutral administration of subsidy programs, as well as monitoring and advising the FCC regarding the administration of federal Universal Service Funds (USF). Rolka Loube provides expertise in regulatory accounting and record keeping requirements to execute collections and distributions for federal and state telecommunications universal service programs, as well as, providing robust, tailored billing and collections services and financial management solutions.

The consulting group additionally provides expert testimony and services in the areas of utility ratemaking but generally limits those services to public advocates or regulatory agencies. The consulting group also regularly supports the work of the Federal-State Joint Board on Universal Service and the Federal-State Joint Board on Separations. While the consulting group may provide advice to telecommunications companies, it does not represent these companies in proceedings before regulatory agencies. To avoid any conflict of interest, Rolka Loube does not provide advice to companies seeking eligibility in a program for which Rolka Loube has been selected as administrator.

Rolka Loube takes pride in its capable and accurate administration of the TRS Fund. Our work is audited by both internal and independent external auditors annually. Maintaining the integrity of our work is paramount to us and essential to properly serve our clients and to provide them with the highest quality work at a reasonable cost.

Rolka Loube's staff is composed of highly skilled and specialized professionals experienced in public utility and administrative matters. We collectively incorporate over 150 years of senior regulatory and administrative government experience into our work. In addition, Rolka Loube's two principals, David Rolka and Bob Loube, have decades of high profile regulatory and administrative experience in the field of public utility regulation.

## **II. Interstate TRS Fund**

The TRS Fund is considered part of the FCC financial statements for audit purposes; therefore, as the FCC undergoes an audit, RL is also audited. The primary focus of FCC audits, which involve Rolka Loube activities, are the annual financial audit of the FCC, described more fully below, which includes testing its information procedures, security, and its Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA) audit. These audits are in addition to the others described below. Annually Rolka Loube submits an audit plan for approval to the FCC addressing both internal and external audits.

### **A. URD Background**

In response to the FCC's June 10, 2013 Video Relay Service (VRS) Reform Order FCC-13-82, RL was engaged to create the internet TRS User Registration Database (URD), on April 7, 2015. The URD ensures the registration and identity verification of persons residing within the United States and its territories with hearing or speech disabilities qualifying them to receive federally funded Video Relay Service (VRS). The purpose of this Order was to eliminate waste, fraud, and abuse, and to improve the FCC's ability to efficiently manage the TRS program through the URD.

According to the Order, Providers (companies that provide these services) are required to register all users and devices and associated ten-digit numbers (TDNs). While the original Order required the registration of all VRS accessible TDNs, due to the inability to identify the user at call time, the registration of TDNs utilized by enterprise and publicly accessible devices was delayed. However, in 2019, the Commission released a Notice of Proposed Rulemaking that included an effort to also register enterprise and publicly accessible devices.

For all TDNs associated with an individual user, user information is submitted to the Rolka Loube URD, then Rolka Loube verifies the identity and residency of the users. Validated users and associated TDNs are recorded into the URD. The URD is currently used in the process to determine the compensability of VRS calls. All compensable calls must have one and only one registered user at the time the call is placed. Otherwise, the call is determined non-compensable and reimbursement support is withheld.

After the inception of the VRS URD, the FCC released an Order directing the development of an additional user registration database for the Internet Protocol Captioned Telephone Service (IP CTS). Requirements gathering work for this project has begun and this new URD will be developed by Rolka Loube in the near future.

Due to the National Emergency created by the COVID-19 virus pandemic, Rolka Loube adjusted user registration processes, as needed, to ensure that the deaf and hard of hearing population were not impeded from accessing TRS services they required.

## **B. URD Facts**

- Rolka Loube has been registering VRS users in the URD since January 2, 2018.
- As of 4/23/2020, Rolka Loube successfully processed and registered:
  1. 398,965 unique TDNs; 317,062 remain active
  2. 135,584 unique "head of household" identities; 115,411 remain active
- Out of 1,967,813 registration request submissions:
  1. 434,640 (22.09%) failed due to filing instruction violations
  2. 434,635 (22.09%) failed due to identity validation concerns
  3. 10,732 (0.55%) were abandoned by the service provider
  4. 1,087,806 (55.28%) were accepted and registered into the URD
  5. 968,871 (49.24%) were registered with no identity risks
  6. 118,329 (6.01%) were registered after the provider indicated they collected documentation to validate the user information
  7. 449 (0.02%) denied registrations were appealed and accepted
  8. 157 (0.01%) denied registrations were granted access by the FCC

## **III. Fund Audits**

### **A. IPERIA Compliance (2018-2019 Audit)**

Because the TRS Program was considered "At Risk" when taken over by Rolka Loube, the Fund has remained subject to audit under the requirements of the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA). Rolka Loube maintained a near zero-error rate since becoming Administrator of the interstate TRS Fund in 2011 until 2017. The testing conducted by the independent third-party auditing firm of McKonly & Asbury (M&A), during the 2017-2018 audit year, calculated an error rate for the testing period encompassing that program year of 0.000262%.

The testing conducted by M&A during the 2018-2019 audit year found an error of \$2,000,184.39 which occurred due to transposition of amounts during the manual preparation of the disbursement paperwork sent to the bank. All but one error in the amount of \$184.39 were corrected within the period. The error rate determined by the auditors was the absolute value of all erroneous payments during the program year July 1, 2018 – June 30, 2019 and the calculated error rate for the testing period encompassing the program year was 0.1481%. No unexplained exceptions were noted by the auditor.

## B. Internal Risk Assessment (2018-2019 Audit)

The annual Internal Risk Assessment Evaluation (2018-2019) of Rolka Loube, is performed by the independent, third-party auditing firm of M&A. The purpose of this audit is to determine the effectiveness of the risk, fraud and information security program and practices used by Rolka Loube. M&A conducted the independent assessment of Rolka Loube’s system of internal controls based upon the Office of Management and Budget (OMB) Circular A-123, *Management’s Responsibility for Enterprise Risk Management and Internal Control* and the requirements of the Federal Information Security Management Act (FISMA). Their audit showed that, as of September 30, 2019, there were no significant deficiencies noted in the Rolka Loube system of internal controls in place over the administration of the TRS Fund. There were no deficiencies in the system of internal controls that would not allow management or employees, in the normal course of performing their assigned duties, to prevent or detect misstatements in a timely manner. In addition, there were no reportable conditions or material weaknesses in the system of internal controls over financial reporting and improper payments.

As of September 30, 2019, the maturity level of the FISMA security requirements is Managed and Measurable. The maturity level is based upon a design and operating effectiveness review. Rolka Loube continues to develop plans and implement improvements to meet the recommended maturity levels for each of the functional areas. Subsequent annual audits will be performed by the independent auditor to confirm adequate implementation.

**Table 1: Maturity Level of the FISMA Security Requirements**

Function	Maturity Level
1. Identify (Risk Assessment & Contractor Systems)	Managed and Measurable
2. Protect (Overall)	Managed and Measurable
2.1 Protect (Configuration Management)	Defined
2.2 Protect (Identification & Authentication)	Managed and Measurable
2.3 Protect (Data Protection and Privacy)	Ad Hoc
2.4 Protect (Security Training)	Managed and Measurable
3. Detect (Information Security Continuous Monitoring)	Managed and Measurable
4. Respond (Incident Response)	Ad Hoc
5. Recover (Contingency Planning)	Defined
Overall	Managed and Measurable

Rolka Loube in creating an internal security model, remediation of compliance issues and monitoring of potential business risks started the Governance Regulation and Compliance Project and initial implementation of the Governance Risk Compliance (GRC) requirements. Rolka Loube has engaged several organizations including subject matter experts to enable the company to move from an ad hoc GRC process to a streamlined application. This will allow faster response to audit requirements and an orderly review process for the governance team.

### C. Financial Statements (2018-2019 Audit)

Annual independent financial audits are performed by Maher Duessel, a third-party auditor, in review of Rolka Loube’s financial management of the TRS Fund. No findings were made in this year’s audit.

### D. TRS Provider Audits (2018-2019)

Annually, Rolka Loube submits an audit plan regarding audits of service providers for FCC approval. During 2019, the FCC decided to shift the focus of the provider audits to expand the TRS VRS URD performance audit performed in the prior year. The following section outlines the Provider Audit Plan, which was approved by the FCC, and the outlined audits that were performed by Rolka Loube staff during the last program year. Each audit plan was approved by the FCC.

#### 1. TRS VRS URD Provider Audits

At the direction of the FCC, an expanded approach to the 2017-2018 TRS VRS URD performance audit was taken. The FCC directed Rolka Loube to audit and review all registration requests issued since January 1, 2018, that required documentation to complete the registration process and which had an active Ten Digit Number (TDN) between May 1, 2018 and October 31, 2019. The audit is ongoing and is expected to be completed by the fall of 2020. This is a laborious task requiring our staff to examine between 200,000 and 300,000 individual documents.

The following Table lists all current VRS service providers which were subject to this audit scope.

**Table 2: VRS Service Providers**

TRS Providers
ASL Services Holdings LLC ("ASL") (GraciasVRS)
Convo Communications LLC ("Convo")
CSDVRS
Purple Communications
Sorenson

## 2. Approved Audit Objectives in the Provider Audit Plan

In order to assess compliance with the URD requirements, the following audit objectives were included in the provider audits:

- a. Document VRS Provider registration procedures related to resolution of risk codes.
- b. Assess the procedures used to document the date documents are received from the user.
- c. Verify that the documents submitted fulfill the registration requirements.
- d. Confirm the registration documents were received by the VRS Provider on or before the registration date.
- e. Verify there is a consent document dated prior to or on the registration date.
- f. Verify there is a self-certification document dated prior to or on the registration date.
- g. For ports of a TDN to a new provider, verify there is a Letter of Authorization (LOA) dated prior to or on the registration date.
- h. Verify that each Provider's self-certification, consent to disclose, and LOA (Letter of Authorization) templates contain all required language per FCC regulations.

Notice of Findings and Recommendations (NFRs) are being sent to the Providers each month for review and response. Draft Audit Reports are expected to be submitted to the FCC for review and approval this summer. Upon approval, reports will be finalized with the Providers to confirm Corrective Action Plans (CAPS) to remediate audit findings.

## IV. TRS Fund Financial Facts

During the first nine months of the current Interstate TRS Fund Program Year which ends June 30, 2020, the Fund:

- o Collected roughly \$1.098 billion from Contributors
- o Distributed roughly \$973.5 million to Providers in payment for services.
  - Of that amount, the breakdown per service was:
    - \$3.8 million for TRS Services and STS Services
    - \$4.7 million for Captioned Telephone Services (CTS)
    - \$604 million for Internet Protocol Captioned Telephone Services (IP CTS)
    - \$7.6 million for Internet Protocol (IP) Relay Services
    - \$353.4 million for Video Relay Services (VRS)
- o Distributed roughly \$7.4 million to the National Deaf-Blind Equipment Distribution Program (NDBEDP)

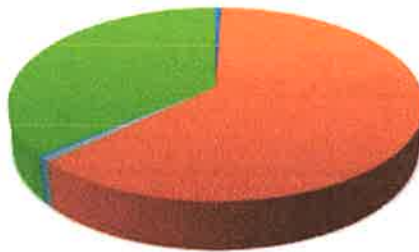
The Interstate TRS Fund timely reported all monthly and quarterly financial reports to the individuals responsible.

**Table 3: Collections and Delinquency Data**

Program Year	# of Contributors	Total Revenue Billed	Total Sent to Treasury for Collection (All Years)	Percentage of Billings Sent to Treasury for Collection	
2018-2019	4,344	1,491,163,237	2,997,988	0.20%	Full Year
2019-2020	4,740	1,295,107,640	2,699,346	0.21%	As of 03/31/2020 (Only nine months of data)

**Graph 1: Provider Payments for TRS Services from July 2019 – March 2020**

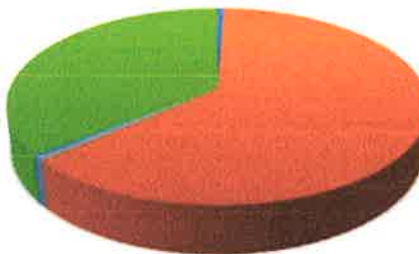
**PY 2019 - 2020**



■ Captioned Telephone Service ■ IP CTS ■ IP Relay ■ Speech to Speech ■ Traditional TTY ■ Video Relay Service

**Graph 2: Provider Payments for TRS Services from July 2018 – March 2019**

**PY 2018-2019**



■ Captioned Telephone Service ■ IP CTS ■ IP Relay ■ Speech to Speech ■ Traditional TTY ■ Video Relay Service

## **V. Other RL Accomplishments and Updates during 2019-2020**

### **A. Transfer of TRS Funds to the US Department of the Treasury**

Rolka Loubé successfully and timely transferred the Interstate TRS Funds previously held in a private bank to the US Treasury. This project included the in-house development of two computer applications and the modification of an already existing application. Specifically, Rolka Loubé successfully built an application to queue and push payment request files to Treasury and the FCC for certification. Rolka Loubé also built an outward facing contributor payment portal which allows contributors to login to review, print, and pay their monthly invoices through the U.S. Treasury payment portal Pay.gov. Modifications were also made to the already existing internal contributor database to be able to process the payment data files received from Treasury.

### **B. IP CTS URD**

The FCC ordered that Rolka Loubé develop an IP CTS registration database for users.<sup>1</sup> Rolka Loubé has begun requirements gathering for this new project and is using the same type of collaborative process it used when designing and building the VRS URD.

Encryption of the URD Data was completed during the past year, along with other significant database upgrades, including a transition from SQL 2014 standard to SQL 2016 Enterprise. These same security precautions and processing upgrades will be applied to the development of the IP CTS URD.

Because these services often involve the use of personally identifiable information (PII), along with sensitive financial information, Rolka Loubé tightly secures its infrastructure and physical environment. Protection of data and information is vital in meeting our clients' business needs securely and completely.

### **C. Physical Relocation of Rolka Loubé Offices**

The FCC imposed additional Fund responsibilities on the Administrator over the past few years, requiring Rolka Loubé to hire additional staff. Having outgrown our previous office space, we were fortunate to find suitable space in a convenient location. In December 2019, Rolka Loubé relocated its primary Harrisburg office to 4050 Crums Mill Road, Harrisburg, PA.

The additional space will allow Rolka Loubé to further expand its services to the FCC. In fact, it has already allowed us to respond to the FCC's request for the enhanced audit of TRS providers' compliance with user identity requirements by providing space for additional staff dedicated to that task.

We are also now able to accommodate the employees needed to create internal audit and data base teams. Likewise, the additional requirement to develop an IP CTS URD will

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<sup>1</sup> FCC 19-11 CG Docket Nos. 13-24 and 03-123



necessity hiring more personnel, as well, and this new space will allow us to accommodate those additional employees.

Building a Data Science team within Rolka Loubé to expand our data analytics capabilities will allow for the mining of large reservoirs of data and analysis of potential patterns, anomalies, or activities to uncover fraudulent activities or, in the case of business intelligence, to enhance opportunities for efficiency.

#### **D. Enhanced Technology and Training**

A company-wide learning management system was implemented during the past year. This training program provides initial on-boarding information to new employees and can be used to educate staff throughout Rolka Loubé on a variety of topics including regulatory and annual training requirements. This software training program allows the company to capture metrics showing areas which need to be re-emphasized and can display trends across the organization.

This year Rolka Loubé also adopted and implemented AGILE methodology, which is a type of project management process, mainly used for software development which enables the acquisition and analysis of key project metrics in iterative and incremental builds.

Thanks to the insights of our developers, this year also marked the start of construction of a library of reusable code components to create a homogeneous development landscape. This will reduce lead time for the development of new projects.

Rolka Loubé's development team also implemented policies to build conformity and streamline its development processes.

Rolka Loubé overcame the challenges presented by the Covid-19 pandemic shelter in place order, requiring our staff, among others, to work-from-home by utilizing its virtual private network (VPN) solution. The remote work force has been able to maintain productivity using a combination of VPN, Microsoft Teams, and Office 365. This combination of tools has added to the collaborative efforts needed to conduct the essential duties of the business.

#### **E. Business Resilience and Continuity**

During the past year Rolka Loubé focused on creating redundancies for both those employees in critical path roles and to ensure that our systems can run and our work output be sustainable in the event of an emergency that would not allow us to work from our office. Through the efforts of our IT and Security staff and the timely purchase of necessary software and portable equipment, Rolka Loubé made a seamless transition to working from home in response to the National Emergency caused by the Covid-19 pandemic.

## **VI. TRS Fund Advisory Council**

As the Administrator of the TRS Fund, Rolka Loubé conducts two meetings of the TRS Fund Advisory Council (Council) each year. The Council requirements are set forth in 47 C.F.R. § 64.605. Pursuant to the regulation, the Administrator is to establish a non-paid advisory committee composed of persons from the hearing and speech disability community, TRS users (voice and text telephone), interstate service providers, state representatives, and TRS providers, which will meet at reasonable intervals (at least semi-annually) to monitor TRS cost recovery matters. The Council is currently composed of 14 representatives from the designated groups above. In addition to its role of monitoring provider cost recovery, the Council provides Rolka Loubé with valuable insight into the concerns and requirements of the communities of the represented membership and provides the member representatives with regular access to the Fund Administrator. In addition to the in-person semi-annual meetings of the Council, Rolka Loubé has initiated participation in scheduled monthly conference calls with the Council members, regarding the status of the Fund and related issues of concern or interest. These calls are in addition to scheduled monthly conference calls with the service providers to address Fund updates and to discuss current topics of interest.

Under the Shelter in Place Order, in response to the COVID -19 National Emergency, and in only one week's time, Rolka Loubé was able to successfully conduct the Spring Advisory Council meeting virtually, on April 3, 2020. Council Members, the FCC and stakeholders were able to conduct business as usual by virtual means.

Rolka Loubé extends its appreciation to the officers and members of the Council for their service to the Administrator and for their ongoing leadership and sound advice regarding the TRS program and the needs and concerns of all stakeholders. We likewise acknowledge the help and support of the FCC officials who worked tirelessly during this time of pandemic to make certain that the work of the Fund continued to assist those who benefit from it. Finally, with grateful appreciation for the assistance of the ASL sign language interpreters and the cartographers who made themselves available at all hours to help with the meetings, we extend thanks.

Exhibit 1-1

TRS			STS				combined TRS + STS				
rate	Conversation Minutes	Session Minutes	session or conversation	revenue	rate	Conversation Minutes	Session Minutes	session or conversation	revenue	Conversation Minutes	revenue
\$ 1.05	40,977	81,505	s	\$ 85,580.25	1.05	2,467	3,300	s	\$ 3,465.00	43,444	\$ 89,045.25
\$ 1.21	84,066	155,554	s	\$ 188,220.34	1.21	2,309	4,162	s	\$ 5,036.02	86,375	\$ 193,256.36
\$ 1.25	36,533	107,007	s	\$ 133,758.75	1.25	140	299	s	\$ 373.75	36,673	\$ 134,132.50
\$ 1.25	4,456	15,060	s	\$ 18,825.00	1.25	0	48	s	\$ 60.00	4,456	\$ 18,885.00
\$ 1.31	2,378	6,519	s	\$ 8,539.89	1.31	82	349	s	\$ 457.19	2,460	\$ 8,997.08
\$ 1.33	43,368	90,487	c	\$ 57,679.44	1.33	3,109	9,940	c	\$ 4,134.97	46,477	\$ 61,814.41
\$ 1.35	507,446	1,142,357	s	\$ 1,542,181.95	1.35	19,510	38,807	s	\$ 52,389.45	526,956	\$ 1,594,571.40
\$ 1.35	74,153	144,039	s	\$ 194,452.65	1.35	2,273	4,267	s	\$ 5,760.45	76,426	\$ 200,213.10
\$ 1.42	4,506	18,492	s	\$ 26,258.64	1.42	262	437	s	\$ 620.54	4,768	\$ 26,879.18
\$ 1.45	4,792	10,588	c	\$ 6,948.69	1.45	9	74	c	\$ 13.62	4,802	\$ 6,962.31
\$ 1.60	52,016	93,081	s	\$ 148,929.60	1.60	317	665	s	\$ 1,064.00	52,333	\$ 149,993.60
\$ 1.60	2,689	3,935	s	\$ 6,296.00	1.60	51	120	s	\$ 192.00	2,740	\$ 6,488.00
\$ 1.65	15,159	33,204	s	\$ 54,786.60	1.65	6	106	s	\$ 174.90	15,165	\$ 54,961.50
\$ 1.75	6,447	11,109	s	\$ 19,440.75	1.75	0	97	s	\$ 169.75	6,447	\$ 19,610.50
\$ 1.78	13,511	23,952	s	\$ 42,634.56	1.78	0	12	s	\$ 21.36	13,511	\$ 42,655.92
\$ 1.78	47,380	76,345	c	\$ 84,336.40	1.78	3,302	8,607	c	\$ 5,877.56	50,682	\$ 90,213.96
\$ 1.81	36,257	87,117	s	\$ 157,681.77	1.81	337	751	s	\$ 1,359.31	36,594	\$ 159,041.08
\$ 1.81	29,299	60,501	c	\$ 53,031.19	1.81	801	1,453	c	\$ 1,449.81	30,100	\$ 54,481.00
\$ 1.84	20,268	34,727	s	\$ 63,897.68	1.84	17	121	s	\$ 222.64	20,285	\$ 64,120.32
\$ 1.85	177,732	317,529	s	\$ 587,428.65	1.85	687	1,260	s	\$ 2,331.00	178,419	\$ 589,759.65
\$ 1.85	4,457	9,758	c	\$ 8,245.45	1.85	12	146	c	\$ 22.20	4,469	\$ 8,267.65
\$ 1.88	46,614	96,790	s	\$ 181,964.96	1.88	1,524	2,952	s	\$ 5,549.76	48,138	\$ 187,514.72
\$ 1.88	52,002	156,525	c	\$ 97,763.76	1.88	191	374	c	\$ 358.18	52,193	\$ 98,121.94
\$ 1.90	51,390	81,121	s	\$ 154,129.90	1.90	6	97	s	\$ 184.30	51,396	\$ 154,314.20
\$ 1.92	37,762	53,291	s	\$ 102,318.72	1.92	32	63	s	\$ 120.96	37,794	\$ 102,439.68
\$ 1.94	13,444	23,737	s	\$ 46,049.78	1.94	0	78	s	\$ 151.32	13,444	\$ 46,201.10
\$ 2.00	442	1,691	s	\$ 3,382.00	3.86	11	207	s	\$ 798.90	453	\$ 4,180.90
\$ 2.00	12,850	21,707	s	\$ 43,414.00	2.00	308	610	s	\$ 1,220.00	13,158	\$ 44,634.00
\$ 2.02	8,933	24,853	s	\$ 50,203.06	2.02	7	138	s	\$ 279.31	8,940	\$ 50,482.37
\$ 2.07	89,735	213,425	c	\$ 185,751.45	2.07	268	788	c	\$ 554.76	90,003	\$ 186,306.21
\$ 2.08	1,269	5,076	s	\$ 10,558.08	2.08	1	19	s	\$ 38.90	1,270	\$ 10,596.98
\$ 2.08	451,280	872,004	c	\$ 938,662.40	2.08	21,842	50,702	c	\$ 45,431.36	473,122	\$ 984,093.76
\$ 2.08	4,201	8,859	c	\$ 8,738.08	2.08	129	192	c	\$ 268.32	4,330	\$ 9,006.40
\$ 2.10	9,950	19,274	s	\$ 40,475.40	2.10	30	77	s	\$ 161.70	9,980	\$ 40,637.10
\$ 2.13	28,914	54,721	s	\$ 116,555.73	2.13	4,883	6,827	s	\$ 14,541.51	33,797	\$ 131,097.24
\$ 2.16	44,942	72,977	c	\$ 97,074.72	2.16	2,748	7,424	c	\$ 5,935.68	47,690	\$ 103,010.40
\$ 2.18	44	70	s	\$ 152.60	2.18	0	0	s	\$ -	44	\$ 152.60
\$ 2.18	10,216	17,733	s	\$ 38,657.94	2.18	18	36	s	\$ 78.48	10,234	\$ 38,736.42
\$ 2.19	50,674	75,774	s	\$ 165,945.06	2.19	7,962	13,998	s	\$ 30,655.62	58,636	\$ 196,600.68
\$ 2.24	2,805	8,992	s	\$ 20,142.08	2.24	29	115	s	\$ 257.60	2,834	\$ 20,399.68
\$ 2.25	18,622	31,813	s	\$ 71,579.25	2.25	35	67	s	\$ 149.63	18,657	\$ 71,728.88
\$ 2.25	29,867	46,079	s	\$ 103,677.75	2.25	0	154	s	\$ 346.50	29,867	\$ 104,024.25

Exhibit 1-1

TRS				STS				combined TRS + STS			
rate	Conversation Minutes	Session Minutes	session or conversation	revenue	rate	Conversation Minutes	Session Minutes	session or conversation	revenue	Conversation Minutes	revenue
\$ 2.29	16,649	25,065	s	\$ 57,398.85	\$ 2.29	0	0	s	\$ -	16,649	\$ 57,398.85
\$ 2.33	180,765	341,738	c	\$ 420,819.87	\$ 3.57	15,658	34,371	s	\$ 122,703.18	196,422	\$ 543,523.06
\$ 2.37	18,989	27,865	s	\$ 66,040.05	\$ 2.37	14	16	s	\$ 37.92	19,003	\$ 66,077.97
\$ 2.37	239,004	548,737	c	\$ 566,439.48	\$ 2.37	2,779	4,838	c	\$ 6,586.23	241,783	\$ 573,025.71
\$ 2.50	12,597	35,558	c	\$ 31,492.50	\$ 2.50	435	953	c	\$ 1,087.50	13,032	\$ 32,580.00
\$ 2.50	1,579	3,059	c	\$ 3,947.50	\$ 2.18	0	0	s	\$ -	1,579	\$ 3,947.50
\$ 2.50	111,661	199,954	s	\$ 499,885.00	\$ 2.50	41,881	60,852	s	\$ 152,130.00	153,542	\$ 652,015.00
\$ 2.56	70,409	137,057	c	\$ 180,247.04	\$ 2.56	10,039	17,381	c	\$ 25,699.84	80,448	\$ 205,946.88
\$ 2.65	31,370	66,145	c	\$ 83,130.50	\$ 2.65	159	420	c	\$ 421.35	31,529	\$ 83,551.85
\$ 2.75	7,125	18,073	c	\$ 19,593.75	\$ 3.57	174	828	s	\$ 2,955.89	7,299	\$ 22,549.64
\$ 2.80	35,209	79,244	c	\$ 98,585.20	\$ 2.80	3,383	10,936	c	\$ 9,472.40	38,592	\$ 108,057.60
\$ 2.92	51,150	149,083	c	\$ 149,358.00	\$ 2.92	10,557	35,557	c	\$ 30,826.44	61,707	\$ 180,184.44
\$ 2.95	58,028	92,067	c	\$ 171,182.60	\$ 2.95	23	104	c	\$ 67.85	58,051	\$ 171,250.45
\$ 2.99	122,702	252,118	s	\$ 753,832.82	\$ 2.99	3,064	5,387	s	\$ 16,106.86	125,766	\$ 769,939.68
\$ 3.09	85,319	153,645	c	\$ 263,635.71	\$ 3.09	9,175	13,026	c	\$ 28,350.75	94,494	\$ 291,986.46
\$ 3.39	3,155	10,457	c	\$ 10,695.45	\$ 3.39	7	98	c	\$ 23.73	3,162	\$ 10,719.18
\$ 3.46	396,848	763,669	c	\$ 1,373,095.46	\$ 4.99	40,785	84,143	s	\$ 419,874.22	437,634	\$ 1,792,969.68
\$ 3.48	164,568	246,286	c	\$ 572,696.64	\$ 3.48	33,194	44,950	c	\$ 115,515.12	197,762	\$ 688,211.76
\$ 3.99	119,784	268,321	s	\$ 1,070,599.39	\$ 3.99		32	s	\$ 126.48	119,784	\$ 1,070,725.88
Flat	516,348	915,966		\$ 2,749,443.58		17,870	44,249		\$ 113,196.53	534,218	\$ 2,862,640.11
Total	4,417,105	8,743,484		\$ 15,108,470.37		264,912	518,078		\$ 1,237,460.59	4,682,017	\$ 16,345,930.96
additional cost paid to providers				\$ 3.42					\$ 4.67		\$ 3.49
total cost				\$ 1,216,550.98					\$ 7,177.75		\$ 1,223,728.73
MARS rate				\$ 16,325,021.35					\$ 1,244,638.34		\$ 17,569,659.69
				\$ 3.6959					\$ 4.6983		\$ 3.7526

**Exhibit 1-2**

May 1, 2020  
 Interstate TRS Fund Annual Report

CTS Data

Rate	Conversation	Minutes	Session Minutes	Session or Conversation	Revenue
\$ 1.65		28,166	33,151	S	\$ 54,699.15
\$ 1.66		19,520	23,521	S	\$ 39,044.86
\$ 1.67		222,561	264,568	S	\$ 441,828.56
\$ 1.69		386,949	465,024	S	\$ 785,890.56
\$ 1.69		301,484	355,675	S	\$ 601,090.75
\$ 1.69		71,632	85,243	S	\$ 144,060.67
\$ 1.69		336,508	403,253	S	\$ 681,497.57
\$ 1.69		387,534	457,729	S	\$ 773,562.01
\$ 1.72		124,426	152,647	S	\$ 262,552.84
\$ 1.72		125	154	S	\$ 264.88
\$ 1.72		27,809	34,244	S	\$ 58,899.68
\$ 1.72		12,401	14,781	S	\$ 25,423.32
\$ 1.73		307,128	362,271	S	\$ 626,728.83
\$ 1.73		867	1,077	S	\$ 1,863.21
\$ 1.76		248,982	296,721	S	\$ 522,228.96
\$ 1.76		22,571	26,548	S	\$ 46,724.48
\$ 1.77		220,041	266,188	S	\$ 471,152.76
\$ 1.77		26,308	32,446	S	\$ 57,429.42
\$ 1.78		142,006	170,813	S	\$ 304,047.14
\$ 1.78		57,004	67,486	S	\$ 120,125.08
\$ 1.78		21,900	28,259	S	\$ 50,301.02
\$ 1.78		32,301	37,894	S	\$ 67,451.23
\$ 1.78		11,343	13,113	S	\$ 23,341.14
\$ 1.79		4,552	6,932	S	\$ 12,408.28
\$ 1.79		35,744	42,816	S	\$ 76,640.64
\$ 1.80		41,627	49,842	S	\$ 89,715.60
\$ 1.81		22,986	29,364	S	\$ 53,148.84
\$ 1.84		1,016	1,653	S	\$ 3,041.52
\$ 1.85		6,548	8,864	S	\$ 16,398.40
\$ 1.85		101,681	126,653	S	\$ 234,308.05
\$ 1.85		143,997	172,134	S	\$ 318,447.90
\$ 1.85		67,445	78,590	S	\$ 145,391.50
\$ 1.85		168,467	199,585	S	\$ 369,232.25
\$ 1.86		74,828	87,264	S	\$ 162,311.04
\$ 1.88		116,453	135,785	S	\$ 255,275.80
\$ 1.89		225,189	262,162	C	\$ 425,607.21
\$ 1.89		35,336	42,895	C	\$ 66,785.04
\$ 1.90		224,183	266,493	C	\$ 425,947.70
\$ 1.91		611,360	732,386	C	\$ 1,167,697.60
\$ 1.92		43,643	53,680	C	\$ 83,794.56
\$ 1.93		6,528	7,913	C	\$ 12,599.04
\$ 1.94		354,681	416,659	C	\$ 688,081.14
\$ 1.95		192,737	223,514	C	\$ 375,837.15
\$ 1.96		4,983	6,126	C	\$ 9,766.68

Exhibit 1-2

CTS Data

Rate	Conversation	Minutes	Session Minutes	Conversation or Session	Revenue
\$ 1.97	535,162	644,293		c	\$ 1,054,269.14
\$ 1.98	69,722	81,904		c	\$ 138,049.56
\$ 1.98	172,293	208,512		c	\$ 341,140.14
\$ 1.98	106,664	126,062		s	\$ 249,602.76
\$ 1.99	92,020	111,217		c	\$ 183,119.80
\$ 1.99	183,460	211,768		c	\$ 365,085.40
\$ 2.00	242,856	292,268		c	\$ 485,712.64
\$ 2.00	708	839		s	\$ 1,678.00
\$ 2.01	116,030	134,498		c	\$ 233,220.30
\$ 2.01	33,626	39,757		s	\$ 79,911.57
\$ 2.03	55,287	62,773		c	\$ 112,232.47
\$ 2.03	486,410	550,270		c	\$ 987,412.30
\$ 2.03	19,679	25,527		c	\$ 39,948.37
\$ 2.04	46,338	55,211		c	\$ 94,529.52
\$ 2.06	203,278	238,038		c	\$ 418,752.68
\$ 2.08	289,387	353,668		s	\$ 735,629.44
\$ 2.15	115,669	145,743		s	\$ 313,347.45
\$ 2.16	29,941	36,869		c	\$ 64,672.56
\$ 2.22	13,627	15,941		c	\$ 30,251.94
\$ 2.23	84,450	100,374		c	\$ 188,323.50
\$ 2.25	80,885	97,435		c	\$ 181,991.25
\$ 2.30	108,570	129,024		c	\$ 249,711.00
\$ 2.73	147,412	175,783		s	\$ 479,888.71
\$ 2.93	519,953	623,153		c	\$ 1,523,461.97
\$ 3.02	222,350	272,178		s	\$ 821,977.56
	124,252	145,119		FR	395,920
Total	9,593,579	11,422,341			\$ 20,922,483.99
additional cost paid providers					\$ 1,289,170.57
total cost					\$ 22,211,654.56
Rate					\$ 2.3153

**Exhibit 1-3**

IP CTS Reported and Projected Cost and Demand (per minute)								
Category	As reported in 2018		As reported in 2019		As reported in 2020		Projected for 2020-21	
	2018	2019	2017	2018	2019	2020	2020	2021
Facilities	\$ 0.0322	\$0.0253	\$	\$ 0.0230	\$ 0.0223	\$ 0.0237	\$ 0.0237	\$ 0.0273
CA Related	\$ 0.2674	\$0.2773	\$	\$ 0.2725	\$ 0.2566	\$ 0.2880	\$ 0.2880	\$ 0.2897
Non-CA Relay Center	\$ 0.0487	\$0.0500	\$	\$ 0.0520	\$ 0.0480	\$ 0.0491	\$ 0.0491	\$ 0.0490
Indirect	\$ 0.1521	\$0.1478	\$	\$ 0.1836	\$ 0.1687	\$ 0.1937	\$ 0.1937	\$ 0.1992
Depreciation	\$ 0.0276	\$0.0254	\$	\$ 0.0253	\$ 0.0282	\$ 0.0241	\$ 0.0241	\$ 0.0270
Marketing	\$ 0.0757	\$0.0863	\$	\$ 0.0811	\$ 0.0732	\$ 0.0803	\$ 0.0803	\$ 0.0860
Outreach	\$ 0.0669	\$0.0465	\$	\$ 0.0339	\$ 0.0376	\$ 0.0357	\$ 0.0357	\$ 0.0355
Other	\$ 0.5986	\$0.5730	\$	\$ 0.5437	\$ 0.5004	\$ 0.5429	\$ 0.5429	\$ 0.5721
Return on Investment	\$ 0.0106	\$0.1232	\$	\$ 0.1215	\$ 0.1135	\$ 0.1237	\$ 0.1237	\$ 0.1286
Operating Margin								
Total Reported Cost	\$ 1.2798	\$ 1.3548	\$	\$ 1.3367	\$ 1.2485	\$ 1.3612	\$ 1.3612	\$ 1.4144
MARS Rate for the period	\$ 1.9058	\$ 1.9467	\$	\$ 2.0007	\$ 2.2795			
High Cost Provider		\$ 1.8785		\$ 1.7951	\$ 1.6541	\$ 1.7474	\$ 1.7474	\$ 1.9120
CTS Minutes (May to April)		4,778,049.8		3,853,978.1	2,953,978.0	2,876,470.0	2,876,470.0	
IP CTS Minutes (May to April)	193,565,772.0	272,445,257.0	385,610,029.0	501,212,040.0	517,476,253.0	517,476,253.0	517,476,253.0	
Providers included in the cost data	Sorenson Sprint Hamilton Purple Miracom	Sorenson Sprint Hamilton ClearCaptions Miracom	Sorenson Sprint Hamilton ClearCaptions Miracom	Sorenson Sprint Hamilton ClearCaptions Miracom	Sorenson Sprint Hamilton ClearCaptions Miracom	Sorenson Sprint Hamilton ClearCaptions Miracom	Sorenson Sprint Hamilton ClearCaptions Miracom	Sorenson Sprint Hamilton ClearCaptions Miracom

**REDACTED**  
**Exhibit 1-3.1**

IP CTS Operating Margin Estimates for Tariff Year (July - June) 2019-2020						
Reimbursement Rate						\$ 1.58
Provider	Demand	Revenue	Gross Margin	Expenses	Operating Margin	
ClearCaptions						
Miracom						
Hamilton						
Sorenson						
Sprint						
<b>Total</b>	<b>520,674,011</b>	<b>\$ 822,664,938</b>	<b>\$ 165,747,887</b>	<b>\$ 656,917,051</b>		<b>25.23%</b>

IP CTS Operating Margin Estimates for Tariff Year (July - June) 2019-2020						
Reimbursement Rate						\$ 1.75
Provider	Demand	Revenue	Revenue Requirement	Expenses	Operating Margin	
ClearCaptions						
Miracom						
Hamilton						
Sorenson						
Sprint						
<b>Total</b>	<b>520,674,011</b>	<b>\$ 911,179,519</b>	<b>\$ 254,262,469</b>	<b>\$ 656,917,051</b>		<b>38.71%</b>

IP CTS MARS Estimates for Tariff Year (July - June) 2019-2020						
Reimbursement Rate						\$ 2.2795
Provider	Demand	Revenue	Revenue Requirement	Expenses	Operating Margin	
ClearCaptions						
Miracom						
Hamilton						
Sorenson						
Sprint						
<b>Total</b>	<b>520,674,011</b>	<b>\$ 1,186,876,408</b>	<b>\$ 529,959,358</b>	<b>\$ 656,917,051</b>		<b>80.67%</b>



**Exhibit 1-3.2**

IP CTS Cost Trend Data									
Category	Historic						Projected		
	2015	2016	2017	2018	2019	2020	2021	2020	2021
Facilities	\$ 0.0386	\$ 0.0322	\$0.0253	\$ 0.0230	\$ 0.0223	\$ 0.0237	\$ 0.0273	\$ 0.0237	\$ 0.0273
CA Related	\$ 0.2819	\$ 0.2674	\$0.2773	\$ 0.2725	\$ 0.2566	\$ 0.2880	\$ 0.2897	\$ 0.2880	\$ 0.2897
Non -CA Related	\$ 0.0559	\$ 0.0487	\$0.0500	\$ 0.0520	\$ 0.0480	\$ 0.0491	\$ 0.0490	\$ 0.0491	\$ 0.0490
Indirect	\$ 0.2830	\$ 0.1521	\$0.1478	\$ 0.1836	\$ 0.1687	\$ 0.1937	\$ 0.1992	\$ 0.1937	\$ 0.1992
Depreciation	\$ 0.0402	\$ 0.0276	\$0.0254	\$ 0.0253	\$ 0.0282	\$ 0.0241	\$ 0.0270	\$ 0.0241	\$ 0.0270
Marketing	\$ 0.0579	\$ 0.0757	\$0.0863	\$ 0.0811	\$ 0.0732	\$ 0.0803	\$ 0.0860	\$ 0.0803	\$ 0.0860
Outreach	\$ 0.0903	\$ 0.0669	\$0.0465	\$ 0.0339	\$ 0.0376	\$ 0.0357	\$ 0.0355	\$ 0.0357	\$ 0.0355
Other	\$ 0.6259	\$ 0.5986	\$0.5730	\$ 0.5437	\$ 0.5004	\$ 0.5429	\$ 0.5721	\$ 0.5429	\$ 0.5721
Return	\$ 0.0124	\$ 0.0106							
Operation Margin			\$ 0.1232	\$ 0.1215	\$ 0.1135	\$ 0.1237	\$ 0.1286	\$ 0.1237	\$ 0.1286
<b>Total Cost</b>	\$ 1.4861	\$ 1.2798	\$ 1.3548	\$ 1.3367	\$ 1.2485	\$ 1.3612	\$ 1.4144	\$ 1.3612	\$ 1.4144
<b>CA &amp; Other Related</b>	\$ 0.9637	\$ 0.9147	\$ 0.9003	\$ 0.8682	\$ 0.8050	\$ 0.8800	\$ 0.9109	\$ 0.8800	\$ 0.9109
<b>All Other</b>	\$ 0.5100	\$ 0.3545	\$ 0.3314	\$ 0.3470	\$ 0.3300	\$ 0.3574	\$ 0.3749	\$ 0.3574	\$ 0.3749
<b>Variable Total:</b>	\$ 1.4737	\$ 1.2692	\$ 1.2316	\$ 1.2152	\$ 1.1350	\$ 1.2374	\$ 1.2858	\$ 1.2374	\$ 1.2858

# Exhibit 1-4

### IP-CTS Demand Actual and Forecasts

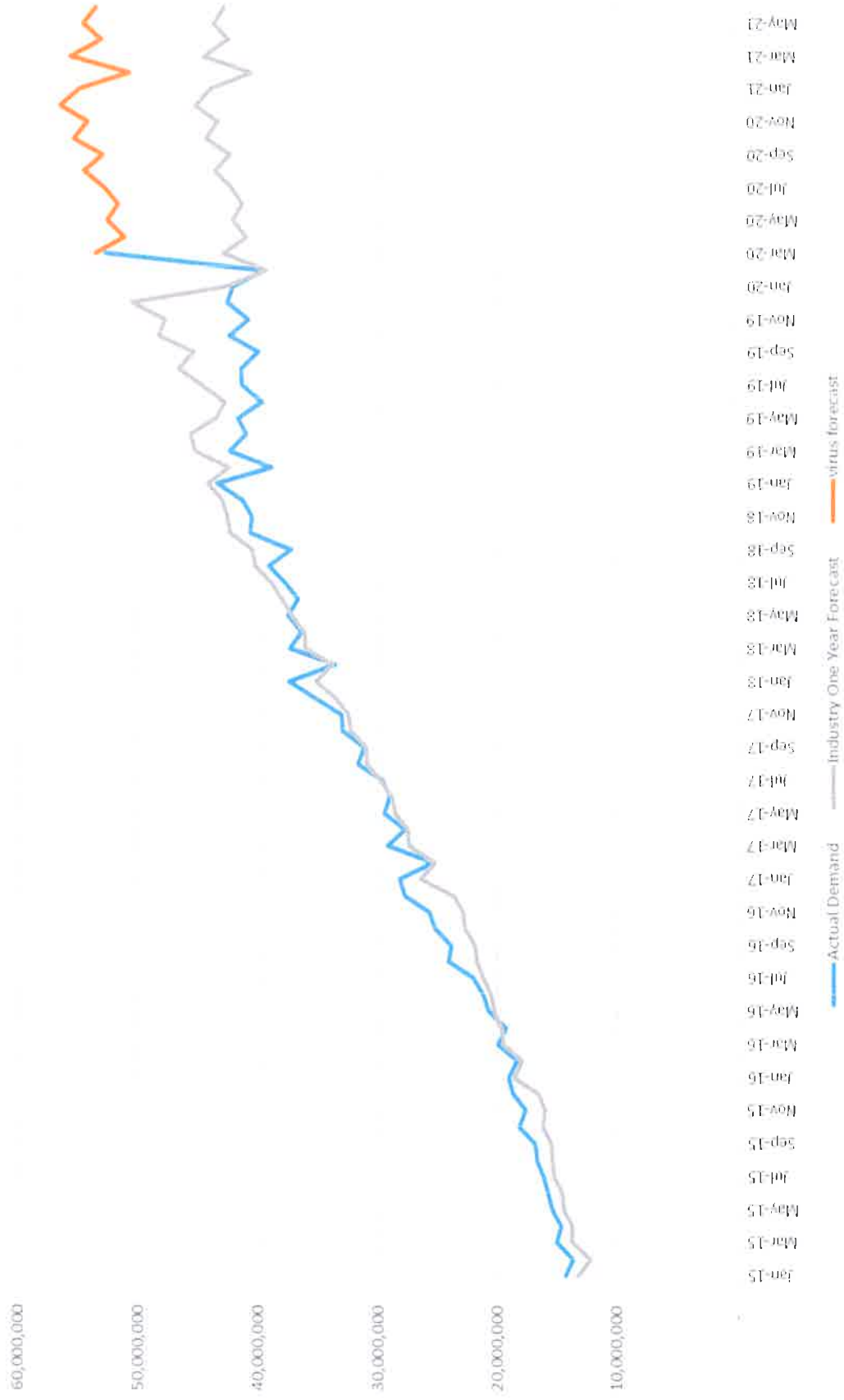


Exhibit 2

**PROJECTED  
2020-2021**

	Methodology	Prior Year Demand balance (May & June)	May & June of Prior year Rate	Projected Demand	Projected Rate	Projected Requirement	Fund Requirement
Traditional TRS	MARS	282,731	\$ 3.1107	1,361,038	\$ 3.7526	\$ 5,986,924	
Speech to Speech	MARS	28,263	\$ 3.1107	141,313	\$ 3.7526	\$ 618,205	
STS outreach		28,263	\$ 1.1310	141,313	\$ 1.1310	\$ 191,789	
Capiton Telephone	MARS	519,597	\$ 2.2795	2,356,873.09	\$ 2.3153	\$ 6,641,290	\$ 13,438,208
Subtotal MARS:							
IP Relay 5/2019 & 6/2019	DA 16-750	1,333,696.67	\$ 1.6700			2,227,273	
IP Relay 7/2019 to 4/2020	DA 17-642			7,069,388	\$ 1.7146	\$ 12,121,173	\$ 14,348,446
Subtotal IP Relay:							
Tier I small Companies [May - June 2019]	FCC 17-86	1,021,785	\$ 5.2900			\$ 5,405,242.63	
Tier I small Companies [July - April 2020]	FCC 17-86			5,264,891.3	\$ 5.29	\$ 27,851,274.71	
Tier 1 [May & June 2019]	FCC 17-86	4,000,000	\$ 4.8200			\$ 19,280,000.00	
Tier 1 [July - April 2020]	FCC 17-86			20,060,450.0	\$ 4.82	\$ 96,691,369.00	
Tier 2 [May & June 2019]	FCC 17-86	6,000,000	\$ 3.9700			\$ 23,820,000.00	
Tier 2 [July - April 2020]	FCC 17-86			30,000,000.0	\$ 3.97	\$ 119,100,000.00	
Tier 3 [May & June 2019]	FCC 17-86	16,776,668	\$ 2.6300			\$ 44,122,637.95	
Tier 3 [July - April 2020]	FCC 17-86			85,249,818.5	\$ 2.63	\$ 224,207,022.65	\$ 560,477,547
Subtotal VRS:		27,798,453.42		140,575,159.75			
IP Caption Telephone	FCC 18-79	104,504,711	\$ 1.5800	542,340,606	\$ 1.5800	\$ 1,022,015,600	\$ 1,022,015,600
Subtotal IP CTS:							\$ 1,610,279,802
Projected Provider Payments							
Deaf Blind Equipment Distribution Program							
All other TRS Fund Administration							
Two Month Provider Payment Reserve	FCC 19-118					\$ 10,000,000	\$ 10,000,000
Two Month IP CTS Provider Payment Reserve	FCC 19-118					\$ 19,251,000	\$ 19,251,000
Non-Provider Subtotal:							
Grand Total All Requirements:							
estimated fund balance at 6/30/2020							
estimated interest on fund investments							
Net Fund Requirements:							
estimated non-IP CTS requirements							
* estimated non-IP CTS contribution base						\$ 605,742,277	\$ 605,742,277
Contribution factor non-IP CTS	FCC 19-118					\$ 44,595,858,727	\$ 44,595,858,727
Contribution factor non-IP CTS							
estimated IP CTS requirements						\$ 1,018,936,662	\$ 1,018,936,662
** estimated IP CTS contribution base						\$ 108,240,077,298	\$ 108,240,077,298
Contribution factor IP CTS							
Contribution factor IP CTS							

\* based on data reported by USAC updated through 3/2020  
\*\* based on data reported by USAC updated through 3/2020

**Exhibit 3**

Base Revenue Contributions Figures		
Year	Interstate Base	Interstate Base
2004	\$81,954,191,760.72	
2005	\$80,666,621,323.77	
2006	\$80,457,972,601.73	
2007	\$77,898,078,806.14	
2008	\$79,428,092,243.17	
2009	\$78,895,806,171.06	
2010	\$72,844,997,815.67	
2011	\$69,450,220,823.19	
2012	\$67,206,226,972.74	
2013	\$67,278,109,559.79	
2014	\$65,234,609,106.58	
2015	\$64,234,609,107.00	
2016*	\$61,424,575,347.80	
2017	\$57,828,807,840.52	
2018	\$53,380,042,779.26	
2019	\$50,876,678,778.00	
2020	\$44,790,212,381.00	\$108,240,077,298.00

# Exhibit 4

## 2019 - 2020 Program Year Contribution Base Monthly Changes

For period ended	Change from prior		contribution factor	Invoiced Fund Revenue	Change from Prior period
	Total Assessable revenues	period			
per original budget	\$50,876,678,778.07		0.02790	\$ 1,413,980,374.00	
6/30/2019	\$ 50,883,758,423.08	-	0.02779	\$ 1,414,059,646.58	-
7/31/2019	\$ 50,875,249,193.31	\$ (8,509,229.77)	0.02779	\$ 1,413,823,175.08	\$ (236,471.50)
8/31/2019	\$ 50,796,611,926.89	\$ (78,637,266.42)	0.02779	\$ 1,411,637,845.45	\$ (2,185,329.63)
9/30/2019	\$ 50,792,201,718.36	\$ (4,410,208.53)	0.02779	\$ 1,411,515,285.75	\$ (122,559.70)
10/31/2019	\$ 50,792,475,599.21	\$ 273,880.85	0.02779	\$ 1,411,522,896.90	\$ 7,611.15
11/30/2019	\$ 50,792,553,254.84	\$ 77,655.63	0.02779	\$ 1,411,525,054.95	\$ 2,158.05
12/31/2019	\$ 50,664,487,762.05	\$ (128,065,492.79)	0.02779	\$ 1,407,966,114.91	\$ (3,558,940.04)
1/31/2020	\$ 50,680,911,949.72	\$ 16,424,187.67	0.02779	\$ 1,408,422,543.08	\$ 456,428.17
2/29/2020	\$ 50,693,147,547.17	\$ 12,235,597.45	0.02779	\$ 1,408,762,570.34	\$ 340,027.26
3/30/2020	\$ 50,809,259,296.14	\$ 116,111,748.97	0.02779	\$ 1,411,989,315.84	\$ 3,226,745.50
<b>Total Net Changes</b>		\$ (74,499,126.94)			\$ (2,070,330.74)