

Interstate TRS Advisory Council  
Meeting Minutes for September 10, 2017  
Golden, CO

ATTENDEES

Mark Tauscher, Chair, TRS Providers  
Ron Bibler, Vice Chair, TRS users  
Linda Vandeloop, Secretary, Interstate Telecommunications Providers/Contributors  
Steve Stovall, State Representative  
Al Sonnenstrahl, Deaf and Hard of Hearing Community  
Jeff Rosen, TRS Providers  
Shannon Smith, Deaf and Hard of Hearing Community  
Brenda Kelly-Frey, State Relay Administration (by Telephone)  
Phillip Hupf, Interstate Telecommunications Providers/Contributors  
Zainab Alkebsi, Deaf and Hard of Hearing Community  
Honorable Sarah Hofmann, State Representative  
Steve Peck, NASRA  
B. J. Gallagher, Individuals with Speech Disabilities

RLSA

Dave Rolka  
Joy McGrath  
Kelly Kearn  
John McGrath

FCC

Karen Peltz Strauss

CONVENE

Chairperson Tauscher greeted audience and called to order the Spring meeting of the TRS Advisory Council at 9:03 a.m. The chair noted that minutes had already been reviewed and approved.

COMMITTEE REPORTS

Zainab Alkebsi reported on both working groups. The VRS Rate Methodology Working Group, after submitting a recommendation for the VRS rates, continues to review several models as well

as data provided under non-disclosure agreement for a new rate methodology. A formal recommendation will be made to the Council after the review is complete. The Contributor Base Working Group will meet separately because of the VRS non-disclosure agreement would not permit others to participate. The group is continuing to gather information and will bring in subject matter experts to provide additional background information.

## FCC PRESENTATION

Karen Peltz Strauss:

### TRS Rate Order

- In June, as required, the commission issued the TRS Rate Order which included the funded requirement, the carrier contribution, the per minute compensation rates for TRS providers but not for VRS.
- The compensation rates for TRS, STS, and CTS were developed by the TRS Fund administrator based on the MARS rate methodology adopted by the Commission in 2007.
- The speech-to-speech rate includes the increase for outreach, but the FCC is concerned that the numbers are not going up. The FCC would like the council to consider whether the FCC should continue to provide the added supplement to the speech-to-speech rate for outreach. While the dollar amount is small, it does not make sense to continue the supplement if it is having no impact.
- Until the Commission issues a ruling on the appropriateness of the current rate methodology for IPCTS, the rate is set equal to the CTS rate.
- IP Relay rate is set for a three-year period based on a price cap methodology adjusted annually for exogenous costs, if necessary. This is the second year. The Commission extended a waiver which allows inclusion of outreach cost to increase the ability to address the needs of DeafBlind consumers. It was noted that Sprint, the only remaining provider, has done a stellar job in providing outreach to the DeafBlind community and hiring people from that community.
- The interstate TRS fund revenue requirement is \$1.3 billion.
- The revenue requirement has been growing. It will become increasingly important to make sure that only those who really need the service are using it.

### VRS Compensation Rate Order

- Adopts a 4-year compensation plan effective 7/1/17-6/30/21
- Amends TRS numbering rules to allow the user of call routing information that contains provider domain names to facilitate interoperability.
- Permits the fund administrator to use up to \$6.1million for research and Development.
- Eliminates the requirement of a neutral video communication service platform
- Adopts a technical correction to the speed-of-answer rules

- Reinstates deadline of the VRS Interoperability Profile: VRS Providers must comply by 12/20/17.
- New tiers
  - Tier 1 – monthly minutes up to 1,000,000
  - Tier II – monthly minutes between 1,000,001 and 2,500,000
  - Tier III monthly minutes over 2,500,000
  - Tier structure will apply separately to ZVRS and Purple until 2/14/20 or until the companies consolidate operations in accordance with the FCC’s Consent Decree authorizing the merger
  - VRS Emergent Tier – no more than 500,000 monthly minutes as of July 1<sup>st</sup>
    - Recognizes the unbalanced structure of the VRS industry and the need to complete VRS reforms intended to enhance competition
    - Recognizes that smaller providers may offer features that meet the needs of niche VRS market segments
    - Providers initially subject to emergent rate who then generate monthly minutes exceeding 500,000 shall continue to be compensated at that rate for the first 500,000 monthly minutes until the end of the four-year rate plan.
    - Minutes exceeding 500,000 – 1,000,000 will be compensated at the Tier I rate.
- Allows reset of rates in response to substantial cost changes or other significant developments.
- Allowable cost categories for VRS were not reconsidered.
- Replaced the current rate-of-return with operating margin: zone of reasonableness between 7.6% and 12.35% for VRS providers.
- The FCC used the weighted average of each provider’s actual costs and demand for 2016 and projected costs and demand for 2017
- Will allow exogenous cost recovery for certain well-documented costs.

The FCC has been working hard to promote direct video calling and encourages the council to encourage customer service agents to hire a deaf person who can take calls from directly deaf customers and bypass the relay service providers.

In January 2017 Order CGB adopted the Interoperability Profile for Relay User Equipment.

- VRS providers only need to comply with the RUE profile for purposes of ensuring interoperability with the ACE app. Compliance required by 4/27/18.
- FNPRM seeks comment on adoption of a rule applying the RUE Profile to provider-distributed VRS user equipment and software.
- On 5/30/17 Sorenson filed a petition for partial reconsideration or, in the alternative, suspension of the deadline.

The order adopted an interoperability user profile for user equipment.

- The FCC's amended rules that allow for routing information provided to the TRS numbering directory to include URIs that contain provider domain names rather than user IP addresses. Compliance required by 12/20/17.
- Standard data interexchange format for exporting and importing user personal contact and speed dial lists applies to all VRS providers. Compliance required by 10/24/17.

#### TRS Program Recertification

- States wishing to operate their own TRS programs must certify every 5 years. Current certifications expire on 7/25/18.
- Each state seeking renewal must submit documentation that:
  - It meets all the applicable operational, technical, and functional mandatory minimum standards and makes available adequate procedures and remedies for enforcement.
  - It makes informational materials on state and Commission complaint procedures available to TRS users.
  - The FCC asks that renewal applications be filed no later than 10/1/17.
  - The FCC will issue public notices on a rolling basis to recertify states.

The DeafBlind distribution program became permanent in July 2017

- It allocates \$10M per year
- The program now allows for the cost of training people how to use the equipment
- Outreach costs were cut from \$500K to \$250K per year because prior nationwide outreach was so successful. States are still allowed to do outreach.

#### March 2017 Order

- Approved 10-digit numbers for hearing people once the URD is set up to make sure the fund does not reimburse those calls
- The FCC will publish speed of answer by VRS provider.
- The FCC initiated a NOI addressing performance goals for VRS

#### Other FCC Activity

- The FCC approved rules for real-time text and is asking for input on the impact on relay.
- The FCC is gathering input on the needs of people with cognitive disabilities
- The FCC approved a consensus proposal between consumers and industry to gradually increase the percentage of wireless phones that are hearing aid compatible

Dave Rolka

#### TRS Fund Finances

- 2017-2018 Projected Fund Requirements = \$1.5Billion
- Net funds requirement = \$1.3 Billion (made up of provider contributions, reserve, admin and miscellaneous fees, less interest on investments plus cash on hand at year end)
- Contribution base = \$58 Billion (note that the contribution base is decreasing 5-6% per year)
- Contribution Rate is approximately 2%
- Distributions
  - Traditional services – prices set to MARS = \$14M
  - IP Relay = \$7.75M
  - IP CTS = \$748M
  - VRS = \$494M
  - NDBEDP = \$10M
  - 2 Average Month Reserve = \$211M
  - Sub Total + 1,485M
  - Research, Outreach, Administration, URD, Audits, iTRS Number Administration and Misc. Fees and Expenses =\$14.1M

#### Demand Trends

- Demand for IP Relay service is relatively flat and is consistent with projections with approximately 500,000 minutes per month
- Demand for Video Relay is relatively flat with approximately 10-12 million minutes per month. Video Relay minutes are 20 times the IP Relay
- IP CTS demand is growing with approximately 30 million minutes per month and 3 times the Video Relay minutes.
  - Every month IP CTS is a larger portion of the total. The rate is significantly lower than other rates, so it is not a larger percentage of the budget.

#### Recent Changes to NDBEDP

- Joyce McGrath is the principal point of contact.
- Up to 2.5% of the state allocation is available for train the trainer expenses
- Outreach expenditures are capped at 10% of each state's allocation during the first 2 years
- Reimbursement of travel is allowed but requires advanced approval and will be tracked by Rolka/Loube.
- Administrative expenditures are 15% of the budget.
- \$250,000 has been set aside for national outreach

### VRS User Registration Database

- Rolka/Loube is the URD data base administrator and was contracted by the FCC to design and implement the URD
  - Service providers have been providing information for over a year
  - Testing has been extensive
  - Rolka/Loube has been working with a number administrator
  - Rolka/Loube is awaiting confirmation on proposed additional fields for enterprise phones and a clarification on hearing user registration requirements. Once confirmed, code modifications and testing will require an additional 60 days.

### Coordinating with the iTRS Number Administrator

- Rolka/Loube anticipates processing files twice daily during 60-day window when providers are to submit all existing user and device TDNs for registration
- After existing users and device submission process has closed and the FCC instructs Neustar to initiate the All Call Query, Rolka/Loube is prepared to process every hour.

### Billing and Collections Upgrades

- The FCC has issued 2 RFIs regarding billing and collections for the iTRS Fund and NANP over the past year.
- Rolka/Loube responded to both identifying plans to expand electronic invoice processing platform, improve geographic outreach in connection with the data warehouse and identify the market areas of the certified service providers as well as areas of penetration/coverage deficiency.
- Rolka/Loube identified 14 economies and efficiencies that could be gained by combining billing and collections among the Administrators.
- It is expected that the new RFP will be issued and completed by the end of the Rolka/Loube contract that will expire in July 2018.

### Improving D/R & Security

- As Rolka/Loube gets more personally identifiable information, it is even more important to improve the security.
- 2017 Audit Program
  - FCC Financial Audit by Kearney
  - Independent Financial Audit of the TRS Fund by Maher Duesel
  - IPERIA
  - Internal controls audit addressing risk and fraud by McKonly and Asbury

#### A Data Warehouse

- Is intended to house a series of data bases.
- Call detail records data has been consolidated into a data warehouse where it can be used relating to the URD to provide greater insight into the program
- A CPA with fraud detection experience has been hired.

#### Planning for the next budget cycle

- Rolka/Loube analyzed 8 pricing options for IP CTS. The subcommittee is analyzing data and evaluating the options and will make a recommendation to Rolka/Loube
- January 2018 – distribute MARS data collection forms to each State program and Cost Collection forms to each IP provider
- February 2018 – collect the complete data and begin analysis
- April 2018 – Advisory Council Meeting
- May 1, 2018 – Recommendation to the FCC

#### New Business

Ron Bibler moved that the Council form an IPCTS working group to address IPCTS issues. There was a second from Zainab. A concern was expressed about subcommittee member access to confidential information given the ability to change roles in the industry. One person may not be a competitor today but is hired sometime in the future. The council recognized the concern but concluded that the non-disclosure agreements should provide the necessary protection. The motion carried.

Zainab moved that the Council encourage the Commission to revisit the issue of compensation or other incentives for the three trials proposed in the VRS order in light of the fact that no providers have volunteered for the trials and that the commission extend the trial period and offer compensation at the emergent tier rate to participating providers. There was a second from Brenda. The motion passed with one abstention.

Zainab moved that two members who have reached their term limits be extended for one more year. There was a second from Shannon. After discussion, Zainab amended the motion to read that two members who have reached their term limits be extended for one more year pending the outcome of the research of the FCC order. There was a second from Shannon to the amendment. The amendment passed. The motion passed as amended.

Jeff moved that the Spring meeting be held in Lancaster, Pennsylvania on April 5<sup>th</sup> and 6<sup>th</sup> and that the Fall meeting be held in Minneapolis, MN on September 8<sup>th</sup> and 9<sup>th</sup>. There was a second from Brenda. The motion passed.

Dave Rolka mentioned that the council may want to look at the line item for the council budget. It has never been reviewed since Rolka/Loube took over as fund Administrator. It was suggested that this be reviewed at the April meeting.

Public Comment:

Lise Hamlin - As an IPCTS user Ms. Hamlin wanted to point out that there are a lot of IPCTS users who are highly dependent on IPCTS and noted that the increase in volumes is likely due to the aging baby boomer population. Lise Hamlin asked if the new IPCTS subcommittee would consult with non-committee members. After a short discussion, the committee concluded that input would be welcome but non-committee members could not have access to confidential data.

David Weiss – Mr. Weiss applauded the FCC’s efforts in bringing Direct Video Service (DVS) to the FCC and other public agencies and encourages the private sector to also adopt DVS.

The meeting was adjourned at 2:58 pm.