

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

----- In the Matter of ----- )  
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 PUBLIC UTILITIES COMMISSION )  
 )  
 Instituting an Investigation )  
 into the Carrier Contribution )  
 Factor and Telecommunications )  
 Relay Services Fund Size for )  
 the period of July 1, 2004 )  
 through June 30, 2005. )  
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DOCKET NO. 04-0070

ORDER NO. 20904

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STATE OF HAWAII

Filed April 15, 2004  
At 10:00 o'clock A.M.

Karen Higdon  
Chief Clerk of the Commission

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

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PUBLIC UTILITIES COMMISSION ) Docket No. 04-0070  
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Instituting an Investigation ) Order No. 20904  
into the Carrier Contribution )  
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Relay Services Fund Size for )  
the period of July 1, 2004 )  
through June 30, 2005. )  
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ORDER

I.

INTRODUCTION

By this order, the commission initiates the instant proceeding to examine whether to modify the Telecommunications Relay Services ("TRS") carrier contribution factor and fund size for the period July 1, 2004 to June 30, 2005, established in accordance with Order No. 20193, filed on May 23, 2003, in Docket No. 03-0058 ("Order No. 20193").<sup>1</sup> Specifically, the commission intends to modify the carrier contribution factor from 0.00375 to 0.0010 effective on July 1, 2004 ("proposed carrier contribution factor"). The proposed carrier contribution factor of 0.0010 is expected to remain in effect through June 30, 2005. Written

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<sup>1</sup>In Docket No. 03-0058, the commission selected SPRINT COMMUNICATIONS CO., LP ("Sprint") as the exclusive provider of intrastate TRS within the State of Hawaii ("State of Hawaii") from July 1, 2003 to June 30, 2006. Order No. 20193, filed on May 23, 2003.

comments to the proposals described in this order will be accepted until May 14, 2004.

## II.

### PURPOSE OF INVESTIGATION

Hawaii Administrative Rules ("HAR") § 6-61-71 allows the commission to investigate any matters subject to its jurisdiction.

Order No. 20193, among other things, required every telecommunications carrier providing intrastate telecommunications service in Hawaii to contribute to the TRS fund on the basis of gross operating revenue from the retail provision of intrastate telecommunications services during the preceding calendar year.<sup>2</sup> A carrier's contribution to the TRS fund is a product of its gross operating revenues from the retail provision of intrastate telecommunications services during the preceding calendar year and a contribution factor determined annually by the commission, consistent with the terms of Order No. 20193.

Accordingly, pursuant to HAR § 6-61-71 and consistent with the terms of Order No. 20193, the commission will institute an investigation in determining the annual TRS contribution factor and fund size for the period of July 1, 2004 through June 30, 2005. For the same reasons stated in Order No. 20067, filed on March 7, 2003 in Docket No. 03-0058, we conclude that

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<sup>2</sup>The commission explicitly excluded payphone providers from contributing to the TRS fund.

the DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS ("Consumer Advocate") and Sprint should be made parties to this proceeding.

III.

COMMISSION'S PROPOSALS

A.

Sprint's Projection of Demand for July 1, 2004 - June 30, 2005

Pursuant to Decision and Order No. 20163, filed on April 30, 2003, in Docket No. 03-0058, Sprint will provide Hawaii TRS at a flat rate of \$1.90 per session minute for all billable call minutes for the three year period July 1, 2003 to June 30, 2006. Sprint is projecting approximately 684,000 intrastate and CapTel minutes in the July 1, 2004 to June 30, 2005 period, resulting in \$1,299,600 in disbursements to Sprint. Based on the above, the commission proposes to modify the carrier contribution factor and fund size, as described in more detail below. These proposed modifications will ultimately change the carrier contribution into the TRS fund for the period July 1, 2004 to June 30, 2005.

B.

Proposed Carrier Contribution Factor

In sum, the proposed contribution factor for the TRS Fund is derived as follows. The estimated payments of \$1,299,600 were reduced by \$678,563, part of the surplus from the TRS fund

balance<sup>3</sup>, resulting in an additional fund requirement of \$621,037. The additional fund requirement was divided by the total projected 2003 gross intrastate retail revenues of \$645,050,896 to arrive at a proposed contribution factor of 0.0010.

C.

Proposed TRS Fund Size

The commission proposes keeping \$680,000, representing an approximate 6-month operating reserve in the fund. The TRS fund is the sole source of funding for this service. Thus, the commission must be able to address any unexpected growth in TRS usage, delinquencies and/or bankruptcies of any telecommunications carrier and any other unexpected event that may occur. Another full year of actual use and data may provide more insight into the future need and expectations of Hawaii's TRS services.

D.

Proposed Minimum Payment and Payment Plans

The proposed minimum payment would change from \$37.50 to \$10.00. Carriers reporting \$10,000 or less in gross intrastate retail revenues will pay \$10.00. Carriers reporting \$1,200,000 or more in gross intrastate retail revenues will be allowed to make twelve (12) equal monthly payments. Carriers

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<sup>3</sup>The projected total TRS Fund balance, as of June 30, 2004, is \$1,358,563.

reporting less than \$1,200,000 in gross intrastate retail revenues will make one annual payment by July 26, 2004.

IV.

ORDERS

THE COMMISSION ORDERS:

1. A proceeding is instituted to investigate the TRS carrier contribution factor and fund size for the period July 1, 2004 through June 30, 2005. The Consumer Advocate and Sprint shall be made parties to this proceeding.

2. Written comments to the proposals described in this order will be accepted until May 14, 2004.

DONE at Honolulu, Hawaii this 15th day of April, 2004.

PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By Carlito P. Caliboso  
Carlito P. Caliboso, Chairman

By Wayne H. Kimura  
Wayne H. Kimura, Commissioner

APPROVED AS TO FORM:

Kevin M. Katsura  
Kevin M. Katsura  
Commission Counsel

By Janet E. Kawelo  
Janet E. Kawelo, Commissioner

TRS.sl

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 20904 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
DIVISION OF CONSUMER ADVOCACY  
P. O. Box 541  
Honolulu, HI 96809

MAGGIE SCHOOLAR  
GOVERNMENT ACCOUNT EXECUTIVE  
SPRINT COMMUNICATIONS  
1321 Rutherford Lane, Suite 120  
Austin, TX 78753

  
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Karen Higashi

DATED: April 15, 2004