

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

----- In the Matter of ----- )  
 )  
PUBLIC UTILITIES COMMISSION )  
 )  
Instituting an Investigation )  
into the Carrier Contribution )  
Factor and Telecommunications )  
Relay Services Fund Size for )  
the period of July 1, 2005 )  
through June 30, 2006. )  
\_\_\_\_\_ )

DOCKET NO. 05-0088

ORDER NO. 21730

DIV. OF CONSUMER ADVOCACY  
DEPT. OF COMMERCE AND  
CONSUMER AFFAIRS  
STATE OF HAWAII

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At 11 o'clock A .M.

Karen Higashi.  
Chief Clerk of the Commission

ATTEST: A True Copy  
KAREN HIGASHI  
Chief Clerk, Public Utilities  
Commission, State of Hawaii.

K. Higashi.

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Docket No. 05-0088

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ORDER

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, 2005 to June 30, 2006 (the "Period").

I.

INTRODUCTION

By this Order, the commission initiates the instant proceeding to examine whether to modify the current TRS carrier contribution factor and fund size for the period July 1, 2005 to June 30, 2006, which were initially established in accordance with Order No. 20193, filed on May 23, 2003, in Docket No. 03-0058 ("Order No. 20193")<sup>1</sup> and updated in

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<sup>1</sup>In Docket No. 03-0058, the commission selected SPRINT COMMUNICATIONS COMPANY, L.P. ("Sprint") as the exclusive provider of intrastate TRS within the State of Hawaii ("State of Hawaii") from July 1, 2003 to June 30, 2006. Decision and Order No. 20163, filed on April 30, 2003; Order No. 20193, filed on May 23, 2003.

Order No. 21049, filed on June 10, 2004, in Docket No. 04-0070. Specifically, the commission intends to continue the existing carrier contribution factor of 0.0010 for the Period ("Contribution Factor"). Written comments to the Contribution Factor and other proposals described in this order will be accepted until May 6, 2005.

## 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

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

factor and fund size for the period of July 1, 2005 through June 30, 2006. For the same reasons stated in Order No. 20067, filed on March 7, 2003, in Docket No. 03-0058, we conclude that 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, 2005 - June 30, 2006

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 627,648 intrastate and CapTel minutes for the Period, resulting in \$1,192,440 in disbursements to Sprint. Based on the above, the commission proposes to continue the existing carrier contribution factor and fund size, established by Order No. 20904, filed on April 15, 2004, in Docket No. 04-0070 ("Order No. 20904") and as described in more detail below. Accordingly, the commission proposes to not make any modifications to the carrier contribution into the TRS fund for the Period.

B.

Proposed Carrier Contribution Factor

In sum, the Contribution Factor for the TRS Fund is derived as follows. The estimated payments of \$1,192,440 were reduced by \$510,000, part of the surplus from the TRS fund balance<sup>3</sup>, resulting in an additional fund requirement of \$682,440. The additional fund requirement was divided by the total projected 2004 gross intrastate retail revenues of \$680,000,000 to arrive at a Contribution Factor of 0.0010.

C.

Proposed TRS Fund Size

The commission proposes keeping in reserve approximately \$680,000, representing an approximate 7-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. In addition, CapTel has been the fastest growing part of Sprint's TRS. For the period, Sprint is forecasting significant growth in CapTel minutes as it continues to distribute additional CapTel phones each month.

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<sup>3</sup>The projected total TRS Fund balance, as of June 30, 2005, is \$1,193,461.

D.

Proposed Minimum Payment and Payment Plans

The proposed minimum payment would continue at \$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 reporting less than \$1,200,000 in gross intrastate retail revenues will make one annual payment by July 26, 2005.

IV.

ORDERS

THE COMMISSION ORDERS:

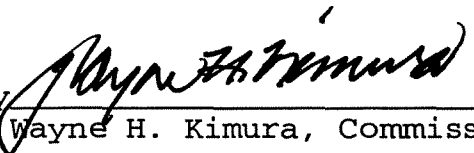
1. A proceeding is instituted to investigate the TRS carrier contribution factor and fund size for the Period (July 1, 2005 through June 30, 2006). The Consumer Advocate and Sprint shall be made parties to this proceeding.

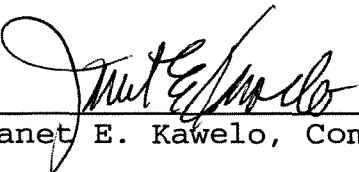
2. Written comments to the proposals described in this order will be accepted until May 6, 2005.

DONE at Honolulu, Hawaii APR 12 2005.


PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Carlito P. Caliboso, Chairman

By   
Wayne H. Kimura, Commissioner

By   
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:

  
Kevin M. Katsura  
Commission Counsel

TRS.eh