The Commission adopted a price cap formula in the 2007 TRS Rate Methodology Order for three years which expires June 30, 2010. The Commission finds it appropriate to continue to use the price-cap methodology used in setting the previous rates for IP Relay, and to adopt NECA’s proposed rate for the 2010–2011 Fund year based on IP Relay providers’ projected costs and demand.

14. Unlike VRS, for IP Relay, the Commission explicitly stated that at the end of the first three-year cycle, it would adopt IP Relay rates for another three-year cycle. Therefore, NECA’s proposed rate for the 2010–2011 Fund year for IP Relay will serve as a base rate for a new three-year cycle for IP Relay that will expire June 30, 2013. As has been done in the previous cycle based on the 2007 TRS Rate Methodology Order, this rate will be adjusted annually by an inflation factor and an efficiency factor, and will include any appropriate exogenous costs submitted by providers. The inflation factor is the Gross Domestic Product minus the Price Index (GDP − PI), and the efficiency factor is the inflation factor minus 0.5 percent to account for productivity gains.

The Carrier Contribution Factor and Funding Requirement

15. Because the Commission adopts NECA’s proposed compensation rates for the various forms of TRS, with the adjustment of VRS rates to prevent a steep and disruptive decrease in per-minute compensation, and because the Commission agrees that NECA’s projected minutes of use for each service are supported by the record and thus reasonable, the remaining issue to resolve is the treatment of NECA’s March 30, 2010 Supplemental Filing recommending a decrease in 2009–2010 funding requirements from $891 million to $701.8 million, and a reduction in the carrier contribution factor from 0.01137 to 0.00886. NECA made this recommendation based on the finding that actual VRS minutes for a seven-month period of July 2009 through January 2010 consistently averaged 18% below projections. The Commission declines to reduce the 2009–2010 Fund size as recommended, and instead concludes that the most administratively reasonable approach is to apply NECA’s recommended Fund adjustment to the funding requirement for 2010–2011. Based on this, the Commission adopts a total funding requirement of $433,990,484.98 and carrier contribution factor of 0.00585 which will result in a total Fund size of $705,048,502.19.

Paperwork Reduction Act

16. This document does not contain new or modified information collection requirements subject to the Paperwork Reduction Act of 1995, Public Law 104–13. In addition, therefore, it does not contain any new or modified information collection burden for small business concerns with fewer than 25 employees, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107–198, see 44 U.S.C. 3506(c)(4).

Congressional Review Act

17. The Commission will send a copy of this Order in a report to be sent to Congress and the Government Accountability Office pursuant to the Congressional Review Act. See 5 U.S.C. 801(a)(1)(A).

Ordering Clauses

Pursuant to the authority contained in section 225 of the Communications Act of 1934, as amended, 47 U.S.C. 225, and § 64.604(c)(5)(iii) of the Commission’s rules, 47 CFR 64.604(c)(5)(iii), document 10–115 is adopted.

NECA shall compensate providers of interstate traditional TRS for the July 1, 2010 through June 30, 2011 Fund year, at the rate of $2.0256 per completed interstate conversation minute.

NECA shall compensate providers of interstate Speech-to-Speech service for the July 1, 2010 through June 30, 2011 Fund year, at the rate of $3.1566 per completed interstate conversation minute.

NECA shall compensate providers of interstate captioned telephone service for the July 1, 2010 through June 30, 2011 Fund year, at the rate of $1.6951 per completed interstate conversation minute.

NECA shall compensate providers of intrastate traditional TRS for the July 1, 2010 through June 30, 2011 Fund year, at the rate of $1.2985 per completed conversation minute.

NECA shall compensate providers of intrastate Speech-to-Speech service for the July 1, 2010 through June 30, 2011 Fund year, at the rate of $1.941 per completed conversation minute.

NECA shall compensate providers of intrastate captioned telephone service and intrastate and interstate IP captioned telephone service for the July 1, 2010 through June 30, 2011 Fund year, at the rate of $2.0256 per completed conversation minute.

NECA shall compensate providers of intrastate and interstate IP Relay service for the July 1, 2010 through June 30, 2011 Fund year, at the rate of $1.2985 per completed conversation minute.

NECA shall compensate providers of intrastate and interstate Video Relay Service at the rates of $6.2390 for the first 50,000 monthly minutes (Tier I), $6.2335 for monthly minutes between 50,001 and 500,000 (Tier II), and $5.0668 for minutes above 500,000 (Tier III) per completed conversation minute for the July 1, 2010 through June 30, 2011 Fund year.

The Interstate TRS carrier contribution factor shall be 0.00585, and the funding requirement shall be $433,990,484.98, and the for the July 1, 2010 through June 30, 2011 Fund year.