

VPS Consulting Memo

TRS Fund Modifications

CONTRIBUTIONS WILL BE MODIFIED FOR 2020-2021 FUND YEAR

Summary

The FCC released a Report and Order in November 2019 to broaden the support mechanism for Internet Protocol Captioned Telephone Service (IP CTS) and reduce the current burden put on Interstate Telecommunications providers. The FCC launched IP CTS many years ago with an interim funding mechanism based only on the interstate telecommunications revenues even though IP CTS provides captioning for both interstate and intrastate voice calls. With significant growth in IP CTS, the current rules are putting an unfair burden on providers with interstate services. In this Report and Order, the FCC expands the TRS Fund contribution base to include intrastate revenues as well as interstate voice communications service. Having both contributors is not necessarily making the fund bigger but balancing the contributions in a fair manner.

TRS Fund Modifications

Contribution Factors

The TRS Fund Administrator will develop a new contribution factor to determine the portion of **interstate and intrastate** end user revenues that must be paid into the TRS Fund to support IP CTS.

The TRS Fund Administrator will continue to develop a contribution factor to determine the portion of **interstate** end user revenues that must be paid into the TRS Fund to support non-IP CTS.

Historically, the FCC has released the contribution factors for the upcoming fund year around July 1st, and we expect a similar timeframe for the 2020-2021 fund year.

Effective Date

The two-contribution factor approach will go into effect for the 2020-2021 Fund Year which is July 1, 2020 through June 30, 2021.

Carriers Impacted

All telecommunications carriers and VoIP service providers are required to file the FCC Form 499A to comply with contribution requirements for the North American Number Plan and Local Number Portability Administration. This new Report and Order will not impose any new reporting burdens on carriers.

Carriers with only intrastate end user revenues will begin contributing to the TRS Fund for 2020-2021 Fund Year due to the new contribution factor to support IP CTS.

Carriers with both interstate and intrastate end user revenues may or may not experience a change in their total contribution to the TRS Fund for 2020-2021 Fund Year depending on the jurisdictional split of revenues.

Additional Information

For information on this issue or if you would like VPS guidance, please contact these members of the Vantage Point Solutions consulting team:

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