

**Before the
Federal Communications Commission
Washington, D.C. 20554**

**Comments of
The Small Company Coalition**

**IN RE: TRS FUND ADMINISTRATOR SUBMITS PAYMENT FORMULAS AND
FUNDING
REQUIREMENTS FOR THE TELECOMMUNICATIONS RELAY SERVICES FUND
CG Docket No. 03-123**

**Secretary, Federal
Communications Commission;**

We at the Small Company Coalition (the “SCC” or Coalition”) would like to begin by commending the Federal Communications Commission (the “FCC” or “Commission”) for seeking feedback on the Telecommunications Relay Services (TRS) Fund administrator’s proposed provider compensation formulas, funding requirements, and contribution factors for the period from July 1, 2025, through June 30, 2026. As an organization comprised of small, rural, and Tribal telecommunications companies, the SCC has been and continues to be more than willing to assist the FCC in its effort to improve and enhance efficiencies within the regulatory process. We are all susceptible to falling into the trap of following a particular policy or procedure simply because “that’s the way it was always done in the past.” However, just because something was done in a particular way in the past, it doesn’t mean that we should automatically continue to do so, as we should always strive to work in the most efficient and effective manner possible. Along these lines, in a dynamic environment, we must be cognizant of the fact that policies and procedures can become “stale” and outdated, and should be periodically reviewed and updated when warranted.

As noted in the SCC’s comments filed in connection with the FCC’s “Delete, Delete, Delete” Public Notice on April 9, 2025, the TRS fund currently carries forward in reserve funding an amount upwards of \$300M when the approximate monthly liability is \$120M. At the time of the aforementioned docket, we asked, “What causes this excess, and what constitutes the \$120M?” We also stated that, “Given that this program aims to assist the hearing impaired with originating or terminating calls, these numbers appear to be unduly high.¹”

¹ See the SCC’s comments filed in connection with the FCC’s “Delete, Delete, Delete” Public Notice at this link: https://www.smallcompanycoalition.com/_files/ugd/2df08a_7a413fe9255b48df87b07ede1c1d3d40.pdf

The FCC is seeking comment on the following aspects of Rolka Loube Saltzer Associate, LLC's ("Rolka Loube"), proposed provider compensation formulas, funding requirements, and contribution factors for the period from July 1, 2025, through June 30, 2026 (2025-26 Fund Year):

- 1) Whether the proposed formulas correctly apply the Multi-state Average Rate Structure (MARS) plan methodology.
- 2) Whether the proposal correctly applies the *2022 IP Relay Compensation Order*.
- 3) Whether the proposal correctly applies the *2023 VRS Compensation Order*.
- 4) Whether the proposal correctly applies the *2024 IP CTS Compensation Order*.
- 5) The proposal to include a two-month payment reserve, totaling \$257,710,729, in the overall funding requirement for the coming year.
- 6) The proposed contribution factors.

In order to provide meaningful feedback regarding the above-listed items, we would need time to study the information in support of the various aspects of Rolka Loube's proposal. With that said, in the spirit of our offer to assist the FCC, if the SCC was given access to the supporting information, including a reasonable amount of time to review and provide credible responses, we would be happy to render an educated opinion regarding the feedback the FCC is seeking. In the meantime, we are raising the following questions with respect to the two-month payment reserve:

- Has the TRS program ever been unable to meet its payment/subsidy obligations in the past? If the answer is "no," then the reserve is likely too high and could be reduced.
- What is the inflationary assumption (and/or any subjective input) used in metrics and variables contained in the calculations, and why?

Furthermore, according to Rolka Loube, "The assessments are calculated and invoiced based on information provided to, or estimated by, the Universal Service Administrative Company's (USAC) Form 499-A annually by April 1st.²" It would be helpful to know how the formulas referred to in the FCC's Public Notice and Rolka Loube's website are connected or related to the calculation of the assessments charged to the companies based on the revenue submitted on the Form 499-A. Additionally, in order to help determine whether the two-month reserve can be reduced and provide feedback on the proposed provider compensation formulas, funding requirements, and contribution factors, we would need to spend time to review the details behind

² This quote was taken from the "TRS Contributors" section of Rolka Loube's website, which can be found at this link: [TRS Contributors — Rolka Loube](#).

the "Total Disbursements" and "Projected Support" numbers per Rolka Loube's "Interstate TRS Fund Performance Status Reports³."

Finally, and most importantly, answers to the following questions with respect to how the disbursements to the TRS providers⁴ are being utilized: 1) What is the cost of the equipment needed to provide the necessary services provided to the disabled? 2) What is the volume of TRS traffic handled by each of the providers? and, 3) What is the profit margin associated with rendering the relay services for each of the providers?

Once again, we commend the Commission for its proactive approach to addressing important issues and questioning whether the "way things have been done in the past," are the best and most effective way to do them today. We look forward to working with the Commission to further improve the regulatory environment for small companies so that we can focus our limited resources on serving our customers and the rural communities in which we live.

Respectfully submitted,

James J. Kail
Executive Committee Member
Small Company Coalition

³ These Status Reports can be obtained at this link: [TRS Reports — Rolka Loube](#).

⁴ The list of providers can be found at this link: [Internet-Based TRS Providers | Federal Communications Commission](#).