

State of Florida



# Public Service Commission

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## -M-E-M-O-R-A-N-D-U-M-

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COMMISSION  
CLERK

**DATE:** April 26, 2012

**TO:** Office of Commission Clerk (Cole)

**FROM:** Division of Regulatory Analysis (Casey) *Casey*  
Office of the General Counsel (Miller) *Miller*

**RE:** Docket No. 040763-TP – Request for submission of proposals for relay service, beginning in June 2005, for the hearing and speech impaired, and other implementation matters in compliance with the Florida Telecommunications Access System Act of 1991.

**AGENDA:** 05/08/12 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Edgar

**CRITICAL DATES:** July 1, 2012 - Effective date of FTRI budget. Notification of any change in the TASA surcharge must be made to carriers prior to July 1, 2012.

**SPECIAL INSTRUCTIONS:** Anticipate the need for sign language interpreters and assisted listening devices. Please place near the beginning of the agenda to reduce interpreter costs.

**FILE NAME AND LOCATION:** S:\PSC\RAD\WP\040763.RCM.DOC

### Case Background

The Florida Relay System (FRS) provides deaf and hard of hearing persons access to basic telecommunications services by using a specialized communications assistance operator (CA) that relays information between the deaf or hard of hearing person and the other party to the call. The primary function of the FRS is accomplished by the deaf or hard of hearing person

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FPSC-COMMISSION CLERK

using a Telecommunications Device for the Deaf (TDD) which has a keyboard and screen. The person using the TDD types a message to the CA who in turn voices the message to the other party. The reverse of this process completes messages to the deaf or hard of hearing person. This is how the term "relay" originated.

The Telecommunications Access System Act of 1991 (TASA) established a statewide telecommunications relay system which became effective May 24, 1991. TASA is authorized under Chapter 427, Florida Statutes. Section 427.701(1), Florida Statutes, provides that the Florida Public Service Commission (FPSC or Commission) shall establish, implement, promote, and oversee the administration of the statewide telecommunications access system to provide access to telecommunications relay services by persons who are deaf, hard of hearing or speech impaired, or others who communicate with them. It is estimated that 3 million of the estimated 19 million persons living in Florida have been diagnosed as having hearing loss. This system provides telecommunications service for deaf or hard of hearing persons functionally equivalent to the service provided to hearing persons.

TASA provides funding for the distribution of specialized telecommunications devices and provision of intrastate relay service through the imposition of a surcharge of up to \$0.25 per landline access line per month. Accounts with over 25 access lines are billed for only 25 lines. Pursuant to Section 427.704(4)(a)1, Florida Statutes, a surcharge is collected only from landline access lines.<sup>1</sup>

Florida Telecommunications Relay, Inc. (FTRI), a non-profit corporation formed by the local exchange telephone companies (LEC), was named by the FPSC to serve as the TASA administrator. On July 1, 1991, the LECs began collecting an initial \$.05 per access line surcharge pursuant to Order No. 24581. Since that time, the surcharge has changed to reflect budgetary needs, but has been maintained at \$0.11 per month since June 2007.

On November 3, 2010, the Federal Communications Commission (FCC) released a Public Notice<sup>2</sup> seeking comment on issues related to the FCC's implementation of the requirement for a National Deaf-Blind Equipment Distribution Program (NDBEDP) as set forth in the Twenty-First Century Communications and Video Accessibility Act of 2010 (Accessibility Act).<sup>3</sup> The Accessibility Act authorizes the FCC to allocate \$10 million annually from the

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<sup>1</sup> Florida Telecommunications Relay, Inc. projects a three percent decrease in landline access lines subject to the relay surcharge for the budget year 2012-2013. In addition, with the redefinition of basic local service passed by the Legislature in 2009, some competitive local exchange companies are not collecting or paying the relay surcharges on what they now consider is a non-basic line.

<sup>2</sup> CG Docket No. 10-210, Released November 3, 2010, Consumer and Governmental Affairs Bureau seeks comment on implementation of requirement to define programs for distribution of specialized customer premises equipment used by individuals who are deaf-blind.

<sup>3</sup> The Accessibility Act requires the FCC to take measures to ensure that people with disabilities have access to emerging communications technologies in the 21st Century. Section 105 of this law directs the FCC to establish rules that define as eligible for relay service support those programs approved by the FCC for the distribution of specialized customer premises equipment designed to make telecommunications service, Internet access service, and advanced communications, including interexchange services and advanced telecommunications and information services, accessible by low income individuals who are deaf-blind.

Interstate TRS Fund for this nationwide equipment distribution effort. On December 15, 2010, the FPSC responded to the Public Notice with comments and recommended that FTRI become the Florida Distributor for Equipment provided through the NDBEDP.

On April 6, 2011, the FCC released Order FCC 11-56 formally establishing the NDBEDP to distribute specialized customer premises equipment to low-income individuals who are deaf-blind. The Order indicated the initial allocation of NDBEDP grant money for Florida would be \$458,832 per year. On November 15, 2011, FTRI submitted its application to the FCC to become the Florida Distributor for the Deaf-Blind Equipment supplied through the Federal program. FTRI is now awaiting formal approval from the FCC to become the distributor for the NDBEDP.

FTRI included revenue and expense amounts for the NDBEDP in its 2012-2013 proposed budget. Including the NDBEDP dollars in the FTRI budget produces a net effect of zero. All expenses incurred by FTRI as the administrator of the NDBEDP would be reimbursed through grant money from the Federal program.<sup>4</sup> Should FTRI not be rewarded the NDBEDP program grant money as Florida administrator of the NDBEDP, there would be no revenue or expense affect for the NDBEDP in FTRI's budget.

The purpose of this recommendation is to approve an FTRI 2012-2013 fiscal-year budget. The Commission is vested with jurisdiction over these matters pursuant to Chapter 427, Florida Statutes.

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<sup>4</sup> Section 427.705(5)(c), Florida Statutes, provides that the administrator of the relay system may apply for, contract for, receive, and expend for the purposes of this part any appropriation, grant, gift, or donation from the Federal Government or any other public or private source.

### **Discussion of Issues**

**Issue 1:** Should the Commission approve FTRI's proposed budget as outlined in Attachment A for the fiscal year 2012-2013, effective July 1, 2012, and should the Commission maintain the current Telecommunications Relay Service (TRS) surcharge of \$0.11 per month?

**Recommendation:** Staff recommends that the Commission approve FTRI's proposed budget operating revenue of \$9,471,687, and proposed budget expenses of \$11,818,260 as outlined in Attachment A for the fiscal year 2012-2013, effective July 1, 2012, with one exception. Staff recommends a decrease of \$92,847 in Relay Provider Services. Staff also recommends that the TRS surcharge be maintained at \$0.11 per month for the fiscal year 2012-2013, effective July 1, 2012. The Commission should order the incumbent local exchange companies, competitive local exchange companies, and shared tenant providers to continue to bill the \$0.11 surcharge for the fiscal year 2012-2013, effective July 1, 2012. (Casey, Miller)

**Staff Analysis:** As shown in Table A, minutes of use for traditional TRS has been declining. AT&T projections<sup>5</sup> indicate that the traditional TRS minutes will continue to decline for the 2012-2013 fiscal year. Traditional relay users are transitioning to the more efficient technologies of IP Relay,<sup>6</sup> Video Relay Service<sup>7</sup> (VRS), CapTel captioning service, IP Captioned Telephone Service<sup>8</sup> (IP CTS), IP Speech to Speech service<sup>9</sup> (IP STS), and Blackberry or Palm wireless devices. The traditional TRS cost as approved in the new AT&T contract will be \$0.76 per minute effective June 1, 2012, versus the existing rate of \$0.89 per minute. Table A shows the traditional TRS minutes of use from April 2009 through March 2012.

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<sup>5</sup> The Commission awarded the Florida Relay contract to AT&T Relay Services effective June 1, 2012.

<sup>6</sup> IP Relay allows people who have difficulty hearing or speaking to communicate through an Internet connection using a computer and the Internet, rather than a TTY and a telephone.

<sup>7</sup> Video Relay Service is a form of Telecommunications Relay Service that enables persons with hearing disabilities who use American Sign Language to communicate with voice telephone users through video equipment, rather than through typed text. Video equipment links the VRS user with a TRS operator so that the VRS user and the operator can see and communicate with each other in signed conversation. Because the conversation between the VRS user and the operator flows much more quickly than with a text-based TRS call, VRS has become a popular form of TRS.

<sup>8</sup> IP captioned telephone service allows the user to simultaneously listen to, and read the text of, what the other party in a telephone conversation has said, where the connection carrying the captions between the service and the user is via an IP addressed and routed link.

<sup>9</sup> Speech to Speech relay service utilizes a specially trained CA who understands the speech patterns of persons with speech disabilities and can repeat the words spoken by such an individual to the other party to the call. IP STS uses the Internet, rather than the public switched telephone network, to connect the consumer to the relay provider. Instead of using a standard telephone to make the relay call, an IP STS user can use a personal computer or personal digital assistant (PDA) device and, with the installation of softphone application software, can make a voice call via the Internet to the relay provider. The call is initiated by the user clicking on an icon on his or her computer or PDA; the relay user is then connected to a CA over the Internet and tells the CA the number to be dialed; the CA then connects the IP STS user with the called party and relays the call between the two parties.

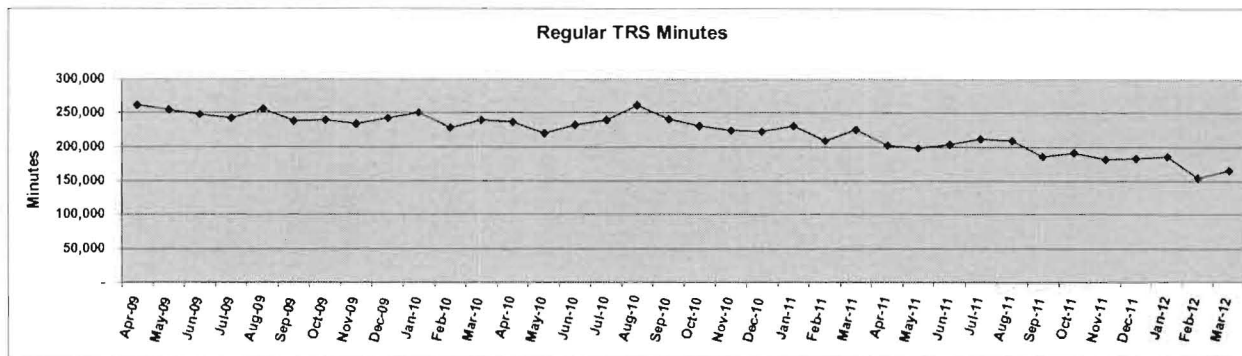


Table A – Florida Traditional TRS Minutes April 2009 – March 2012

**CapTel Service**

CapTel service uses a specialized telephone that provides captioning of the incoming call for a deaf or hard of hearing person. AT&T projections show that the CapTel minutes of use will slightly increase for the 2012-2013 fiscal year. The CapTel cost as approved in the AT&T contract will be \$1.47 per minute effective June 1, 2012, versus the current CapTel rate of \$1.54 per minute. Table B shows the historical CapTel minutes of use from April 2009 through March 2012.

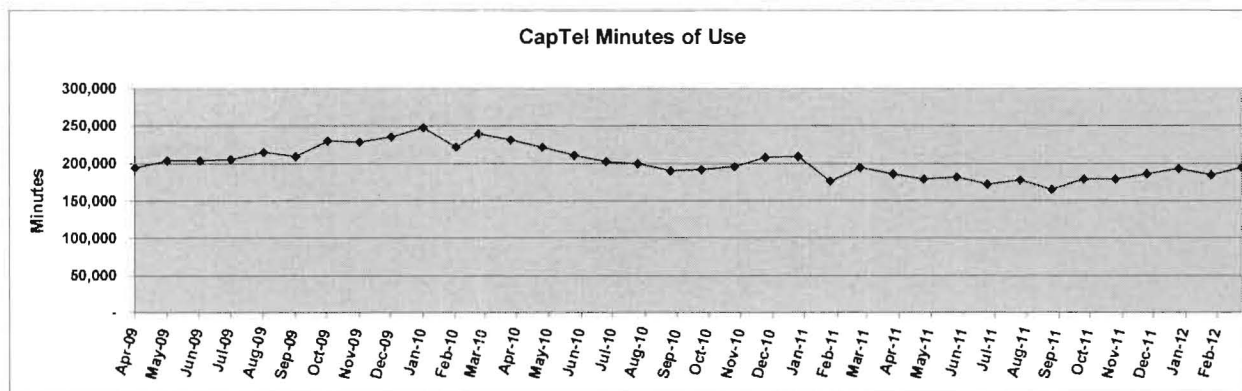


Table B – CapTel minutes of use April 2009 – March 2012

**FTRI Budget**

The FTRI 2012-2013 fiscal-year budget was reviewed and approved by the FTRI Board of Directors on March 26, 2012, prior to the filing of its budget with the FPSC. The proposed budget includes a decrease in expenses of approximately \$1,975,415 from the 2011-2012 Commission approved budget, and \$34,129 decrease from the 2011-2012 estimated expenses.<sup>10</sup> The 2012-2013 FTRI budget projects total revenues to be \$9,471,687 and total expenses to be \$11,818,260. FTRI believes that the TRS surcharge can remain at \$0.11 per access line for the

<sup>10</sup> These figure do not include the NDBEDP expenses since they are totally reimbursed by grants, or the \$92,847 recommended staff decrease to the Relay Provider account.

2012-2013 fiscal year, with its estimated revenue shortfall of \$2,346,573<sup>11</sup> being covered through the reserve account.<sup>12</sup>

Initially, FTRI estimated traditional TRS and CapTel minutes of use projections for the 2012-2013 FTRI budget period. Subsequent to the submittal of FTRI's budget, the FPSC consummated the contract with AT&T Relay, and AT&T Relay submitted its estimate of traditional TRS and CapTel minutes for the 2012-2013 budget year. AT&T's estimated annual CapTel minutes of use are 2,152,973 at a rate of \$1.47 per minute for a total of \$3,164,870. AT&T's estimated annual traditional TRS minutes of use are 2,152,973 at a rate of \$0.76 per minute for a total of \$1,626,766. (See Attachment B) AT&T's estimate to provide traditional TRS and CapTel is \$92,847 less than FTRI's initial projection. Staff used AT&T's projection of minutes for the 2012-2013 FTRI budget year.

After analysis of the proposed budget, staff believes FTRI should have sufficient funds for its 2012-2013 fiscal-year budget and reserve account. Therefore, staff believes that the surcharge should be maintained at \$0.11 per month to cover the FTRI 2012-2013 budget. A comparison of FTRI's 2012-2013 proposed budget, staff's recommended 2012-2013 budget, and the current 2011-2012 estimated revenue and expenditures is shown below.

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<sup>11</sup> In lieu of using the reserve account for the estimated revenue shortfall, the Commission could increase the monthly relay surcharge by \$0.03 per access line per month.

<sup>12</sup> IP Relay and VRS users are presently having their relay minutes of use paid through the interstate TRS fund. However, the Federal Communications Commission (FCC) has repeatedly stated that this arrangement is only temporary. The FCC believes Title IV of the Americans with Disabilities Act and its legislative history make it clear that Congress intended for the states to be responsible for the cost recovery for intrastate relay services provided under their jurisdiction.

The FCC has not formally opined on the time frame when the IP Relay and VRS costs will shift to the states or what the intrastate/interstate cost allocation will be. Staff estimates that the total monthly responsibility of intrastate IP Relay and VRS costs would be approximately \$32 million annually. The \$32 million additional IP Relay and VRS costs could increase the annual budget for Florida TRS to over \$43 million and likely exceed the current \$0.25 cap per access line allowed by statute. If this happens, a legislative change may be necessary to either increase the present TRS cap for local exchange company lines or have all carriers such as wireless and VoIP providers charge the surcharge as the federal TRS program does.

In order to minimize the impact of this change on the Florida TRS Fund, the Commission, by Order PSC-06-0469-PAA-TP, issued June 1, 2006, took action for the 2006-2007 FTRI budget year by maintaining a \$0.15 per month TRS surcharge to create a reserve to handle the initial costs of the intrastate VRS and IP Relay cost burden. It is estimated that this will provide a reserve in the Florida TRS fund of \$14,676,291 by the end of the current fiscal year in June 2012. This reserve amount should be enough to cover approximately four to five months of the initial intrastate VRS and IP Relay costs should the FCC make a decision in the next fiscal year.

	FTRI Proposed 2012-2013	Staff Recommended 2012-2013	Current 2011-2012
Operating Revenue:			
Surcharges	\$ 8,979,396	8,979,396	\$9,257,110
Interest Income	33,459	33,459	60,302
NDBEDP	<u>458,832</u>	<u>458,832</u>	<u>0</u>
Total Operating Revenue	\$ 9,471,687	\$ 9,471,687	\$9,317,412
Operating Expenses:			
Relay Provider Services	\$ 4,884,483	\$ 4,791,636	\$ 5,335,285
Equipment and Repairs	2,899,778	2,899,778	2,637,422
Equipment Distribution And Training	1,497,088	1,497,088	1,475,301
Outreach	684,503	684,503	637,673
General & Administrative	1,393,576	1,393,576	1,307,876
NDBEDP	<u>458,832</u>	<u>458,832</u>	<u>0</u>
Total Expenses	\$11,818,260	\$11,725,413	\$11,393,557
Deficit	(2,346,573)	(2,253,726)	
Projected Surplus at June 30, 2013	\$12,293,694	\$12,386,541	

**Conclusion**

Staff has reviewed FTRI's 2012-2013 fiscal year budget request and believes it is reasonable after staff's adjustment for Relay Provider Services. The current TRS surcharge of \$0.11 should meet FTRI's budget needs for the 2012-2013 fiscal year. Therefore, staff recommends that the Commission approve FTRI's proposed budget operating revenue of \$9,471,687, and revised budget expenses of \$11,725,413 for the fiscal year 2012-2013, effective July 1, 2012. Staff also recommends that the TRS surcharge be maintained at \$0.11 per month for the fiscal year 2012-2013, effective July 1, 2012. The Commission should order the incumbent local exchange companies, competitive local exchange companies, and shared tenant providers to continue to bill the \$0.11 surcharge for the fiscal year 2012-2013, effective July 1, 2012.

**Issue 2:** Should FTRI create an additional expense category for the National Deaf Blind Equipment Distribution Program?

**Recommendation:** Yes, staff recommends that FTRI should create an additional expense category for the National Deaf Blind Equipment Distribution Program. (Casey, Miller)

**Staff Analysis:** By Order PSC-93-0995-FOF-TP, issued July 7, 1993,<sup>13</sup> the FPSC required FTRI to group its annual budget expenses into five categories:

- Category I Relay services
- Category II Equipment & Repairs
- Category III Equipment Distribution & Training
- Category IV Outreach
- Category V General & Administrative

The Order also allows FTRI to move amounts between these five categories not to exceed ten percent of the category from which the funds are being moved, without prior Commission authorization. FTRI would like to create a sixth category to itemize expenses related to the NDBEDP. Staff agrees that a sixth expense category should be established to separate expenses related to the NDBEDP since all expenses in that category are offset by grant revenues received from the national program. Staff believes the creation of this new category will prevent the intermingling of expenses related to distribution of other FTRI equipment. Offsetting revenues received from the grant will also be separated to zero out the effect of the NDBEDP in FTRI's budget. Therefore, staff recommends that FTRI establish an account identified as NDBEDP as a sixth category of expenses in its budget to include all expenses related to the NDBEDP.

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<sup>13</sup> Docket No. 910496-TP, In Re: Implementation of Florida Telecommunications Access System Act of 1991.



**Issue 3:** Should this docket be closed?

**Recommendation:** If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order. (Miller)

**Staff Analysis:** At the conclusion of the protest period, if no protest is filed this docket should be closed upon the issuance of a consummating order. All monitoring of future relay and contract issues can be addressed in Docket No. 110013-TP,<sup>14</sup> In re: Request for submission of proposals for relay service, beginning in June 2012, for the deaf, hard of hearing, deaf/blind, or speech impaired, and other implementation matters in compliance with the Florida Telecommunications Access System Act of 1991.

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<sup>14</sup> Docket No. 110013-TP was opened to process the Florida Relay Provider Request for Proposal issued by the Commission. The Commission awarded AT&T Relay the relay provider contract effective June 1, 2012. By Commission vote, Docket No. 110013-TP will remain open for the duration of the contract period with AT&T as the relay provider to address all matters related to the relay service throughout the life of the contract.



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March 30, 2012

Mr. Robert Casey, Public Utilities Supervisor  
Division of Regulatory Analysis  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0866

RE: **FTRI FY 2012/2013 Budget**

Dear Mr. Casey:

I am pleased to forward a copy of the FY 2012/2013 budget that was recently approved by the Florida Telecommunications Relay, Inc. (FTRI) Board of Directors. This budget was reviewed by our Budget Committee and the Board and was adopted by the Board on March 26, 2012.

The budget, with the inclusion of the proposed NDBEDP, as approved by the Board projects total revenues at the current surcharge level of \$.11 to be \$9,471,687 and total expenses to be \$11,818,260. The difference of \$2,346,573 will be transferred from the surplus account, which should be approximately \$14,676,291 at the end of the current fiscal year. Although a surcharge of \$.11 would produce a shortfall in meeting FTRI's operating expenses, we have not proposed to revise the surcharge because we believe there are sufficient funds in the surplus account to offset the difference. Attached is the Income Statement that reflects the proposed FY 2012/2013 budget.

As of February 2012, FTRI has over 465,950 individuals in the client database. It is evident that FTRI and its regional partners are reaching out to meet the telecommunications access needs of residents who are deaf, hard of hearing, deaf/blind, or speech impaired. Outreach continues to be a large part of our efforts and we are planning to sustain these activities in order to continue to reach out to the estimated 3 million potential clients in Florida by creating awareness and telephone independence.

Should you have questions or desire additional information, please do not hesitate to email me at [iforstell@ftri.org](mailto:iforstell@ftri.org).

Sincerely,

A handwritten signature in black ink, appearing to read "James Forstell", is written over a printed name and title.

James Forstell  
Executive Director

Enclosure

cc: FTRI Board of Directors

Florida Telecommunications Relay, Inc.  
Fiscal Year 2012/2013 Budget @ .11 cents w/ 1 RDC

	2011/2012 APPROVED BUDGET	2011/2012 ESTIMATED REV & EXPEND	2012/2013 PROPOSED BUDGET	VARIANCE 2011/2012 2012/2013
<b>OPERATING REVENUE</b>				
1 Surcharges	9,553,980	9,257,110	8,979,396	(574,564)
2 Interest Income	84,440	60,302	33,459	(50,981)
3 NDBEDP	0	0	458,832	458,832
<b>TOTAL OPERATING REV</b>	<b>9,638,400</b>	<b>9,317,412</b>	<b>9,471,687</b>	<b>(166,713)</b>
<b>OTHER REVENUE/FUNDS</b>				
4 Surplus Account	11,871,064	14,676,291	12,293,694	422,630
<b>TOTAL REVENUE</b>	<b>21,509,464</b>	<b>23,993,703</b>	<b>21,765,381</b>	<b>255,917</b>
<b>OPERATING EXPENSES</b>				
<b>CATEGORY I - RELAY SERVICES</b>				
5 DPR Provider	5,908,164	5,335,285	4,884,483	(1,023,681)
<b>SUBTOTAL-CATEGORY I</b>	<b>5,908,164</b>	<b>5,335,285</b>	<b>4,884,483</b>	<b>(1,023,681)</b>
<b>CATEGORY II - EQUIPMENT &amp; REPAIRS</b>				
6 TDD Equipment	0	0	0	0
7 Large Print TDD's	11,400	5,700	5,700	(5,700)
8 VCO/HCO - TDD	5,000	2,500	6,000	1,000
9 VCO Telephone	13,776	2,595	4,960	(8,816)
10 Dual Sensory Equipment	103,925	70,703	20,000	(83,925)
11 CapTel Phone Equipment	110,000	72,930	88,000	(22,000)
12 VCP Hearing Impaired	2,897,980	2,292,818	2,547,880	(350,100)
13 VCP Speech Impaired	21,516	15,912	18,038	(3,478)
14 TellTalk Speech Aid	54,000	21,600	45,000	(8,000)
15 Jupiter Speaker phone	69,700	20,000	37,500	(32,200)
16 In-Line Amplifier	2,240	500	1,000	(1,240)
17 ARS Signaling Equip	44,051	29,524	29,700	(14,351)
18 VRS Signaling Equip	35,868	17,640	21,000	(14,868)
19 Accessories & Supplies	10,000	10,000	10,000	0
20 Telecomm Equip Repair	79,327	75,000	65,000	(14,327)
<b>SUBTOTAL-CATEGORY II</b>	<b>3,458,783</b>	<b>2,637,422</b>	<b>2,899,778</b>	<b>(559,005)</b>
<b>CATEGORY III - EQUIPMENT DISTRIBUTION &amp; TRAINING</b>				
21 Freight-Telecomm Equip	41,000	35,000	39,000	(2,000)
22 Regional Distr Centers	1,711,662	1,420,301	1,378,088	(333,574)
23 Workshop Expense	10,000	10,000	70,000	60,000
24 Training Expense	15,000	10,000	10,000	(5,000)
<b>SUBTOTAL-CATEGORY III</b>	<b>1,777,662</b>	<b>1,475,301</b>	<b>1,497,088</b>	<b>(280,574)</b>

Florida Telecommunications Relay, Inc.  
 Fiscal Year 2012/2013 Budget @ .11 cents w/ 1 RDC

	2011/2012 APPROVED BUDGET	2011/2012 ESTIMATED REV & EXPEND	2012/2013 PROPOSED BUDGET	VARIANCE 2011/2012 2012/2013
<b>CATEGORY IV - OUTREACH</b>				
25 Outreach Expense	737,903	637,673	684,503	(53,400)
<b>SUBTOTAL-CATEGORY IV</b>	<b>737,903</b>	<b>637,673</b>	<b>684,503</b>	<b>(53,400)</b>
<b>CATEGORY V - GENERAL &amp; ADMINISTRATIVE</b>				
26 Advertising	4,000	6,232	5,600	1,600
27 Accounting/Auditing	30,833	26,230	25,392	(5,241)
28 Legal	72,000	72,000	72,000	0
29 Computer Consultation	73,274	73,274	49,560	(23,714)
30 Dues & Subscriptions	4,047	3,988	4,187	140
31 Office Furniture Purchase	2,450	2,450	2,450	0
32 Office Equipment Purchase	8,875	7,550	8,950	75
33 Office Equipment Lease	2,500	2,118	2,330	(170)
34 Insurance-Hlth/Life/Debilty	292,845	267,646	303,215	10,370
35 Insurance-Other	8,900	7,165	7,523	623
36 Office Expense	17,578	15,830	17,413	(165)
37 Postage	19,393	16,020	16,822	(2,571)
38 Printing	3,955	2,630	2,893	(1,062)
39 Rent	102,088	95,148	90,156	(11,932)
40 Utilities	13,013	7,000	8,400	(4,613)
41 Retirement	82,962	72,040	80,960	(2,002)
42 Employee Compensation	578,288	521,853	563,543	(14,745)
43 Temporary Employment	24,000	8,215	21,600	(2,400)
44 Taxes - Payroll	44,725	39,922	43,189	(1,536)
45 Taxes - Unemplmt Comp	6,804	6,805	6,426	(378)
46 Taxes - Licenses	72	62	65	(7)
47 Telephone	24,240	21,854	24,039	(201)
48 Travel & Business	23,439	19,387	22,295	(1,144)
49 Equipment Maint.	1,985	1,540	1,669	(316)
50 Employee Training/Dev	8,415	6,925	7,156	(1,257)
51 Meeting Expense	3,850	4,992	5,741	1,891
52 Miscellaneous Expense	0	0	0	0
<b>SUBTOTAL-CATEGORY V</b>	<b>1,452,331</b>	<b>1,307,876</b>	<b>1,393,576</b>	<b>(58,755)</b>
<b>CATEGORY VI - NDBEDP</b>				
53 NDBEDP - Expense			458,832	
<b>SUBTOTAL-CATEGORY VI</b>			<b>458,832</b>	
<b>TOTAL EXPENSES</b>	<b>13,334,843</b>	<b>11,393,557</b>	<b>11,818,260</b>	<b>(1,975,415)</b>
<b>REVENUE LESS EXPENSES</b>	<b>8,174,621</b>	<b>12,600,146</b>	<b>9,947,121</b>	<b>2,231,332</b>

AT&T  
History of **Traditional TRS** Billing  
Using billable minutes

	Actual/Estimated FYE-2012	AT&T Projection Fiscal Year End 2013
July	211,598	190,438
August	208,530	187,677
September	186,304	167,674
October	191,357	193,665
November	182,104	187,182
December	183,154	186,386
January	193,841	186,781
February	193,841	169,936
March	193,841	182,447
April	193,841	163,395
May	193,841	160,352
June	193,841	164,549
<b>Total</b>	<b>2,326,093</b>	<b>2,140,482</b>

FTRI  
History of CapTel Billing  
Using billable minutes

	Actual/Estimated FYE 2012	AT&T Projection Fiscal Year End 2013
July	171,787	171,787
August	177,886	177,886
September	165,798	165,798
October	179,471	167,996
November	178,939	171,763
December	186,204	183,308
January	176,681	207,483
February	176,681	173,741
March	176,681	192,347
April	176,681	183,992
May	176,681	177,103
June	176,681	179,769
<b>Total</b>	<b>2,120,171</b>	<b>2,152,973</b>