mailing address: Office of Air and Radiation (6102A), 1200 Pennsylvania Avenue, NW., Washington, DC 20004. The entry form is a simple, three-part form asking for general information on the applicant and the proposed entry; asking for a description of why the entry is deserving of an award; and requiring information from three (3) independent references for the proposed entry. Applicants should also submit additional supporting documentation as necessary. Specific directions and information on filing an entry form are included in the Entry Package.

Judging and Award Criteria: Judging will be accomplished through a screening process conducted by EPA staff, with input from outside subject experts, as needed. Members of the CAAAC will provide advice to EPA on the entries. The final award decisions will be made by the EPA Assistant Administrator for Air and Radiation. Entries will be judged using both general criteria and criteria specific to each individual category. There are four (4) general criteria: (1) The entry directly or indirectly (*i.e.*, by encouraging actions) reduces emissions of criteria pollutants or hazardous/toxic air pollutants; (2) The entry demonstrates innovation and uniqueness; (3) The entry provides a model for others to follow (*i.e.*, it is replicable); and (4) The positive outcomes from the entry are continuing/sustainable. Although not required to win an award, the following general criteria will also be considered in the judging process: (1) The entry has positive effects on other environmental media in addition to air; (2) The entry demonstrates effective collaboration and partnerships; and (3) The individual or organization submitting the entry has effectively measured/evaluated the outcomes of the project, program, technology, etc. As previously mentioned, additional criteria will be used for each individual award category. These criteria are listed in the 2005 Entry Package.

Inspection of Committee Documents: The Committee agenda and any documents prepared for the meeting will be publicly available at the meeting. Thereafter, these documents, together with CAAAC meeting minutes, will be available by contacting the Office of Air and Radiation Docket and requesting information under docket OAR–2004–0075. The Docket office can be reached by telephoning 202–260–7548; FAX 202–260–4400.

Dated: June 22, 2005.

Robert D. Brenner,

Principal Deputy Assistant Administrator for Air and Radiation.

[FR Doc. 05–13057 Filed 6–30–05; 8:45 am]

BILLING CODE 6560–50–P

FEDERAL COMMUNICATIONS COMMISSION

[CC Docket No. 98–67 and CG Docket No. 03–123; FCC 05–135]

Telecommunications Relay Services and Speech-to-Speech Services for Individuals With Hearing and Speech Disabilities

AGENCY: Federal Communications Commission.

ACTION: Notice; approval of new rates.

SUMMARY: In this document, the Commission adopted the Interstate Telecommunications Relay Services (TRS) compensation rates for July 1, 2005 through June 30, 2006 Interstate TRS Fund year. The Commission adopted separate compensation rates for traditional TRS and Internet Protocol (IP) Relay. Also in the document, the Commission adopted per-minute compensation rates as follows for this fund year: For Speech-to-Speech Service (STS), $1.579; for traditional TRS, $1.440; for IP Relay, $1.278 for Video Relay Service (VRS), $6,644.

DATES: The per-minute compensation rates adopted by the Commission for STS and VRS will become effective June 30, 2005. The per-minute compensation rates adopted by the Commission for traditional TRS and IP relay will become effective July 1, 2005.

ADDRESSES: Federal Communications Commission, 445 12th Street, SW., Washington, DC 20554.

FOR FURTHER INFORMATION CONTACT: Thomas Chandler, Consumer & Governmental Affairs Bureau, Disability Rights Office at (202) 418–1475 (voice), (202) 418–0597 (TTY), or e-mail at *Thomas.Chandler@fcc.gov.*

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's *Order*, FCC 05–135, adopted June 28, 2005, and released June 28, 2005 in CC Docket 98–67 and CG Docket 03–123. On April 25, 2005, the National Exchange Carrier Association, Inc. (NECA) filed its annual Interstate Telecommunications Relay Services Fund Payment Formula and Fund Size Estimate for the period of July 1, 2005 through June 30, 2006. On April 28, 2005, the Commission released a Public Notice requesting comment on NECA's filing. *See National Exchange Carrier Association, Inc. (NECA) Submit the Payment Formula and Fund Size Estimate for Interstate Telecommunications Relay Services (TRS) Fund for July 2005 through June 2006,* Public Notice, CC Docket No. 98–67, DA 05–1175, published at 70 FR 24790, May 11, 2005. This *Order* does not contain new or modified information collections requirements subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104–13. In addition, 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). The full text of the *Order* and copies of any subsequently filed documents in this matter will be available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW., CY–A257, Washington, DC 20554. The *Order* and copies of subsequently filed documents in this matter may also be purchased from the Commission's duplicating contract, BCPI, Inc., Portals II, 445 12th Street, SW., Room CY–B402, Washington, DC 20554. Customers may contact BCPI, at their Web site *http://www.bcpiweb.com* or call 1–800–378–3160. To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an e-mail to *fcc504@fcc.gov* or call the Consumer & Governmental Affairs Bureau at (202) 418–0530 (voice), (202) 418–0432 (TTY). The *Order* can also be downloaded in Word or Portable Document Format (PDF) at *http://www.fcc.gov/cgb/dro.*

Synopsis

Each year, the Interstate TRS Fund Administrator, currently the National Exchange Carrier Association, Inc. (NECA), collects and reviews projected cost and minutes of use data submitted by TRS providers to determine the annual TRS compensation rates for the various forms of TRS. On April 25, 2005, NECA filed its annual Interstate Telecommunications Relay Services Fund Payment Formula and Fund Size Estimate for the period of July 1, 2005 through June 6, 2006. (NECA, *Interstate Telecommunications Relay Services Fund Payment Formula and Fund Size Estimate*, CC Docket No. 98–67, filed April 25, 2005 (*2005 NECA Filing*)). As NECA explains in its filing, it performs a detailed analysis of the providers' data to determine, among other things, whether all of the costs submitted may be properly included in the rate calculations. NECA notes that in determining rates for 2005–2006 Fund year it disallowed costs in only two instances, and in each case the provider accepted NECA's decision. NECA proposes the following TRS provider compensation rates: $1.312 per-minute for interstate traditional TRS and interstate and intrastate IP Relay, $1.579 per-minute for interstate STS, and $5.924 per-minute for interstate and intrastate VRS. Based on these figures, NECA proposes a total interstate TRS Fund (Fund) size requirement and carrier contribution factor for the July 1, 2005 through June 30, 2006, Fund year of $413,737,460 and 0.00528, respectively.

Traditional TRS and IP Relay

As in prior years, NECA determined that the same compensation rate would apply to providers of *both* traditional TRS and IP Relay services. (When the Commission recognized IP Relay as a form of TRS, it directed that IP Relay providers would be compensated at the same rate as traditional TRS. *See Provision of Improved Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities,* Declaratory Ruling and Second Further Notice of Proposed Rulemaking, CC Docket No. 98–67, published at 67 FR 39863, June 11, 2002 and 67 FR 39929, June 11, 2002), 17 FCC Rcd 7779 at page 7786, paragraph 22 (April 22, 2002)). This rate is determined by dividing the providers' total projected costs of proving these services by the providers' total projected minutes of use. For traditional TRS, only the costs of providing interstate service are considered. Based on the data provided, NECA's calculations resulted in a proposed compensation rate of $1.312 per-minute. (This figure was arrived at by dividing the 2005–2006 annualized average projected costs of $298,971,355 by the annualized average projected minutes of 213,112,677, and applying the 1.4% rate of return to an allowance for working capital to the resulting cost per minute). There were no cost disallowances with respect to these services. This rate reflects a slight decrease from the 2004–2005 rate of $1.398.

NECA notes that the Interstate TRS Fund Advisory Council (Council), at its April 19, 2005, meeting, expressed concern that combining the traditional TRS interstate and IP Relay reimbursement rate penalized traditional TRS providers by under-compensating these providers. NECA notes that if the rates were calculated separately, the traditional TRS rate would be $1.40 (up $0.128) and the IP Relay rate would be $1.278 (down $0.034). NECA also notes that although in the early stages of IP Relay, providers indicated that the costs of providing traditional TRS and IP Relay were virtually the same, ''the cost data no longer supports that early conclusion.'' As a result, NECA offers the Council's recommendation to consider separate reimbursement rates for traditional TRS and IP Relay.

For purposes of determining the Fund size requirement and carrier contribution rate, NECA projected demand for traditional TRS based on prior actual usage. (NECA explains that although in calculating the compensation rates it uses the providers' own projections of minutes of use, in calculating the Fund size it uses *actual* growth rates to estimate minutes of use that will be paid by the Fund. NECA states that, in this case, it calculated a growth rate from the four-month period of October 2004 through January 2005, and applied this growth rate to the actual minutes of March 2005 to determine projected minutes for the twelve-month period of the July 2005 to June 2006 Fund year). Using a growth rate derived from prior usage (an increase of 22,183 minutes per month), NECA forecasts 26.5 million minutes of use for the period of July 2005 through June 2006 for traditional TRS. NECA used the same methodology to determine a growth rate for IP Relay to estimate minutes of use for the July 2005 through June 2006 Fund year. Using this growth rate (an increase of 210,364 minutes per month), NECA forecasts 99.5 million minutes of use for the period of July 2005 through June 2006 for IP Relay. Taken together, NECA therefore forecasts that there will be 126 million minutes of combined use for traditional TRS and IP Relay during the 2005–2006 Fund year. By multiplying the proposed compensation rate ($1.312) by NECA's projected minutes of use, NECA projects that the Interstate TRS Fund will need $165.3 million to compensate TRS providers for providing these services. (The $165.3 million, added to the funding requirements for the projected use of STS and VRS, as noted below, plus certain administrative costs, determines the total projected Interstate TRS Fund size estimate). NECA notes that if separate rates were adopted for traditional TRS and IP Relay, the total TRS Fund requirement would increase less than 12 thousand dollars, and the contribution factor of 0.00528 would remain the same.

Speech-to-Speech (STS)

The compensation rate for providers of interstate STS is determined the same way, using the providers' total projected interstate costs of providing this service and the providers' total projected minutes of use. As NECA explains, however, although most of the providers reflected an average cost between approximately $1.30 and $2.70 per-minute, one STS provider reported costs of more than $12 per-minute, which NECA characterized as ''significantly different from the norm and about seven times the average of the other five providers.'' As a result ''[a]fter several discussions with the provider to determine why their STS costs were so high,'' NECA excluded the provider's data from the rate development. NECA notes that after informing the provider of its intent to exclude the data, the provider accepted NECA's decision. Based on the data submitted (and considered), NECA calculations resulted in a proposed compensation rate for STS OF $1.579 per-minute. (This figure was calculated by dividing the 2005–2006 annualized average projected costs of $309,680 by the providers' 2005–2006 projected minutes of 198,860, and applying the 1.4% rate of return for an allowance for working capital to the resulting average cost per minute). This rate represents a slight decrease from the 2004–2005 rate of $1.596.

For purposes of determining the Fund size requirement and carrier contribution rate, NECA projected demand based on a growth rate derived from the same methodology used for traditional TRS and IP Relay, October 2004 through January 2005. Using the average growth rate for this period of 283 minutes, NECA forecasts 187 thousand minutes of use for the period of July 2005 through June 2006 for STS. By multiplying the proposed compensation rate ($1.579) by NECA's projected minutes of use, NECA projects that the Interstate TRS Fund will need $295,409 to compensate TRS providers for providing STS.

Video Relay Service (VRS)

The compensation rate for providers of VRS is also determined based on the total projected costs of providing this service and the total projected minutes of use. NECA, however, did exclude certain costs of one provider. As NECA explains, one VRS provider included the expenses for keeping on staff Certified Deaf Interpreters, *i.e.*, ''deaf interpreters who would help hearing interpreters on unusual or difficult calls.'' NECA notes that no other VRS provider had such a position, and that after discussions with the provider the provider accepted NECA's decision not to include such costs in the rate development. Based on the data submitted (as modified), NECA's calculations resulted in a proposed compensation rate of $5.924 per minute. (This figure was calculated by dividing the 2005–2006 annualized average projected costs of $321,049,465 by providers' 2005–2006 annualized average projected minutes of 54,948,999, and applying the 1.4% rate of return for an allowance for working capital to the resulting average cost per minute). This rate represents a 22% decrease from the 2004–2005 rate of $7.596.

NECA states that the proposed average rate of $5.924 ''appears to be driven by the cost and demand characteristics of a single provider.'' (NECA states the ''[t]he average produced by the traditional rate development methodology using all providers' cost are above the average.'') NECA notes that if the VRS rate was calculated by excluding the cost and demand data of the low cost provider, the proposed compensation rate would be $7.061 (an increase of $1.137 per-minute). (An increase of $1.137 per minute to the VRS rate would increase the required Fund size by over $40 million ($1.137 multiplied by the projected minutes of use of 35.5 million)). NECA advises the Commission to ''explore alternatives to the traditional rate calculation'' for VRS because of several open issues relating to the provision of VRS, including ''interoperability'' and speed of answer. (''Interoperability'' refers to whether a consumer can use TRS equipment with any of the providers' relay service and not be limited to using only one provider (*e.g.*, the provider that gave the consumer the equipment). *See Petition for Declaratory Ruling Filed by the California Coalition of Agencies Serving the Deaf and Hard of Hearing (CCASDHH) Concerning Video Relay Service (VRS) Interoperability*, Public Notice, CC Docket No. 98–67, CG Docket No. 03–123, DA 05–509 (March 1, 2005), published at 70 FR 12884, March 16, 2005). The Commission has presently waived the speed of answer rule for VRS. The waiver expires on January 1, 2006. *See 2004TRS Report & Order*, published at 69 FR 53346, September 1, 2004, 19 FCC Rcd pages 12522–12524, 12568–12569, paragraphs 119–123 (speed of answer waiver), and paragraph 246 (raising issue of appropriate VRS speed of answer in Further Notice of Proposed Rulemaking (*FNPRM*). NECA also notes that the Interstate TRS Fund Advisory Council, at its April 19, 2005, meeting, expressed concern that decreasing the VRS rate from $7.596 to the proposed rate of $5.924 would under-compensate many VRS providers, threatening their continued provision of the service. The Council recommended that the Commission leave open the opportunity to re-examine the VRS rate when decisions on VRS speed of answer and interoperability are reached.

For purposes of determining the Fund size requirement and carrier contribution rate, NECA again projected demand based on a growth rate derived from the same four-month period of October 2004 through January 2005. Using the average growth rate for this period of 120,845 minutes, NECA forecasts 35.5 million minutes of use for the period of July 2005 through June 2006, for VRS. By multiplying the proposed compensation rate ($5.924) by NECA's projected minutes of use, NECA projects that the Interstate TRS Fund will need $210.5 million to compensate TRS providers for providing VRS.

Interstate TRS Fund Size and Carrier Contribution Rate

Once NECA has calculated its proposed compensation rates for traditional TRS and IP Relay, STS, and VRS, NECA calculates the proposed Interstate TRS Fund size and the carrier contribution factor. (Under the Commission's rules, ''[e]very carrier providing interstate telecommunications services shall contribute to the TRS Fund on the basis of interstate end-user telecommunications revenues.'' 47 CFR 64.604(c)(5)(iii)(A)). The total annual Fund requirement is determined by adding together the projected payments to TRS providers for the various forms of TRS, plus certain administrative expenses. The contribution factor is based on the ratio between total expected TRS Fund expenses and interstate end-user telecommunications revenues.

Making these calculations, NECA determined that the total Fund size requirement—*i.e.*, the amount that would be necessary to compensate providers for providing all eligible TRS services for the period of July 2005 through June 2006—would be $413,337,460, This amount includes the actual costs of providing TRS, NECA's administrative costs, and a 10 percent safety margin, less interest income on retained funds. NECA then divided that number by the total 2004 common carrier end user revenues ($78.2 billion) to arrive at a contribution factor of 0.00528. NECA submits all of its data to the Commission, which then approves or modifies NECA's proposed per-minute compensation rates, carrier contribution factor, and Fund size. (*See* 47 CFR 64.604(c)(5)(iii)(E), (H)). As we have noted, NECA states that if the Commission adopts separate compensation rates for traditional TRS and IP Relay, the effect on the total Fund size requirement would be negligible and the carrier contribution factor of 0.00528 would be the same.

Commenters

On April 28, 2005, the Commission released a Public Notice requesting comment on NECA's filing. (*National Exchange Carrier Association (NECA) Submits the Payment Formula and Fund Size Estimate for Interstate Telecommunications Relay Services (TRS) Fund for July 1005 through June 2006,* Public Notice, CC Docket No. 98–67, DA 05–1175 (April 28, 2005), published at 70 FR 24790, May 11, 2005, (*2005 TRS Rate PN*). Ten comments and six reply comments were filed. (Comments were filed by Hands On Video Relay Services, Inc. (Hands On) (May 12, 2005); MIC, Inc. (MCI) (May 13, 2005); Nordia, Inc. (Nordia) (May 13, 2005); Sprint Corporation (Sprint) (May 13, 2005); Teleco Group, Inc. (Teleco Group) (May 13, 2005); Telecommunications for the Deaf, Inc. and Deaf and Hard of Hearing Consumer Advocacy Network (TDI/DHHCAN) (May 13, 2005); Ultratec, Inc. (Ultratec) May 13, 2005); Communication Services for the Deaf, Inc. (CSD) (May 13, 2005); AT&T Corp. (AT&T) (May 13, 2005); and Hamilton Relay, Inc. (Hamilton) (May 13, 2005). Reply comments were filed by Hands On (May 25, 2005); MCI (May 25, 2005); CSD (May 25, 2005); Sorenson Communications, Inc. (Sorenson) (May 25, 2005); Verizon (May 25, 2005); and NECA (May 25, 2005). In general, comments are directed at the proposed VRS rate (*see generally* Hands On Comments, CSD Comments, TDI/DHHCAN Comments, Hands On Reply Comments, CSD Reply Comments, (proposed VRS rate is unfairly low); *see also* Sorenson Reply Comments) whether IP Relay and traditional TRS should be compensated at different rates (Compare MCI Comments, Nordia Comments, Hamilton Comments, and MCI Reply Comments (rates for IP Relay and traditional TRS should remain the same), with Sprint Comments, Ultratec Comments, and CSD Reply Comments (Commission should adopt separate rates)), and the size of the Interstate TRS Fund and how it is funded. (*See generally* Telco Group Comments (addressing payments into fund based on international revenues); AT&T Comments (asserting that projected size of Fund is too large and related issues); Hands On Reply Comments; CSD Reply Comments; Verizon Reply Comments; and NECA Reply Comments). We address the comments below.

Discussion

We have reviewed the *2005 NECA Filing*, as well as the underlying cost data and the comments that were filed. Based on this review, we approve NECA's proposed compensation rates of $1.579 per-minute for STS. We conclude, however, that the compensation rates for traditional TRS and IP Relay should reflect the cost and demand data unique to those services, and that, therefore, it is no longer appropriate to compensate these services at a single rate that reflects the combined projected costs and minutes of use. Accordingly, as reflected in NECA's filing, we adopt a compensation rate of $1.440 per-minute for traditional TRS, and a compensation rate of $1.278 per-minute for IP Relay. With respect to VRS, we reject NECA's proposed rate and, as explained below, we adopt a rate of $6.644 per-minute, reflecting the median rate of the rates of the seven providers that submitted VRS cost and demand data. Accordingly, we adopt a total Fund size of $441,493,869 and a carrier contribution factor of 0.00564. (The compensation rates for STS and VRS, and the fund size and carrier contribution factor, shall be effective upon the release of this *Order*. The compensation rates for traditional TRS and IP Relay shall be effective upon publication of this *Order* in the **Federal Register**. Until such time, providers of traditional TRS and IP Relay shall be compensated at the 2004–2205 rate of $1.398).

Compensation Rate for Speech-to-Speech (STS)

We conclude that STS shall be compensated at $1.579 per-minute for interstate STS for the 2005–2006 Fund year, as recommended by NECA. As we have noted above, this rate was determined by dividing the providers' total projected interstate costs of $309,680 by the providers' total projected interstate minutes of 198,860. We have reviewed NECA's proposed rate and its analysis of the relevant underlying data. We find that NECA's calculations with respect to this service are reasonable. Accordingly, the Interstate TRS Fund will pay $1.579 per-minute for eligible interstate STS for the period of July 2005 through June 2006.

Compensation Rate for Traditional TRS and IP Policy

Separate Rates for Traditional TRS and IP Relay

Given the cost disparity between traditional TRS and IP Relay, (*See 2005 NECA filing*, page 13, note 21 (reflecting a 11% disparity between the average cost of providing traditional TRS and IP Relay)), we conclude that these services should be compensated at separate rates based on the cost and demand projections specific to each service. We do not believe that it is fair or reasonable to use a combined rate ($1.312) that over-compensates IP Relay providers (by $.034 per-minute) and under-compensates traditional TRS providers (by $0.128 per-minute).

Consistent with prior Commission rulings, NECA proposes a compensation rate of $1.312 applicable to both traditional TRS and IP Relay. The Public Notice seeking comment on NECA's filing also specifically sought comment on whether the Commission should adopt separate compensation rates for traditional TRS and IP Relay. (The issue of whether separate compensation rates should be adopted for traditional TRS and IP Relay was raised in the *FNPRM* in the *2004 TRS Report & Order*. *2004 TRS Report and Order*, published at 69 FR 53382, September 1, 2004, 19 FCC Rcd pages 12564–12565, paragraph 233. In the *FNPRM*, the Commission noted that although the Interstate TRS Fund administrator requests and analyzes separate data for the costs of providing IP Relay and traditional TRS, the services are compensated at the same per-minute rate. The Commission also recognized that ''the cost of providing IP Relay may be less than the cost of providing traditional TRS,'' and therefore ''providers of IP Relay may be over-compensated, and providers of traditional TRS may be under-compensated.'' The Commission therefore sought comment on whether to adopt separate compensation rates for IP Relay and traditional TRS. Four parties filed comments in response to this issue. All commenters asserted that the cost differences for providing these services are not significant, and therefore that they should continue to be compensated at the same rate). Three parties support a single compensation rate for both services; three parties support separate compensation rates.

MCI, Nordia, and Hamilton assert that the Commission should continue to use the same compensation rate for traditional TRS and IP Relay. MCI and Hamilton assert that the costs of providing these services are generally similar. MCI suggests that to the extent the costs of providing traditional TRS may be higher, it is likely because of inefficiencies, and the Commission should not reward inefficient providers. Nordia asserts that the Commission should not adopt separate rates without giving prior notice.

Sprint, Ultratec and CSD urge the Commission to adopt separate compensation rates for these services. They maintain that compensating these services at the same rate is no longer warranted. (Although in its comments to the *2004 TRS Report & Order's FNPRM* Sprint stated that the two services should be compensated at the same rate, in its subsequent comments in response to the Public Notice Sprint asserts that ''given the cost differentials in providing traditional TRS and [IP Relay] service, a merged rate can no longer be justified.'') Sprint notes that the average costs per-minute of traditional TRS is significantly more than for IP Relay, and asserts that this is because many mandatory minimum standards are waived for IP Relay and IP Relay providers avoid access charges. Sprint argues that unless the rates are separate, IP Relay providers ''will continue to receive a windfall'' while traditional TRS providers ''will continue to lose money on every traditional TRS minute carried.'' Ultratec similarly asserts the combined rate fails to compensate traditional TRS providers for their reasonable costs, and that separate rates should be adopted that reflect the average actual costs associated with each of these services. CSD also asserts that so long as the costs for providing each of these services differ, ''it makes little more sense to use a single rate for their reimbursement.''

We concluded that traditional TRS and IP Relay should be compensated at separate rates based on the cost and demand projections specific to these services. NECA's filing indicates that IP Relay costs are approximately 11 percent less than traditional TRS. As NECA indicates, for the 2005–2006 Fund year, the average cost per-minute for IP Relay is $0.162 less than the average cost per-minute of traditional TRS. We do not believe that it is fair or reasonable to use a combined rate ($1.312) that overcompensates IP Relay providers (by $0.034 per-minute) and under-compensates traditional TRS providers (by $0.128 per-minute). We also agree with CSD that the dispositive consideration is not whether adopting separate rates would reduce the size of the Interstate TRS Fund, but rather whether a particular rate compensates providers for the reasonable costs of providing the service. As an immediate matter, NECA indicates that the adoption of the separate rates for traditional TRS and IP Relay would have no material effect on the size of the fund. However, because the growth of IP Relay will likely outpace the growth of traditional TRS, over the long-term adopting separate rates will likely lead to a decrease in the size of the Fund. We therefore adopt separate rates for traditional TRS and IP Relay, and instruct NECA to calculate and propose separate rates for these services in the future. (In its comments, Hamilton urges the Commission to reject a ''rate of return'' cost recovery methodology for traditional TRS and IP Relay and instead adopt its ''MARS'' plan, which it proposed in its petition for reconsideration (filed October 1, 2004) of the *2004 TRS Report & Order*. Under the MARS plan, the interstate TRS rate would be calculated based on an average of the *intrastate* TRS rates paid by the states. Hamilton requests that the Commission seek comment on the MARS plan when it adopts the 2005–2006 TRS rates. MCI also states that the Commission should adopt the MARS plan. AT&T also urges the Commission to consider adopting this plan. We will raise the issue of adopting the MARS plan in a future notice of proposed rulemaking.

Compensation Rate for Traditional TRS

We conclude that traditional TRS shall be compensated at $1.440 per-minute. This is consistent with NECA's calculation based on the providers' projected cost and demand specific to traditional TRS. This rate is determined by dividing the providers' total projected interstate costs for traditional TRS of $68,084,670 by the providers' total projected interstate minutes of traditional TRS of 47,948,559, and applying the 1.4% rate of return for an allowance for working capital to the resulting average cost per minute. We have reviewed NECA's rate and its analysis of the relevant underlying data particular to traditional TRS. We find that NECA's calculations with respect to this service are reasonable. Therefore, we adopt a compensation rate for eligible traditional TRS calls of $1.440 per-minute for the period of July 2005 through June 2006. (The compensation rate for traditional TRS shall be effective upon publication of this *Order* in the **Federal Register**. Until such time, providers of traditional TRS shall be compensated at the 2004–2005 rate of $1.398).

Compensation Rate for IP Relay

We conclude that IP Relay shall be compensated at $1.278 per-minute. This is consistent with NECA's calculation based on the providers' projected cost and demand specific to IP Relay. This rate is determined by dividing the providers' total projected costs for IP Relay of $230,866,685 by the provider's total projected minutes of IP Relay of 183,164,118, and applying the 1.4% rate of return for an allowance for working capital to the resulting average cost per minute. We have reviewed NECA's proposed rate and its analysis of the relevant underlying data particular to IP Relay. We find that NECA's calculations with respect to this service are reasonable. Therefore, we adopt a compensation rate for eligible traditional IP Relay calls of $1.278 per-minute for the period of July 2005 through June 2006. (The compensation rate for IP Relay shall be effective upon publication of this *Order* in the **Federal Register**. Until such time, providers of IP Relay shall be compensated at the 2004–2005 rate of $1.398).

Compensation Rate for Video Relay Service (VRS)

We conclude that VRS shall be compensated at $6.644 per-minute. NECA indicates that its proposed rate of $5.924 per-minute appears to be driven by the costs and demand data of one provider, and that if the data from this provider was excluded the rate would be $7.061. NECA also notes that the Council expressed concern over the proposed rate and the effect one provider had on the rate, and that there are several open issues with respect to VRS service that might affect the rate. (These issues are speed of answer and interoperability). Accordingly, NECA suggests that the Commission may wish to explore alternatives to the traditional rate calculation for VRS. No commenter filed comments in support of NECA's proposed rate.

In response to NECA's filing, several commenters urge the Commission to reject the proposed VRS rate of $5.924 and adopt a higher alternative rate that is more representative of the majority of the providers' costs in providing this service. Hands On, and TDI/DHHCAN assert that the proposed rate is skewed artificially low because there is currently no speed of answer or interoperability requirement, results in higher costs to those providers that do provide a faster speed of answer and interoperable service. TDI/DHHCAN also asserts that NECA's proposed compensation rate may result in a reduction of the availability of the service, which would be contrary to the functional equivalency requirements of the ADA. Hands On and CSD further assert that the proposed rate would adversely affect service quality. CSD also asserts that the proposed rate will reduce competition because the non-dominant providers will be forced to reduce the quality of their service and therefore will be even less able to compete with the dominant provider.

Hands On proposes several alternative ways to calculate the VRS rate. These alternatives include: a weighted average that excludes the dominant provider, which results in a rate of $7.061 (this is the alternative rate proposed in NECA filing); the median cost rate of all of the providers that submitted data, which results in a rate of $6.644; a weighted average that excludes the data of the high cost and low cost providers, which results in a rate of approximately $7.00; and a non-weighted average that includes all providers, which results in a rate of $7.325. In Hand On's view, the ''most appropriate methodology is to use the weighted average method, but with the elimination of the low and high cost providers' estimates.'' CSD also proposes alternative VRS rate calculations that exclude the dominant provider's data, use a non-weighted average of all providers' data, or tie the VRS compensation rate to service levels. CSD suggests that one of these alternatives could be implemented on an interim basis until the Commission adopts service level standards (*e.g.*, speed of answer). TDI/DHHCAN proposes that the Commission adopt the rate of $7.061 that derived by excluding the data of the largest provider. Hands On asserts that ''[a]ny of these alternatives rate calculations would be appropriate for the Commission to adopt on an interim basis pending action on outstanding [issues], including * * * answer speed and interoperability.'' Hands On also suggests that the Commission could adopt VRS rates that vary depending on the provider's speed of answer. Hands On asserts that such an approach would ensure that providers that lower costs (presumably because they employ fewer VRS CAs and therefore and have longer speed of answer times) will not be overcompensated. Sorenson, in its reply comments, asserts that adoption of Hands On's proposed plan would be premature until the Commission establishes a speed of answer requirement for VRS. Because the speed of answer requirement for VRS is presently waived, and the issue of a speed of answer requirement for VRS is pending before the Commission, we decline to adopt this proposal at this time.

We conclude that under the present circumstances, given the lack of certain standards for VRS, NECA's proposed VRS compensation rate of $5.924 would not be a fair and reasonable compensation rate for VRS providers. Therefore, we do not adopt that rate, but instead adopt a rate of $6.644 per-minute for the 2005–2006 Fund year. This rate reflects the median rate of the individual rates of the seven VRS providers that submitted cost and demand data.

We conclude that the median rate is the most appropriate rate for 2005–2006 Fund year. This rate is closest to a majority of the providers' proposed rates and is a better indicator of reasonable costs in this unique situation, where there are several pending issues under consideration impacting providers' costs. As we have noted, the Commission's rules mandate that providers be compensated for the ''reasonable'' costs of providing service. (*See* 47 CFR 64.604(c)(5)(iii)(E)). The record reflects that the ''reasonableness'' of costs will vary depending on the level of service provided. Because of open quality of service issues such as speed of answer and interoperability, the record reflects that the providers may not be offering consumers the same level of service. In these circumstances, where NECA's proposed rate was calculated at a time when certain key VRS rules are in flux, and where services are being provided at various levels of service quality, we believe that an alternative compensation rate is appropriate. We are concerned that both the overall quality and availability of the service may suffer under NECA's proposed rate.

In these circumstances, we reject NECA's proposed rate. On the present record, we find that a compensation rate based on the weighted average of the providers' costs would not fairly reflect the reasonable costs of providing service. As NECA and commenters have noted, NECA's proposed rate is below the rate of all providers except the one dominant, low cost provider. (To determine a per-minute compensation rate that reflects reasonable costs, the Commission has used providers' projected costs and minutes of use data to determine a weighted average. As a result, the rate does not correlate with any provider's actual costs—it simply represents one estimate of what a reasonable compensation should be to fairly compensate all providers. The rate will, necessarily, result in some providers being over-compensation and some providers being under-compensated. In the past, the relative level of compensation as it affects each of the providers has not been an issue, likely because market share was more evenly divided and providers' level of service was similar). Therefore, under NECA's proposed rate, all of the providers except the one dominant, low-cost provider will lose money on every minute of call carried. We also note that all commenters on this issue assert that NECA's proposed rate is too low and unfair, and that the Interstate TRS Fund Advisory Council has expressed similar concerns. Finally, we recognize that the Commission has not yet settled on a cost recovery methodology for VRS, and that this issue remains open. We conclude that the median rate of $6.644 per-minute represents a just and reasonable rate for compensating providers of VRS. That rate is closest to a majority of the providers' proposed rates, and will result (by definition) in the same number of providers having costs above the rate as below the rate. That rate is also supported by at least one commenter. We therefore adopt a VRS compensation rate of $6.644 per-minute for the period of July 2005 through June 2006. (Because of the open ''quality of service'' issues regarding VRS, including speed of answer, interoperability, and whether the service should be required to be offered 24 hours a day, 7 days a week, the Commission may revisit the VRS compensation rate for the 2005–2006 Fund year, if new rules are adopted in these areas that would affect the cost of providing service. Moreover, we emphasize that the Commission's conclusion with respect to the VRS rate in this Order is based on the unique circumstances of the present record.

Interstate TRS Fund Size and Carrier Contribution Rate

We adopt a total Interstate TRS Fund size of $441,493,869 and a carrier contribution factor of 0.00564 for the July 2005 through June 2006 Fund year. (We recognize that adopting a VRS rate of $6.644, rather than $5.924, increases the size of the Fund by approximately $28 million (or nearly 7 percent). Although we remain concerned about the rapid growth in the size of the Fund, we are obligated to ensure that providers are compensated for their reasonable costs. We also note that the rate of $6.644 is significantly less than the previous rate of $7.596. Moreover, the size of the Fund is largely driven by the steadily increasing demand for IP Relay and VRS, all of which calls are currently compensated from the Fund). That figure reflects the funds necessary to compensate providers for projected eligible minutes of use for the various forms of TRS, a 10 percent safety margin, and NECA's administrative costs, less interest income, and is based on the rates adopted in this Order.

AT&T asserts that NECA has overstated the Fund size by inflating demand projections. AT&T notes that NECA applied a growth rate based on a four-month period (October 2004 through January 2005), and argues that projecting demand based on this ''arbitrary'' four-month period has inflated the Fund size by $43 million. AT&T asserts that NECA should have developed a growth rate based on the prior twelve-month period. AT&T also argues that NECA's inclusion of a 10 percent ''safety margin'' to cover possible shortfalls is unwarranted, excessive, and unnecessary, and that instead, NECA should request additional funding if and when there is such a shortfall.

CSD, Hands On, and NECA filed reply comments in response to AT&T assertions. First, NECA explains that it used this four-month period to establish a growth rate because of changes in the relay service marketplace and anomalies in the minutes of use for certain months in the prior twelve-month period. NECA notes, for example, that because of the projected increased use of captioned telephone, it believes minutes of use of traditional TRS will increase, but that reliance on the historic twelve-month period would result in a decrease. NECA further notes that there were two months in which the minutes of use for IP Relay and VRS were uncharacteristically low, and that therefore use of a twelve-month growth period that includes these month's results in a growth rate that is significantly below the overall historic growth rate. As a result, NECA asserts that its usage projection is ''far more reasonable'' than using an historic twelve-month period as AT&T proposes. CSD and Hands On agree that NECA's reliance on the four-month period to project minutes of use was appropriate because of the increased use of new technologies and the need for adequate funding as demand for these new services continues to increase. In its comments, Hamilton asserts that the significant increase in demand for IP Relay and VRS merit an increase in the overall fund size.

Second, NECA explains that it has used a 10 percent safety margin every year since its first filing in 1994, ''to insure smooth, efficient operation of the fund and to minimize the need for subsequent fund size revisions.'' (We note that NECA has not always referred to this margin as a ''safety margin,'' but as, *e.g.,* an ''uncollectable allowance''). NECA also notes that unanticipated growth in the minutes of use required an additional assessment during the 2003–2004 Fund year, that in December

2004 the Commission increased the compensation rates retroactively to the beginning of the Fund year, and that minutes of use continue to grow. (In February 2004, the Commission increased the Fund size and carrier contribution factor because of the growth of IP Relay and VRS. *See Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, Order, CC Docket No. 98–67, DA 04–465 (Feb. 24, 2004)). In these circumstances, NECA suggests that a 10 percent safety margin is prudent, and will obviate the possibility that NECA will have to bill and collect additional funds from over 4,300 contributors.

Under these circumstances, we find that NECK's use of a four-month period to project demand and the inclusion of a 10 percent safety margin are reasonable. As NECA explains in its filing and reply comments, it used a four-month period to determine the growth rate for traditional TRS because that period reflected a steady growth in minutes of use, whereas in prior months traditional TRS minutes fluctuated up and down from month to month. It also reasonably believes that traditional TRS minutes will increase in the 2005–2006 Fund year, because of the growth in the use of captioned telephone service. NECA also explains that it used this same four-month growth period for STS because ''a clear growth rate has not been discernable either annually or monthly,'' and for IP Relay and VRS because there is limited historical data for those services. In addition, NECA explains that for IP Relay, there was steady growth in that period compared to fluctuations in prior months. We find NECA's approach to be reasonable, particularly in view of the overall steady growth in the use of the two Internet-based forms of TRS, IP Relay and VRS. (NECA notes that ''continued strong growth or Internet and video relay services, and the anticipated growth of captioned telephone VCO minutes''.

We also conclude that NECA's inclusion of the 10 percent safety margin is reasonable and appropriate given the continued growth in the overall minutes of use and the desire to avoid having to increase the Fund size and see additional contributions in the middle of a Fund year.

Other Issues

Commenters raise two other issues relating the funding mechanism for TRS. First, AT&T argues that the Commission should eliminate the ability of local exchange carriers (LEGs) to recover their Interstate TRS Fund contributions through carrier access charges. AT&T notes that raised this issue in 2003, but that in the *2003 Bureau TRS Order* the Bureau stated that the rate order was not the appropriate proceeding in which to address this issue. AT&T now asserts that this charge should be eliminated ''either in a separate proceeding or as part of the Commission's comprehensive reform of intercarrier compensation.'' In reply comments, NECA and Verizon assert that AT&T's argument is not germane to this proceeding. Verizon also asserts that, in any event, it is neither unlawful nor inappropriate to require access customers to pay a portion of a LEC's Interstate TRS Fund contribution. We again conclude, as the Bureau did in the *2003 Bureau TRS Order*, that this issue falls outside the scope of this proceeding.

Second, Telco Group asserts that international revenues should be excluded from the revenue base used to calculate payments due the Interstate TRS Fund, ''at least for those carriers whose international revenues comprise a significant proportion of their total interstate and international revenues.'' As it notes, Telco Group filed a petition for a declaratory ruling on this issue, on which the Commission sought comment by public notice. (*See Telco Group, Inc. Files Petition for Declaratory Ruling or Waiver to Exclude International Revenues from the Revenue Base Used to Calculate Payment to the Interstate TRS Fund,* Public Notice, CC Docket No. 98–67, DA 04–3352 (Oct. 25, 2004), published at 69 FR 64573, November 4, 2004). Accordingly, this issue will be addressed by the Commission in that proceeding.

Regulatory Flexibility Act

The Regulatory Flexibility Act of 1980, as amended (RFA), (the RFA, *see* 5 U.S.C. 601 *et seq.,* has been amended by the Contract with America Advancement Act of 1996, Public Law Number 103–121, 110 Statue 847 (1996) (CWAAA). Title II of the CWAAA is the Small Business Regulatory Enforcement Act of 1996 (SBREFA00, requires that a regulatory flexibility analysis be prepared for rulemaking proceedings, unless the agency certifies that ''the rule will not have a significant economic impact on a substantial number of small entities.'' (5 U.S.C. 605(b)0. The RFA generally defines ''small entity'' as having the same meaning as the terms ''small business,'' ''small organization,'' and ''small governmental jurisdiction.'' (5 U.S.C. 605(b)) In addition, the term ''small business'' has the same meaning as the term ''small business concern'' under the Small Business Act. (5 U.S.C. 601(3) (incorporating by reference the definition of ''small business concern'' in the Small Business Act, 15 U.S.C. 632). Pursuant to 5 U.S.C. 601(3), the statutory definition of a small business applies ''unless and agency, after consultation with the Office of Advocacy of the Small Business Administration and after opportunity for public comments, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition(s) in the **Federal Register**). A small business concern is one which: (1) Is independently owned and operated; (2) is not dominate in its field of operation; and (3) satisfies any additional criteria established by the Small Business Administration.

The Commission concludes in this item that the public interest is best served by requiring and adopting separate compensation rates for traditional TRS and IP Relay based on the cost and demand data submitted by providers unique to those services. The Commission believes that it would be unfair to continue to use a combined rate to compensate providers of traditional TRS and IP Relay when doing so will result in IP Relay providers being over-compensated, and traditional TRS providers being under-compensated.

This item affects providers of traditional TRS and IP Relay providers, but imposes no regulatory burden upon them. Currently, only seven providers are providing traditional TRS and being compensated from the Interstate TRS Fund: Ameritech, AT&T, Hamilton, Kansas Relay Service Inc., MCI, Nordia, and Sprint. Presently, only six entities are providing IP Relay and being compensated from the Interstate TRS Fund: AT&T, Hamilton, MCI, Sprint, Nordia, and Sorenson. In addition, this item imposes no significant economic impact on small entities. Although the six IP Relay providers will receive less compensation as a result of the rule adopted in this *Order*, the seven providers of traditional TRS will benefit by receiving more compensation for providing this service.

Therefore, certification is in order since both prongs of the legal test—*i.e.*, (a) no significant economic impact; and (b) no impact upon a substantial number of small entities—are satisfied. Most of the entities affected by the item are not small entities, and there is no significant economic impact because the result of the *Order* is to confer as much of an economic benefit as an economic disadvantage. Furthermore, there are not a substantial number of small entities affected by this *Order*. Accordingly, the

Commission certifies that the requirements of this *Order* will not have a significant economic impact on a substantial number of small entities.

Ordering Clauses

Pursuant to the authority contained in §§ 1, 2, and 225 of the Communications Act of 1934, as amended, 47 U.S.C. 151, 152, and 225, that this order is hereby adopted.

NECA shall compensate providers of Speech-to-Speech relay service (STS) and Video Relay Service (VRS) for the July 1, 2005 through June 30, 2006 Fund year at the following rates: STS providers—$1.579 per completed interstate conversation minute; and VRS providers—$6.644 per completed interstate and intrastate conversation minute.

NECA shall compensate providers of traditional telecommunications relay service (TRS) and IP Relay, effective upon publication of this *Order* in the **Federal Register** for the July 1, 2005 through June 30, 2006 Fund year, at the following rates: traditional TRS providers—$1.440 per completed interstate conversation minute; IP Relay providers—$1.278 per completed interstate and intrastate conversation minute. (Because TRS payment formulas are to be effective for a one-year period beginning July 1 under 47 CFR 64.604(c)(5)(iii)(H), we find good cause, pursuant to 5 U.S.C.553(d), to make this *Order* effective on less than thirty days notice). Prior to publication of this *Order* in the **Federal Register**, NECA shall compensate providers of traditional TRS and IP Relay at the 2004–2005 Fund year rate.

The Interstate TRS Fund size shall be $441,493,869 and the carrier contribution factor shall be 0.00564, for the July 1, 2005, through June 30, 2006, Fund year.

The Commission will not send a copy of this *Order* to Congress and the Government Accountability Office pursuant to the Congressional Review Act of 1996 because this is a rule of particular applicability adopting the annual TRS provider compensation rates. (*See* 5 U.S.C. 801(a)(I)(A)).

Federal Communications Commission.

Marlene H. Dortch,

Secretary

[FR Doc. 05–13149 Filed 6–30–05; 8:45 am]

BILLING CODE 6712–01–M

FEDERAL RESERVE SYSTEM

Change in Bank Control Notices; Acquisition of Shares of Bank or Bank Holding Companies

The notificants listed below have applied under the Change in Bank Control Act (12 U.S.C. 1817(j)) and § 225.41 of the Board's Regulation Y (12 CFR 225.41) to acquire a bank or bank holding company. The factors that are considered in acting on the notices are set forth in paragraph 7 of the Act (12 U.S.C. 1817(j)(7)).

The notices are available for immediate inspection at the Federal Reserve Bank indicated. The notices also will be available for inspection at the office of the Board of Governors. Interested persons may express their views in writing to the Reserve Bank indicated for that notice or to the offices of the Board of Governors. Comments must be received not later than July 14, 2005.

A. Federal Reserve Bank of Minneapolis (Jacqueline G. King, Community Affairs Officer) 90 Hennepin Avenue, Minneapolis, Minnesota 55480-0291:

John M. Morrison, Florida Intangible Trust, Golden Valley, Minnesota, and Julie Morrison–Arne of Long Lake, Minnesota, Trustee; to acquire control of Central Bancshares, Inc., Golden Valley, Minnesota, and thereby indirectly acquire control of Central Bank, Stillwater, Minnesota.

Board of Governors of the Federal Reserve System, June 24, 2005.

Robert deV. Frierson,

Deputy Secretary of the Board.

[FR Doc. 05–12997 Filed 6–30–05; 8:45 am]

BILLING CODE 6210–01–S

FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States. Additional information on all bank holding companies may be obtained from the National Information Center website at *www.ffiec.gov/nic/*.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than July 25, 2005.

A. Federal Reserve Bank of St. Louis (Glenda Wilson, Community Affairs Officer) 411 Locust Street, St. Louis, Missouri 63166-2034:

1. First Arkansas Bancshares, Inc., Jacksonville, Arkansas; to merge with Lake Hamilton Enterprises, Inc., Little Rock, Arkansas, and thereby indirectly acquire First Team Bank, Heber Springs, Arkansas.

In connection with this application, Applicant also has applied to acquire Lake Hamilton Enterprises, Inc., Little Rock, Arkansas, and thereby engage in data processing activities, pursuant to section 225.28(b)(14)(i) of Regulation Y.

Board of Governors of the Federal Reserve System, June 27, 2005.

Robert deV. Frierson,

Deputy Secretary of the Board.

[FR Doc. 05–12994 Filed 6–30–05; 8:45 am]

BILLING CODE 6210–01–S

FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies; Correction

This notice corrects a notice (FR Doc. 05-12267) published on pages 36175-36176 of the issue for Wednesday June 22, 2005.

Under the Federal Reserve Bank of Chicago heading, the entry for Lampligher Financial, MHC, Wauwatosa, Wisconsin, is revised to read as follows:

A. Federal Reserve Bank of Chicago (Patrick M. Wilder, Assistant Vice President) 230 South LaSalle Street, Chicago, Illinois 60690-1414:

1. Lamplighter Financial, MHC, and Wauwatosa Holdings, Inc., both of