

April 23, 2015

BY ECFS

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: Telecommunications Relay Services and Speech-to-Speech Services for
Individuals with Hearing and Speech Disabilities, CG Docket No. 03-123**

Dear Ms. Dortch:

In June 2013, the Commission instituted a four-year schedule of cuts in the compensation rate paid to providers of Video Relay Service (“VRS”) for every VRS call. Coming on top of dramatic cuts in 2010, the experience of the past two years—through four successive automatic cuts—has shown that these cuts are reducing all VRS providers’ ability to hire and retain the high quality VRS interpreters that are the backbone of VRS. VRS revolutionized the lives of deaf Americans, who previously could only use text-based relay to communicate by telephone. VRS brought deaf Americans much closer to functional equivalence, as mandated by the Americans with Disabilities Act. But with the recent rate cuts, quality of service is suffering, moving deaf consumers farther from functional equivalence. The Commission has not completed any of the structural changes that were supposed to reduce costs of providing VRS. Moreover, there is the real prospect that further rate cuts will drive at least some providers completely out of VRS. Based on the experience of the last two years and the impact further cuts will have on service quality and VRS choices, in a Joint Proposal,¹ all six VRS providers have asked the FCC to suspend the remaining rate cuts with a more stringent speed-of-answer requirement than exists today. The VRS providers have also asked the Commission to permit them to undertake an 8-month trial of skills-based routing—currently banned by FCC rules—and to conduct a formal trial of the use of deaf VRS interpreters to work with and support hearing VRS interpreters to achieve functionally equivalent communication within a VRS call.

The rate cuts have been especially hard on interpreters, who have borne the brunt of the rate decreases. Interpreter wages are VRS providers’ largest costs, and the one (along with customer support staff) that can most readily be cut in the face of falling VRS rates. Other costs are largely fixed, and cannot easily be cut. To process more calls with fewer interpreters at lower overall costs, providers demand more from their interpreters by, for example, reducing wages, reducing breaks, and requiring interpreters to take down and setup calls faster.

¹ Joint Proposal of All Six VRS Providers for Improving Functional Equivalence and Stabilizing Rates, CG Docket Nos. 10-51 & 03-123 (filed Mar. 30, 2015).

Interpreters are already stressed to the limit, and placing further demands on them would be unfair to interpreters and bad for the industry. Yet if rates continue to fall, providers will have little choice other than to continue to cut labor costs wherever they can do so. And if interpreter wages continue to go down or if demands on interpreters make VRS an even more stressful environment than it already is, more interpreters will opt out of VRS altogether, reducing or eliminating the number of hours they work in VRS, and increasing the time they devote to better-paying community interpreting. As it is, VRS providers are having a harder time staffing their call centers with highly skilled interpreters. As interpreters leave or cut back their participation in VRS, VRS quality—and functional equivalence—will continue to decline.

Moreover, the continued schedule of rate decreases—and the meager margins actually permitted under the allowable costs rate methodology—makes it extremely difficult for any VRS provider to raise capital. The largest VRS provider has already been restructured in bankruptcy. Nothing that has occurred in the last two years since the June 2013 Order should provide any hope that the continued rate decreases will do anything other than erode VRS quality and innovation.

The provider's joint proposal—which is supported by all six VRS providers, the Consumer Groups, and the Registry for Deaf Interpreters—provides needed rate stability while providing a path for improving functional equivalence. If rates do not decrease further, providers can support a requirement that 80% of calls be answered within 45 seconds—a more than 63 percent improvement over the current requirement. But the feasibility of such a requirement depends on rate stability: because of large and unpredictable fluctuations in call volumes, providers can meet such a requirement only by staffing call centers with more interpreters than are necessary to meet statistically typical demand. This overstaffing is expensive, and it simply is not possible for providers to maintain improved speed of answer while simultaneously continually absorbing rate cuts.

The Joint Proposal would also permit providers to conduct an 8-month trial of skills-based routing and would make needed regulatory changes to facilitate the use of deaf interpreters (for example, treating calls needing a deaf interpreter as a skill that is excluded from the speed of answer). As the consumer groups have emphasized, both skills-based routing and the use of deaf interpreters would dramatically *improve* the quality of VRS, taking it one step closer to the functional equivalence mandated by the ADA.

The Commission can and should act quickly to adopt the Joint Providers' proposal. With the next rate cuts scheduled to take effect on July 1, 2015, prompt action is critical. The Commission should immediately seek public comment on the Joint Proposal. As the Commission proceeds over the next two months to determine the TRS contribution factor for the coming year, it can suspend the VRS rate decreases by waiver. The Commission can adopt the proposed speed-of-answer requirements either as a condition of that waiver, or as a rule on remand from the D.C. Circuit. The Commission can permit a skill-based routing trial to move forward simply by waiving, for eight months, its current ban on skills-based routing. A trial of qualified deaf interpreters needs no Commission action, other than to provide the rate stability that will allow providers to focus on improving service rather than searching for further cost reductions. These are simple steps that can be executed quickly, without further extended proceedings.

On April 21 and 22, 2015, representatives of all six VRS providers presented these concerns to Commissioners and/or their staffs. Except as noted, the following representatives of all six VRS providers met with members of the Commission staff:

- Angela Roth and Vanessa LeBoss of ASL Services Holdings, LLC (“ASL/Global VRS”);
- Everett Puckett and Jeremy Jack of Hancock Jahn Lee and Puckett, LLC (“CAAG”);
- Jeff Rosen of Convo Communications LLC;
- Mike Strecker and Megan Lawler of CSDVRS LLC (“ZVRS”);
- John Goodman of Purple Communications Inc.; and
- Michael Maddix of Sorenson Communications, Inc.; John Nakahata and Christopher Wright of Harris, Wiltshire & Grannis LLP on behalf of Sorenson Communications, Inc.

On April 21, 2015, the above representatives, other than Mr. Wright, met with Commissioner O’Rielly and Amy Bender, Legal Adviser to Commissioner O’Rielly. Patricia Paoletta of Harris, Wiltshire & Grannis LLP also attended that meeting on behalf of Sorenson. That same day, the above-listed representatives also met in separate meetings with the following members of the Commission staff:

- Maria Kirby, Legal Adviser to Chairman Wheeler;
- Travis Litman and Jennifer Thompson, Legal Advisers to Commissioner Rosenworcel;
- Rebekah Goodheart, Legal Adviser to Commissioner Clyburn;
- Karen Peltz Strauss, Bob Aldrich, and Eliot Greenwald of the Consumer and Governmental Affairs Bureau and its Disabilities Rights Office.

On April 22, 2015, all of the above-listed representatives of the six VRS providers met with Nicholas Degani, Legal Adviser to Commissioner Pai. At the meetings, the providers summarized their Joint Proposal and their follow-up filings addressing questions about the proposal² and made the points in this letter.

² Joint Response of All Six VRS Providers to Staff Questions re VRS Providers’ Joint Proposal for Improving Functional Equivalence and Stabilizing Rates, CG Docket Nos. 10-51 & 03-123 (filed Apr. 17, 2015). During the meeting with Consumer and Governmental Bureau staff, each provider other than CSDVRS, LLC met individually to discuss their individual responses to staff’s questions. Ex Parte Letter of Convo Communications, LLC, CG Docket Nos. 10-51 & 03-123 (filed Apr. 20, 2015); ASL Services Holdings, LLC/ GlobalVRS’s Response to Staff Questions re VRS Providers’ Joint Proposal for Improving Functional Equivalence and Stabilizing Rates, CG Docket Nos. 10-51 & 03-123 (filed Apr. 20, 2015); Hancock Jahn Lee & Puckett, LLC d/b/a Communication Axxess Ability Group (“CAAG”)’s Response to Staff Questions re VRS Providers’ Joint Proposal for Improving Functional Equivalence and Stabilizing Rates, CG Docket Nos. 10-51 & 03-123 (filed Apr. 20, 2015); CSDVRS’ Response to Staff Questions re VRS Providers’ Joint Proposal for Improving Functional Equivalence and Stabilizing Rates, CG Docket Nos. 10-51 & 03-123 (filed Apr. 21, 2015); Sorenson Communications, Inc.’s Response to Staff Questions Re:

Ms. Marlene H. Dortch

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Please do not hesitate to contact any of us if you should have further questions.

Respectfully Submitted,

/s/_____

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/s/_____

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Michael D. Maddix
Director of Government and Regulatory
Affairs, Sorenson Communications, Inc.

cc: Commissioner Michael O'Rielly
Nicholas Degani
Rebekah Goodheart
Maria Kirby
Travis Litman

Jennifer Thompson
Karen Peltz Strauss
Bob Aldrich
Eliot Greenwald

VRS Providers' Joint Proposal for Improving Functional Equivalence and Stabilizing Rates, CG Docket Nos. 10-51 & 03-123 (filed Apr. 20, 2015); Purple Communications' Response to Staff Questions re VRS Providers' Joint Proposal for Improving Functional Equivalence and Stabilizing Rates, CG Docket Nos. 10-51 & 03-123 (filed Apr. 21, 2015).