Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities	)))	CG Docket No. 03-123
	)	
Structure and Practice of the Video Relay Service Program	))	CG Docket No. 10-51
	)	
Interstate Telecommunications Relay Services Fund Payment Formula and Fund Size Estimate for the July 2015 Through June 2016 Fund Year	)))	

To: Secretary, FCC
For: Chief, Consumer & Governmental Affairs Bureau

COMMENTS OF HAMILTON RELAY, INC.

David A. O'Connor
Wilkinson Barker Knauer, LLP
2300 N Street, NW, Suite 700
Washington, DC 20037
Tel: 202.783.4141
E-mail: doconnor@wbklaw.com
Counsel for Hamilton Relay, Inc.

June 4, 2015

TABLE OF CONTENTS

SUMMARY

Hamilton Relay, Inc. ("Hamilton") appreciates the opportunity to file these comments in response to the TRS Fund Administrator's proposed compensation rates for the 2015-2016 funding year. As discussed in the comments below, Hamilton supports the continued use of MARS-based rates for traditional TRS, Speech-to-Speech, Captioned Telephone Service ("CTS"), and IP CTS for the July 1, 2015-June 30, 2016 funding year.

MARS has proven over time to be the most effective and reliable TRS rate mechanism ever adopted by the Commission, and is free from the problems that have plagued other rate methodologies, including price cap plans and cost-based, rate-of-return methodologies. Moreover, any move away from MARS would be premature and unwarranted at this time, as explained in the comments. Rather than focusing on harmful rate cuts that have been opposed by consumer groups, the Commission should instead focus on implementing GAO-recommended performance standards and other measurements of compliance. These efforts should include the adoption of clearly defined, measurable standards for IP CTS, including answer speed, captioning accuracy standards, verbatim transcribing, standardized abandoned call calculations, and the adoption of uniform rules for measuring conversation time.

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities	)	CG Docket No. 03-123
	)	
Structure and Practice of the Video Relay Service Program	)	CG Docket No. 10-51
	)	
Interstate Telecommunications Relay Services Fund Payment Formula and Fund Size Estimate for the July 2015 Through June 2016 Fund Year	)	

To: Secretary, FCC
For: Chief, Consumer & Governmental Affairs Bureau

COMMENTS OF HAMILTON RELAY, INC.

Hamilton Relay, Inc. ("Hamilton"), by its counsel, hereby submits these comments in response to the *Public Notice* ("*Notice*") issued by the Consumer & Governmental Affairs Bureau ("Bureau") in the above-captioned proceedings.[1] In the *Notice*, the Bureau seeks comment on the compensation rates for various forms of interstate Telecommunications Relay Services ("TRS") for the period beginning July 1, 2015 through June 30, 2016. The proposed TRS compensation rates were submitted by the interstate TRS Fund Administrator ("Administrator") in its April 24, 2015 filing ("*2015 TRS Rate Filing*"), as supplemented on May 1, 2015.[2]

---

[1] *Rolka Loube Associates LLC Submits Payment Formulas and Funding Requirement for the Interstate Telecommunications Relay Services Fund for the 2015-2016 Fund Year*, Public Notice, CG Docket Nos. 03-123, 10-51, DA 15-612 (rel. May 20, 2015) ("*Notice*").
[2] *See* Rolka Loube Associates LLC, Interstate Telecommunications Relay Services Fund Payment Formula and Fund Size Estimate for July 2015 Through June 2016, CG Docket Nos. 03-123, 10-51 (filed Apr. 24, 2015) ("*2015 TRS Rate Filing*"); Supplemental Filing, CG Docket Nos. 03-123, 10-51 (filed May 1, 2015).

As discussed below, Hamilton supports the Administrator's proposed rates for traditional TRS and Speech-to-Speech ("STS") services, including the proposed additional per-minute amount for STS outreach. In addition, Hamilton supports the proposed rates for interstate Captioned Telephone Service ("CTS") and Internet Protocol Captioned Telephone Service ("IP CTS").[3]

Hamilton notes that consumer groups have recently asked the Commission to focus on improving its performance standards, as recently recommended by the Government Accountability Office ("GAO"), rather than focusing on continued rate reductions. Hamilton concurs. Accordingly, Hamilton opposes the alternative IP CTS reimbursement calculation which would result in a 14% rate reduction that would significantly impact quality of service for IP CTS users. For similar reasons, Hamilton opposes Sorenson's continued efforts to move IP CTS from a competitively-based rate methodology to an inferior "price cap" methodology that is devoid of competitive inputs. Moreover, any change to the IP CTS compensation methodology would be premature and unwarranted at this time, as further described below.

I. Hamilton Supports the Proposed MARS Rates for Traditional TRS, STS, CTS, and IP CTS

Since 2007, the Commission has used a weighted average of state TRS rates to calculate the Multi-state Average Rate Structure ("MARS") compensation rates for interstate traditional TRS and STS, and a weighted average of state CTS rates to calculate the MARS compensation

[3] Hamilton does not offer Video Relay Services ("VRS") or IP Relay, and therefore is not commenting on the proposed rates for those services. Hamilton notes that VRS reimbursement costs account for approximately 74% of the TRS Fund. *See* U.S. Gov't Accountability Office, GAO-15-409, *Telecommunications Relay Service: FCC Should Strengthen Its Management of Program to Assist Persons with Hearing or Speech Disabilities*, at 12 (Apr. 2015) ("GAO Report").

rates for interstate CTS and IP CTS.[4] Hamilton supports the continued use of MARS for these services because MARS: a) is administratively efficient; b) is a competitively-based rate methodology; c) provides regulatory certainty to the industry; d) provides reasonable cost reimbursements to TRS providers at sustainable rates; and e) has proven, year after year, to be the most stable rate methodology ever adopted by the Commission for TRS, with only modest annual increases principally related to rising labor costs. No other rate methodology offers these benefits. Other methodologies suffer from irreparable flaws, mainly because they artificially attempt to mimic the results of competition, whereas MARS is fundamentally based on them.

For these reasons, Hamilton supports the adoption of the Administrator's proposed MARS-based rate of $2.2904 per conversation minute for interstate traditional TRS and STS, with the Administrator's recommended addition of $1.131 per conversation minute for STS outreach.[5] Similarly, Hamilton supports the Administrator's proposed rate of $1.8895 per conversation minute for interstate CTS and IP CTS.

II. The IP CTS Rate for 2015-2016 Should Be Adopted Using the MARS Formula

The Administrator's proposed rate of $1.8895 for interstate CTS/IP CTS compensation is based on the MARS formula, consistent with the formula adopted by the Commission in 2007.[6] Hamilton agrees with the Administrator's characterization of the proposed rate as a "modest $0.069 increase" from the current rate.[7] Hamilton agrees that MARS has produced a rational rate for CTS and IP CTS, and recommends adoption of the proposed rate for the 2015-2016 funding year. As explained below, MARS is superior to other rate methodologies such as cost-

---

[4] *See Telecommunications Relay Services and Speech-to-Speech for Individuals with Hearing and Speech Disabilities*, Report and Order and Declaratory Ruling, 22 FCC Rcd 20140 (2007) ("*2007 Order*").
[5] *2015 TRS Rate Filing*, at 14-16.
[6] *Id.* at 17.
[7] *Id.*

based or price cap mechanisms. Moreover, it would be premature to abandon MARS as explained further below.

A. MARS Is a Superior Rate Methodology

As Hamilton has explained previously, the Commission should continue to rely on MARS for IP CTS.[8] MARS is far superior to the other mechanisms currently under consideration, including average projected costs. Because MARS relies on IP CTS providers' competitive bids at the state level, MARS best reflects the market price for the service – the lowest price consistent with recouping providers' costs for provisioning the service. Providers bidding in an open market environment have both the incentive and the ability to ensure that their bids reflect all relevant shifts in cost, and to formulate bids accordingly, in order that they may offer the most competitive price possible that will still recoup their costs. Under MARS there is no incentive for providers to overestimate costs, because they are unlikely to be the successful bidder if they do.[9] Thus, if costs fall, providers have every incentive to bid lower rates and to win business at the state level, which would, in turn, reduce MARS rates. This is the fundamental premise of market competition: Providers will seek to win market share by reducing their prices to beat out competitors' prices, so long as they can do so while recouping their costs.

B. The MARS Rate Has Increased Less than the Average Annual CPI Increase

This downward pressure has, in fact, resulted in a *reduction* in the inflation-adjusted IP CTS rate. The total increase over the entire time the MARS rate has been in effect for IP CTS

[8] *See, e.g.*, Comments of Hamilton Relay, Inc., CG Docket Nos. 03-123, 13-24, at 1-10 (filed Nov. 4, 2013) ("Hamilton Comments"); Reply Comments of Hamilton Relay, Inc., CG Docket Nos. 03-123, 13-24, at 1-9 (filed Dec. 4, 2013) ("Hamilton Reply Comments"); Comments of Hamilton Relay, Inc., CG Docket Nos. 03-123, 10-51, at 6-10 (filed May 23, 2014).

[9] In contrast, there is every incentive over time for providers to overestimate projected costs.

has averaged 1.903% per year, which is *less* than the average annual 1.914% increase in the Consumer Price Index for the same period.[10] Annual changes in the IP CTS rate are summarized by the following chart:

Year	IP CTS MARS Rate	Increase	% change
2008-09	$1.6569		
2009-10	$1.6778	$0.0209	1.26%
2010-11	$1.6951	$0.0173	1.03%
2011-12	$1.763	$0.0679	4.01%
2012-13	$1.773	$0.01	0.57%
2013-14	$1.7877	$0.0147	0.83%
2014-15	$1.8205	$0.0328	1.83%
2015-16	$1.8895	$0.069	3.8%
Average		$.0332	1.903%

Annual IP CTS price increases have averaged around three cents per year, which the Administrator has repeatedly recognized as being "modest."[11] These modest increases are almost entirely the result of unavoidable increases in labor costs. The labor costs associated with specialized communications assistant ("CA") employees have been (and remain) the principle driver of costs in the TRS industry. Despite these rising labor costs, the MARS IP CTS rate has remained remarkably steady and predictable. Tellingly, the Commission has never found it necessary to adjust any MARS rate, despite reserving the right to do so.[12]

---

[10] *See* Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: U.S. City Average, All Items 2008-2014 average (latest annual figures available), available at http://data.bls.gov/pdq/SurveyOutputServlet?request_action=wh&graph_name=CU_cpibrief (last visited June 4, 2015). The data show that annual CPI increases between 2008 and 2014 were 3.8%, -0.4%, 1.6%, 3.2%, 2.1%, 1.5%, and 1.6%, respectively, thus averaging 1.914% over that period.
[11] *2015 TRS Rate Filing*, at 17; *2014 TRS Rate Filing*, at 13.
[12] *2007 Order*, 22 FCC Rcd at 20151 ¶¶ 21, 35 & nn. 86, 106.

C. Other Rate Methodologies Have Consistently Proven to Be Plagued with Problems

The superior benefits of MARS are clear when compared to the negative unintended consequences that have plagued other TRS ratemaking methodologies. For years, the early approach to VRS rates resulted in "waste, fraud, and abuse" and "compensation rates that … bec[a]me inflated well above actual cost."[13] Even now, despite Commission efforts to stabilize VRS rates, a broad coalition of VRS providers and consumer groups is urging the Commission to revisit its rapidly descending rate policy for VRS.[14] As the consumer groups have noted, the unstable rate policy has the potential to harm consumers and interpreters.[15]

The price-cap approach applied to IP Relay services has not fared any better, and has resulted in wildly unpredictable rates. Between 2012 and 2013, an unanticipated 20% reduction in rates forced numerous providers, including Hamilton, to exit the IP Relay market exit. By the end of 2014, all but one provider had exited the IP Relay business. As a result, the Commission was forced to make an emergency mid-year rate adjustment to "ensure that the remaining provider . . . is compensated sufficiently to allow it to continue providing service."[16]

---

[13] *Structure and Practices of the Video Relay Service Program; Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, 28 FCC Rcd 8618, 8620 ¶ 1 (2013).

[14] *See* Joint Proposal of ASL Services Holdings, LLC et al. for Improving Functional Equivalence and Stabilizing Rates, CG Docket Nos. 03-123, 10-51, at 7 (filed Apr. 9, 2015) (proposing to maintain VRS rates at current levels and avoid rate cuts scheduled to take effect July 1, 2015 and every six months thereafter through June 1, 2017, and noting that a "stable rate environment is necessary to support investments in service innovation and improvements").

[15] Telecommunications for the Deaf and Hard of Hearing, Inc. et al., Ex Parte Letter, at 1 (filed May 18, 2015) (expressing "concerns about the quality of VRS if rate cuts continue and stress[ing] that consumers and interpreters should not have to bear the burden of a rate cut that directly impacts quality.").

[16] *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, Order, 29 FCC Rcd 16273, ¶ 1 (rel. Dec. 29, 2014).

Compared with the problem-plagued rate methodologies for VRS and IP Relay, MARS has operated well for nearly eight years without issue. Moreover, the MARS plan does not need to guess at an appropriate compensation rate – the market sets the rate in accordance with competitive principles. As Purple has argued, there is "no reason to artificially develop other forms of market-based rates given the effectiveness of the MARS policy."[17] In short, a price cap model can never be a better approximation of reasonable costs than a competitively-based methodology such as MARS.

Nor should the Commission abandon MARS in favor of a rate-of-return mechanism for IP CTS rates based on providers' projected costs. In the Commission's words, "rate regulation can only be, at best, an imperfect substitute for market forces,"[18] and "cannot replicate the complex and dynamic ways in which competition will affect [providers'] prices, service offerings, and investment decisions."[19] The rate-of-return approach is especially inappropriate for a service such as IP CTS, which is labor-intensive rather than capital-intensive. Traditional rate-of-return regulation provides return only on capital investments, and thus would provide inadequate returns on IP CTS costs.[20] Moreover, as Sorenson has noted, there is absolutely no support in the record for the adoption of a cost-plus or rate-of-return methodology for compensating TRS providers.[21] Given this lack of support, and the numerous problems with cost-plus regulation highlighted in the record, the Commission should abandon any effort to

[17] Comments of Purple Communications, Inc., CG Docket Nos. 03-123, 13-24, at 3 (filed Nov. 4, 2013) ("Purple Rate Comments").
[18] *Access Charge Reform; Price Cap Performance Review for Local Exchange Carriers; Transport Rate Structure and Pricing End User Common Line Charges*, First Report and Order, 12 FCC Rcd 15982, 16107 ¶ 289 (1997).
[19] *Id.*
[20] *See also* Purple Rate Comments at 2.
[21] Reply Comments of Sorenson Communications, Inc. and CaptionCall, LLC, CG Docket Nos. 03-123, 13-24, at 4 (filed Dec. 4, 2013) ("Sorenson Reply Comments").

return to this regressive form of ratemaking, and instead should continue with the MARS methodology which has proven to be the most rational form of TRS ratemaking ever adopted by the Commission.

D. The Commission Should Not Adopt an IP CTS Rate Based on Inherently Unreliable Projected Costs

The *Notice* indicates that the Commission has an open rulemaking "to consider whether to adopt a different compensation rate methodology for IP CTS, such as one based on an analysis of providers' actual and projected costs."[22] Using the average of the projected costs for providers' 2015 and 2016 projected costs, the Administrator has calculated an alternative IP CTS rate of $1.6246.[23] The Commission seeks comment on whether the Administrator has correctly calculated the average projected costs for IP CTS.[24]

Hamilton is unable to verify whether the Administrator has correctly calculated the providers' projected costs because Hamilton lacks access to the projected cost information submitted by other providers.[25] However, Hamilton notes that the differences between IP CTS and IP Relay, in terms of how the services are provisioned, how customers interact with the services, and the technology used, are significant. Therefore, Hamilton questions the accuracy of using IP Relay cost categories for IP CTS. Until the Commission analyzes appropriate cost categories for IP CTS, and provides the public with an opportunity for notice and comment on those proposed cost categories, the data gathered by the Administrator does not produce an accurate assessment of IP CTS providers' true costs of providing the service. As a result,

---

[22] *Notice* at 2 (citing *2015 TRS Rate Filing* at 17 & Exh. 1-4).
[23] *2015 TRS Rate Filing* at 17.
[24] *Notice* at 2.
[25] In addition, the information provided by the Administrator in Exhibit 1-4 does not provide sufficient insight into how the Administrator calculated this alternative rate proposal. *See 2015 TRS Rate Filing*, Exh. 1-4 (labeled "IP CTS Demand").

Hamilton objects to any suggestion that the $1.6246 rate should be used for the 2015-2016 funding year, and it objects to any suggestion that providers' average projected costs, based on IP Relay cost categories, can be used to derive a rational reimbursement rate for IP CTS.

E. Switching IP CTS Rate Methodologies Would Be Premature At This Time

Finally, even if the Commission were inclined to alter its IP CTS ratemaking methodology, now would not be an appropriate time for it to effectuate such a change. Specifically, as discussed below in Section IV, the Commission should focus on implementing the GAO's recommended performance standards, including quality standards for providing IP CTS, prior to adopting any changes to the IP CTS compensation mechanism. The Commission's Managing Director has already noted in response to the GAO Report that the Commission will be focusing on developing "clearer, more stringent goals and performance measures for TRS," and that the Commission is establishing "an ongoing testing program that will assess the quality of the handling of TRS calls, as well as provider compliance with TRS rules."[26] Hamilton agrees with the Managing Director that these efforts should be the Commission's focus. Moreover, Hamilton believes that the providers' varying approaches to compliance with the quality of TRS call handling may be leading to disparities in the providers' reported costs to the Administrator, which in turn could significantly alter rates, particularly under a cost-plus or rate-of-return methodology. Accordingly, until the GAO-recommended performance measures are implemented and their results analyzed, Hamilton believes it would be premature to alter the existing IP CTS rate mechanism.

---

[26] GAO Report, at 47.

III. The Commission Should Decline to Adopt a Price Cap Approach for IP CTS

Despite previously concluding that MARS is a "reasonable proxy" for market-based rates for IP CTS,[27] Sorenson recently revived its proposal to adopt a price cap formula for IP CTS in lieu of MARS.[28] However, Sorenson has failed to explain (nor could it) how MARS on the one hand can be a reasonable proxy for market-based IP CTS rates, yet on the other is somehow unreliable without the addition of non-market based factors such as exogenous costs, inflation factors and efficiency factors. Moreover, given the disastrous application of efficiency factors in the IP Relay context, Sorenson has failed to demonstrate how a price cap plan applied to IP CTS would produce a reliably reasonable compensation rate for IP CTS.

Notably, not only Hamilton but all other IP CTS providers have separately opposed Sorenson's efforts to change the IP CTS rate methodology from the predictability of MARS to the irrationality of cost-based or price cap rate regulation.[29]

The Commission should reject a price cap approach to IP CTS because it would rely on regulation, rather than the open market, to set rates. MARS bases interstate CTS rates on

[27] Comments of Sorenson Communications, Inc. and CaptionCall, LLC, CG Docket Nos. 03-123, 13-24, at 11 (filed Nov. 4, 2013); *see also* Sorenson Reply Comments, at 6.

[28] Sorenson Ex Parte Filing, CG Docket Nos. 03-123, 13-24 (filed May 21, 2015). Sorenson once again suggests that adoption of its price cap proposal would be "consistent with the Commission's shift away from rate-of-return regulation of common carriers over the past two decades." *Id.* at 2. However, Sorenson fails to acknowledge that, in contrast to most moves to price-cap regulation (which reflect transitions from rate-of-return regulation), Sorenson's proposal would shift rates *away* from market-clearing prices, not *towards* them. *See* Hamilton Comments, at 7.

[29] *See, e.g.,* Hamilton Comments, at 1-10; Hamilton Reply Comments, at 3-10; Purple Rate Comments, at 1-5; Reply Comments of Sprint Corporation, CG Docket Nos. 03-123, 13-24, at 2-4 (filed Dec. 4, 2013); *see also* Comments of Hamilton Relay, Inc. on Sorenson Petition for Rulemaking, CG Docket Nos. 03-123, 13-24 (filed Mar. 25, 2013); Hamilton Ex Parte Letter, CG Docket Nos. 03-123, 10-51, 13-24 (filed May 2, 2013); Opposition of Miracom USA, Inc. to Petition for Rulemaking, CG Docket Nos. 03-123, 13-24, at 2-7 (filed May 10, 2013). Even Sorenson opposes the introduction of a price cap formula if the initialized rate is based on a cost-of-service calculation that includes only a subset of providers' actual costs. *See* Sorenson Reply Comments, at 4.

competitively bid intrastate CTS rates, eliminating the complexities inherent in price cap ratemaking while relying on providers' strong incentives to estimate their costs accurately as part of the competitive bidding process. Moreover, MARS eliminates the need for *ad hoc* efficiency factors and exogenous cost adjustments, and the administrative complexities they necessarily bring.

The Commission's recent experiences with the efficiency factor applied to the IP Relay rate should give all stakeholders pause about adopting a price cap formula for IP CTS. Specifically, in 2007 the Commission adopted a 0.5% efficiency factor for IP Relay.[30] In 2013, the efficiency factor increased suddenly, to 6.0%.[31] This overnight change to the efficiency factor was largely responsible for the market exit of all but two of the remaining IP Relay providers. On reconsideration, the efficiency factor was reduced to 0% in 2014,[32] but by then the damage had been done.

In addition to these major adjustments to the IP Relay efficiency factor, the compensation rate for IP Relay was substantially altered on several occasions recently. In June 2013, the IP Relay rate dropped dramatically, from $1.2855[33] to $1.0147, a nearly 22% reduction.[34] In June 2014, the rate was retroactively increased from the $1.0147 rate adopted in 2013,[35] to $1.0309

---

[30] *2007 Order* ¶ 43.
[31] *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities; Structure and Practices of the Video Relay Service Program*, Order, 28 FCC Rcd 9219, ¶¶ 18-20 (CGB 2013) ("*2013 Rate Order*").
[32] *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities; Structure and Practices of the Video Relay Service Program*, Order, 29 FCC Rcd 8044, ¶ 18 (CGB 2014) ("*2014 Rate Order*").
[33] *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities; Structure and Practices of the Video Relay Service Program*, Order, 27 FCC Rcd 7150, ¶ 10 (CGB 2012).
[34] *2013 Rate Order* ¶ 20.
[35] *2013 Rate Order* ¶ 20.

for two months in 2013, and then to \$1.0607 for the period September 1, 2013 to June 30, 2015.[36] Less than six months later, following the market exit of another IP Relay provider, and in an apparent effort to entice the one remaining provider to continue offering IP Relay services at all, the Bureau increased the IP Relay rate on an interim basis to \$1.37 for the remainder of the 2014-2015 fund year, but with a separate rate of \$1.67 for any monthly minutes in excess of 300,000, representing a mid-year increase of anywhere from 32% to 61% in the IP Relay rate.[37] These dramatic fluctuations in the IP Relay rate, including the need for retroactive ratemaking (which has never occurred with MARS) and the need for significant adjustments to the efficiency factor, expose the inherent problems with using non-market based tools to calculate compensation TRS rates.

The Commission should be hesitant to adopt any rate mechanism that risks producing the same results with IP CTS, particularly where (as here) there is a clearly superior alternative available and currently in use. Rather than relying on arbitrary "productivity factors" that can only guess at any efficiency gains, and are subject to significant fluctuations from year to year, MARS produces rates based on *actual* changes in providers' costs, as reflected in the state rates produced by the competitive bidding process.

IV. Consistent with Consumer Group Suggestions, the Commission Should Focus on Adopting GAO-Recommended Performance Standards for IP CTS Rather than Engaging in Harmful Rate Cuts

In its recent report on the state of the TRS industry, the GAO found that the Commission has not sufficiently developed a robust risk assessment program that would help identify and

---

[36] *2014 Rate Order* ¶ 19.

[37] *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, Order, 29 FCC Rcd 16273, ¶ 12 (CGB 2014).

analyze risks to providing functional equivalent services to TRS users.[38] Hamilton agrees. As part of this effort, the Commission should focus on adopting workable IP CTS performance standards in coordination with all stakeholders, including providers and consumer groups. These standards should include the adoption of clearly defined, measurable standards for IP CTS, including answer speed, captioning accuracy standards, verbatim transcribing, standardized abandoned call calculations, and the adoption of uniform rules for measuring conversation time.

Consumer groups have already noted their preference for the adoption of performance goals over further rate reductions. In a recent ex parte filing, the consumer groups noted: "As stated in the GAO Report, the FCC needs to establish performance goals and internal controls to oversee its national TRS Program. Unless and until the FCC acts on this responsibility, further rate cuts threaten to erode deaf, hard of hearing, deaf-blind, and deaf and mobile-disabled consumers' access to telecommunications services."[39] Hamilton agrees. The Commission's focus should be on adopting workable performance goals, including new IP CTS standards, rather than concentrating its efforts on rate reductions or modifications to its ratemaking methodologies.

V. Conclusion

Hamilton supports the adoption of MARS-based rates for traditional TRS, STS, CTS and IP CTS for the July 1, 2015-June 30, 2016 funding year. Hamilton objects to any shift in the IP

---

[38] GAO Report at 21-28.

[39] Telecommunications for the Deaf and Hard of Hearing, Inc. et al., Ex Parte Letter, at 1 (filed May 20, 2015).

CTS rate methodology because such a change would be premature and unwarranted.

Respectfully submitted,

HAMILTON RELAY, INC.

<u>/s/ David A. O'Connor</u>
David A. O'Connor
Wilkinson Barker Knauer, LLP
2300 N Street NW, Suite 700
Washington, DC 20037
Tel: 202.783.4141
Its Counsel

June 4, 2015