

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of)	
)	
Structure and Practices of the Video Relay Service Program)	CG Docket No. 10-51
)	
Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities)	CG Docket No. 03-123
)	

**REPLY COMMENTS OF
THE UNITED STATES TELECOM ASSOCIATION**

The United States Telecom Association (USTelecom)¹ is pleased to submit its reply comments in response to the Federal Communications Commission’s (Commission) above-referenced Public Notice (Notice).² In its Notice, the Commission seeks comment on the proposed carrier contribution factor and funding requirement for the Interstate Telecommunications Relay Service (TRS) Fund submitted by Rolka Loube Saltzer Associates (“RLSA” or “Administrator”), as well as the proposed compensation rates, for the period of July 1, 2015, through June 30, 2016.

USTelecom and its members have a long history of supporting communications access for people with disabilities that reaches back to the very foundations of our industry. In addition to participating in the establishment and deployment of TRS, many of our members provide specialized offerings to members of the disability community, including free directory

¹ USTelecom is the premier trade association representing service providers and suppliers for the telecommunications industry. USTelecom members provide a full array of services, including broadband, voice, data and video over wireline and wireless networks.

² See, Public Notice, *Rolka Loube Associates LLC Submits Payment Formulas and Funding Requirement for the Interstate Telecommunications Relay Services Fund for the 2015-16 Fund Year*, DA 15-612 (May 20, 2015) (Notice).

assistance, operator assistance or text- and data-only plans, so that people who are deaf or have hearing loss will not pay for voice communications services they are unable to use.³ However, USTelecom cautions against the proposed increase in the TRS fund size and contribution factor, both of which would threaten the integrity of the program and, ultimately, burden consumers.

I. The Commission Should Address The Alarming Increase In The TRS Fund.

The Notice includes proposals that would undo much of the good work the Commission has undertaken in recent years to effectively manage the TRS program, promote efficiency, and control costs. Through its Notice, the Commission proposes an alarming increase of nearly 40% in the TRS contribution factor, from its current level of 0.01219⁴ to 0.01635 for the 2015 – 2016 fund year.⁵ In terms of total funding for TRS, the Commission has proposed an increase to approximately \$1.05 billion⁶ for the funding year, from its current level of \$793 million⁷ – a similarly dramatic 32% increase from just last year.

The substantial increase in the TRS fund and contribution factor raises questions about the long-term programmatic, legal, and financial integrity of the TRS program if such tremendous growth remains unchecked. USTelecom fully supports the TRS Fund’s financial integrity and encourages the Commission to scrutinize costs and remain a vigilant steward; however, the Commission must be cognizant of the fact that adopting the proposed projection will impose significant and potentially unnecessary costs on consumers. This problem will be

³ See, Testimony of Walter B. McCormick, Jr., President and CEO, United States Telecom Association before the House Committee on Energy and Commerce Subcommittee on Communications, Technology and the Internet, *The Twenty-First Century Communications and Video Accessibility Act of 2009*, June 10, 2010.

⁴ See, Order, *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, DA 14-946, ¶ 4 (June 30, 2014) (*TRS Order*).

⁵ Notice, p. 4.

⁶ *Id.*

⁷ *TRS Order*, ¶ 4.

further exacerbated by the fact that the underlying industry revenue upon which the TRS collection factor is based continues to decline.

II. The Timing of the Commission’s Proposed TRS Contribution Factor is Problematic.

USTelecom also agrees with Comptel that the timing of the proposed factor increase is problematic.⁸ Both the Commission’s order announcing the rate increase and its effective date will likely occur on or around the same date (*i.e.*, approximately July 1). In addition to providing limited time for a complete assessment and analysis of the significant increase in the contribution factor, carriers will essentially be forced to either substantially increase their customers’ fees, or “eat the cost of the increase where their contracts or other billing arrangements preclude raising interstate service rates.”⁹

Given today’s highly competitive voice marketplace,¹⁰ carriers who are unable to raise rates to cover the increase in the contribution factor will have less revenue to reinvest in their networks and in the innovative services their customers need. The Commission should therefore carefully scrutinize the justifications for the proposed increase in the contribution factor and determine whether such a burdensome increase is absolutely necessary.

⁸ Comptel Comments, CG Docket No. 03-123, CG Docket No. 10-51, p. 3 (submitted June 4, 2015).

⁹ *Id.*

¹⁰ See *e.g.*, Patrick Brogan, USTelecom Research Brief, *Voice Competition Data Support Regulatory Modernization*, p. 1, November 25, 2014 (available at: http://www.ustelecom.org/sites/default/files/documents/National%20Voice%20Competition%202014_0.pdf) (visited June 10, 2015) (noting that an analysis of residential voice competition data reaffirms previous research showing that an overwhelming majority of consumers are dropping traditional switched telephone landlines from incumbent local exchange carriers (ILECs) in favor of modern mobile and Internet Protocol (IP) options).

III. The Commission Should Alter The Timeline For Adopting TRS Rates, Fund Size, And Contribution Factor.

Finally, the Commission should consider accelerating the timeline for the adoption of the TRS reimbursement rates, funding requirements, and contribution factor. All carriers that provide interstate telecommunications services must contribute to the TRS fund on the basis of interstate end user telecommunications revenues. Carriers often recover TRS contributions through their rates established through price cap filings. This process is complicated for carriers and the FCC staff when the proposed TRS contribution rates are not settled and estimates vary widely as is the case this year. The Commission's annual access tariff filings are due every year in mid-June while the TRS contribution requirements are usually not adopted until very close to July 1st each year.

Accordingly, the Commission should adjust the process to adopt the TRS contribution factor well in advance of the annual access filing period. The effective date for the TRS rates and contribution factor could remain July 1st as long as the adoption process is prior to mid-June. While we recognize that the Commission and the Administrator must obtain and analyze certain input data, calculating the factor earlier in the year and giving the public more time to comment and consider proposals would make the process more efficient for the carriers and the Commission.

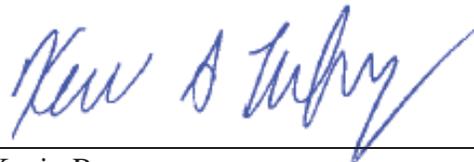
IV. Conclusion

USTelecom fully supports the TRS Fund's financial integrity; however, the Commission must be cognizant of the fact that, absent the adoption of a more reasonable projection, consumers will bear significant and unnecessary costs. The Commission should therefore carefully scrutinize the justifications for the proposed increase in the contribution factor and determine whether such a burdensome increase is absolutely necessary. Finally, the Commission

should adjust the process to adopt the TRS contribution factor well in advance of the annual access filing period.

Respectfully submitted,

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