

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, DC 20554

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

To: The Commission

**EMERGENCY PETITION  
FOR A TEMPORARY *NUNC PRO TUNC* WAIVER**

Convo Communications, LLC (“Convo”), Hancock Jahn Lee & Puckett, LLC dba Communications Access Ability Group/Star VRS (“CAAG/Star VRS”), and ASL/Global VRS Services Holdings, LLC (“ASL/Global VRS”) (Convo, CAAG/Star VRS, and ASL/Global VRS collectively, “Tier I Providers”)<sup>1</sup> jointly submit to the Federal Communications Commission (“Commission” or “FCC”) this Emergency Petition for a Temporary *Nunc Pro Tunc* Waiver pursuant to Sections 1.3 and 1.41 of the Commission’s rules (“Waiver Request”).<sup>2</sup> The Tier I Providers request the Commission to waive the application of its *2013 VRS Rate Order*<sup>3</sup>

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<sup>1</sup> The Commission has defined Tier I video relay service (“VRS”) providers to mean certified VRS providers that relay less than 500,000 minutes of calls per month. *See Structure and Practice of the Video Relay Service Program*, Further Notice of Proposed Rulemaking, FCC 15-143, ¶ 4 n.9 (rel. Nov.3, 2015) (“*VRS FNPRM*”). The Tier I Providers currently are the only three Tier I providers certified by the Commission to offer VRS.

<sup>2</sup> 47 C.F.R. §§ 1.3, 1.41.

<sup>3</sup> *See Structure and Practice of the Video Relay Service Program*, Report and Order Further Notice of Proposed Rulemaking, 28 FCC Rcd 8618 (2013) (“*2013 VRS Rate Order*”) *aff’d in part and vacated in part sub nom. Sorenson Communications, Inc. v. FCC*, 765 F.3d 37 (D.C. Cir. 2014).

establishing per-minute VRS compensation rates for the four-year period from VRS Fund Year (“FY”) 2012-13 to FY 2016-17 on a *nunc pro tunc* basis to the extent necessary to freeze the compensation rates applicable to the Tier I Providers at the level in effect on June 30, 2015. The Tier I Providers further request for the waiver to remain in effect on a temporary basis until the earlier of (i) September 30, 2016 (*i.e.*, 16 months from the July 1, 2015 VRS rate reduction) and (ii) the date of Commission action on its recently released *VRS FNPRM* proposing to retroactively freeze Tier I compensation rates at the June 30, 2015 level. The Tier 1 providers’ request for a 16 month rate freeze is consistent with the Commission’s proposed freeze period,<sup>4</sup> but is not intended to be understood as the small providers’ implicit concurrence with the FNPRM’s proposed end of the freeze period.<sup>5</sup> The Tier 1 Providers request that this Waiver Request be granted as promptly as feasible but in no event later than December 31, 2015—the day before the next VRS rate reduction is scheduled to take effect.

This Waiver Request is consistent with the proposal set forth in the Commission’s recently released *VRS FNPRM*.<sup>6</sup> As the Commission explained in the *VRS FNPRM*, the average per-minute VRS cost of the Tier I Providers exceeds the Tier I compensation rates that went into effect on July 1, 2015.<sup>7</sup> Consequently, the Tier I Providers have been operating at a loss. The Commission acknowledged in the *VRS FNPRM* that the Tier I Providers may make a unique contribution to VRS and VRS users and therefore should be provided with an opportunity to gain

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<sup>4</sup> *VRS FNPRM*, ¶ 20.

<sup>5</sup> At least some if not all of Tier I providers will provide comment in response to the Commission’s FNPRM regarding how the rate adjustments should be resumed, if at all, upon termination of the current proposed rate freeze for Tier I providers.

<sup>6</sup> *VRS FNPRM*, ¶¶ 14-18.

<sup>7</sup> *Id.* ¶ 14.

minimally efficient scale.<sup>8</sup> Further, the Commission explained that certain VRS initiatives that it is in the process of implementing may be particularly relevant to Tier I Providers and that therefore the Tier I Providers should have a fair opportunity to participate in these reforms.<sup>9</sup> However, absent Commission action before January 1, 2016, the Tier I Providers' operating losses will be compounded by the further Tier I rate reduction that is scheduled to take effect this January 1st. This further rate reduction will fundamentally undermine, if not jeopardize, the ability of the Tier I Providers to continue to participate in the Commission's VRS program.

For these reasons, the Commission proposed in the *VRS FNPRM* to roll back the Tier I compensation rate to the June 30, 2015 level and to retain the June 30, 2015 compensation rate for a period of 16 months.<sup>10</sup> However, the Commission is not likely to be able to act on its proposal in the normal course in advance of the January 1, 2016 further Tier I rate reduction.<sup>11</sup> Accordingly, the Tier I Providers are now filing this Waiver Request to seek temporary, interim relief from the Commission consistent with the Commission's proposal in the *VRS FNPRM* until such time as the Commission is able to fully deliberate and act on the *VRS FNPRM* proposals in the normal course.

## **I. BACKGROUND**

In June 2013, the Commission issued the *2013 VRS Rate Order*, which established tiered per-minute VRS compensation rates applicable for a four-year period. These rates automatically decline every six months during the covered period. Separate rates were established for VRS

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<sup>8</sup> *Id.* ¶¶ 15, 17.

<sup>9</sup> *Id.* ¶ 16.

<sup>10</sup> *Id.* ¶ 18.

<sup>11</sup> The comment and reply comments on the *VRS FNPRM* are due on December 9, 2015, and December 24, 2015, respectively, which would make it exceedingly challenging for the Commission to adopt an order consistent with its *VRS FNPRM* proposals prior to January 1, 2016. *See* 80 Fed. Reg. 72029 (Nov. 18, 2015).

providers of different sizes, from the largest, Tier III VRS provider to the smallest, Tier I VRS providers.<sup>12</sup> Recognizing that the Tier I VRS providers bear higher costs due to their current inability to benefit from certain economies of scale, the compensation rates established for Tier I providers are higher than the rates applicable to Tier III providers both at the beginning and end of the four-year period.<sup>13</sup> However, during the four-year period, the rates for Tier I providers fall at a faster rate and a greater total amount than the rates applicable to Tier III providers.<sup>14</sup>

In March 2015, all six certified VRS providers filed a joint proposal with the Commission requesting the Commission to stabilize VRS rates at the level in effect as of June 30, 2015 and proposing for the Commission to adopt certain other reforms to its VRS rules intended to benefit VRS users.<sup>15</sup> The Commission has not yet acted on the Joint Provider Proposal. Subsequently, the Tier I Providers requested the Commission to take immediate action to freeze at least the VRS compensation rate for the Tier I Providers at June 30, 2015 levels while the Commission continues to consider the Joint Provider Proposal.<sup>16</sup> In support of their

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<sup>12</sup> *2013 VRS Rate Order*, ¶¶ 197-208.

<sup>13</sup> The Tier I Provider rate established in the *2013 VRS Rate Order* for FY 2012-13 and for FY 2016-17 is \$6.23 per minute and \$4.06 per minute, respectively. The Tier III Provider rate established in the *2013 VRS Rate Order* for FY 2012-13 and for FY 2016-17 is \$5.07 per minute and \$3.49 per minute, respectively. *See 2013 VRS Rate Order*, ¶ 215.

<sup>14</sup> During the applicable four-year period, the Tier I rate is scheduled to fall \$2.17 per minute or approximately 35%, while the Tier III rate is scheduled to fall \$1.60 or approximately 31%.

<sup>15</sup> *See 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) (“Joint Provider Proposal”).

<sup>16</sup> *See, e.g.*, Letter from Jeff Rosen, Convo, to Marlene S. Dortch, Secretary, FCC, CG Docket Nos. 10-51, 03-123 (Oct. 29, 2015, filed by the Joint 3 Minority Owned VRS Providers) (providing *ex parte* notice of a meeting between representatives of each of the Tier 1 Providers and the Consumer and Governmental Affairs Bureau representatives in which the Tier I Provider requested “an expedited process ... [for the FCC to adopt] a temporary reprieve on the rates so we can continue to grow to scale ...”); Letter from Jeff Rosen, General Counsel, Convo, to Marlene S. Dortch, Secretary, FCC, CG Docket Nos. 10-51, 03-123, at 1 (June 25, 2015) (“Convo Ex Parte Letter”) (“Convo urged the Commission to take immediate measures to stay

requests, each Tier I Provider confidentially filed extensive documentation directly with the Commission demonstrating that their actual costs remain above the Tier I compensation rate that took effect on July 1, 2015.<sup>17</sup> The largest three VRS providers also expressed that additional funding measures were necessary to sustain the Tier I Providers.<sup>18</sup>

Acknowledging that the Tier I Providers bear costs in excess of the July 1, 2015 compensation rates<sup>19</sup> and that the public interest is served by ensuring the financial survival of the Tier I Providers,<sup>20</sup> the Commission issued the *VRS FNPRM* on October 21, 2015 proposing

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the imminent rate decrease for at least the three newest and smallest providers to ensure their fiscal viability while the joint VRS providers' petition to improve functional equivalence and rate stabilization is considered."); Letter from Jeremy Jack, Vice President, Star VRS of the DeafBlind, to Marlene S. Dortch, Secretary, FCC, CG Docket Nos. 10-51, 03-123, at 2 (Sept. 9, 2015) ("CAAG/Star urges the Commission to take immediate action to stabilize rates for the VRS industry and *particularly* for the newest and smallest providers including CAAG/Star who are now at the greatest risk of ceasing services."); Letter from Angela Roth, Chief Executive Officer, ASL/Global VRS, to Marlene S. Dortch, Secretary, FCC, CG Docket Nos. 10-51, 03-123, at 2 (August 19, 2015) ("The Commission must ACT NOW to address relief for emerging providers and promote the type of competition it has espoused. We trust that the Commission will not fail us, and in so doing, not fail the Deaf Community that relies on funded relay services as their lifeline to the world.").

<sup>17</sup> See, e.g., Convo Ex Parte Letter (filing under a request for confidentiality a summary of Convo's "robust growth of volume, its three-year business roadmap and its lean fiscal operations"); Letter from Jeremy Jack, Vice President, CAAG/Star VRS, to Marlene S. Dortch, Secretary, FCC, CG Docket No. 10-51, dated May 1, 2015 (filing confidential information); Letter from Angela Roth, Chief Executive Officer, ASL/Global VRS, to Marlene S. Dortch, Secretary, FCC, CG Docket Nos. 10-51, 03-123 (June 24, 2015) (filing confidential information). The Tier I providers may individually supplement this Petition by providing the Commission with additional information describing their unique operational and financial circumstances.

<sup>18</sup> See, Joint Ex Parte Letter of All Six VRS Providers, CG Docket Nos. 10-51, 03-123, (April 30, 2015) ("[w]hile all providers have had negative impacts as a result of the rate cuts in anticipation of these new program offerings, the most severely affected are the smallest three providers who are least positioned to sustain those cuts. Accordingly, given the reductions that have already occurred, even rate stabilization may not be enough to keep these smallest three providers in business.").

<sup>19</sup> See note 31.

<sup>20</sup> See *VRS FNPRM*, ¶¶ 15-16.

to stabilize the Tier I Provider rates at the June 30, 2015 levels on a retroactive basis.<sup>21</sup> The Commission established an expedited comment schedule for this aspect of the *VRS FNPRM* recognizing the dire financial circumstances imposed on the Tier I Providers by the July 1, 2015 rate decreases. However, despite the Commission's efforts to expedite action on its *VRS FNPRM* proposal, it is highly unlikely that the Commission will have the opportunity to reach a decision until significantly after the rates applicable to the Tier I Providers are cut again on January 1, 2016. Consequently, the Tier I Providers submit this Waiver Request to seek an immediate Tier I rate freeze retroactive to the June 30, 2015 Tier I rates at least until such time as the Commission is able to act on its consistent proposal in the *VRS FNPRM*.

## **II. TIER I PROVIDERS PROVIDE MEANINGFUL PUBLIC INTEREST BENEFITS TO VRS USERS**

The Commission repeatedly has recognized the substantial public interest benefits generated by the continued participation of the Tier I Providers in the VRS industry and the need to give the Tier I Providers an opportunity to increase their volume of relayed minutes to enable them to realize the economies of scale enjoyed by the larger VRS providers.<sup>22</sup> In addition, the Commission has correctly determined that the participation of multiple VRS providers in the VRS industry promotes quality-of-service competition, which, in turn, benefits the communities that rely on VRS.<sup>23</sup> Further, the Commission recognizes in many other contexts the benefits of

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<sup>21</sup> *See id.* ¶¶ 14-22. The Commission explained in the *VRS FNPRM* that “the Commission has applied adjustments, including changes in TRS compensation rates and contribution factors, retroactively to the beginning of a Fund Year” on several prior occasions. *See id.*, ¶ 19 n.51 (citations omitted).

<sup>22</sup> *See, e.g., VRS FNPRM*, ¶¶ 15-17; *2013 VRS Rate Order*, ¶ 200.

<sup>23</sup> *See, e.g., 2013 VRS Rate Order*, ¶ 177 (“Further, VRS providers compete for users primarily on the basis of quality of service, including the quality of their VRS CAs; a user dissatisfied with the quality of a given provider's VRS CAs can switch to another provider on a per call or permanent basis.”); *See Structure and Practice of the Video Relay Service Program*, Further

empowering small and minority-owned businesses, such as the Tier I Providers.<sup>24</sup> Indeed, “[t]he FCC aims to craft rules and guidelines that enable small businesses and the spirit of entrepreneurship to blossom. Much of the FCC’s mission directly impacts the small business community.”<sup>25</sup> These same public interest considerations apply in the VRS context.

For example, Convo is a deaf-owned and operated business whose owners and managers are also regular VRS users. This provides Convo with a unique perspective regarding how to prioritize and respond to the needs of VRS users. As a result, Convo has been among the first VRS providers to launch a variety of innovations, including fully mobile web-based VRS; the ability for a VRS user to hang up a call and thereby disconnect all parties; the ability for deaf

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Notice of Proposed Rulemaking, 26 FCC Rcd 17367, ¶ 14 (2011) (“[T]he [VRS] program supports more than one provider to allow VRS users choice between providers who compete on factors such as quality of service, customer service, and technological development. This is consistent with the goal expressed by the Consumer Groups to ensure ‘intense competition among a number of qualified vendors in the telecommunications relay services market to give the TRS user population a range of choices in features and services....’”) (internal citations omitted).

<sup>24</sup> For example, to meet the statutory objective of promoting competition in wireless services set forth in 47 U.S.C. § 309(j)(3)(B), the Commission has regularly used bidding credits to avoid excessive license concentration and enable small entities to successfully participate in spectrum auctions, even though such bidding credits come at a cost to financial efficiency. *See, e.g., Service Rules for the 698-746, 747-762 and 777-792 MHz Bands*, Report and Order and Further Notice of Proposed Rulemaking, 22 FCC Rcd 8064, 8166 ¶ 284 (2007) (“Section 309(j)(3)(B) of the Act provides that in establishing eligibility criteria and bidding methodologies, the Commission shall promote ‘economic opportunity and competition . . . by avoiding excessive concentration of licenses and by disseminating licenses among a wide variety of applicants, including small businesses, rural telephone companies, and businesses owned by members of minority groups and women.’ One of the means by which the Commission fulfills this mandate is through the award of bidding credits to small businesses.” (citations omitted)); *see also* Roger C. Sherman, Wireless Telecommunications Bureau Chief, *Empowering Small Businesses*, FCC Blog (Aug. 1, 2014, 11:01 AM), <https://www.fcc.gov/blog/empowering-small-businesses> (“But today the standard for economic opportunity should take a broader, and longer, perspective. Considering the significant challenges new entrants face in building wireless networks, we can and should provide smaller businesses— including enterprises owned by women and minorities – a better on-ramp into the wireless business.”).

<sup>25</sup> *See* FCC, *Our Work – Small Business*, <https://www.fcc.gov/smallbiz> (last visited on Nov. 24, 2015).

callers to maintain eye contact with their video interpreter throughout a call; clickable phone numbers on a smart phone for direct connection to the business number through VRS; deaf-owned business directory features built into the videophone interface; ASL Contact Centers at several Federal agencies; an integrated mass communications systems platform; and the Convo Lights call alert technology, which received the fourth annual Chairman's Awards for Advancement in Accessibility in the Internet of Things category. Similarly, ASL/Global VRS is a minority and woman-owned business and is the only VRS provider to particularly focus on the largely underserved Spanish-language community. In addition, CAAG/Star VRS is a minority and woman-owned business that offers a unique service to deaf-blind ASL users. This service is structured so the VRS video interpreter voices what the deaf-blind user signs and types what the hearing person speaks to enable the deaf-blind user to receive the hearing person's words using a specialized Braille display.<sup>26</sup>

For the foregoing reasons, the Commission repeatedly has acknowledged that the relatively small inefficiency caused by the higher rates paid to the Tier I Providers is justified by the public interest benefits that accrue to consumers, especially those in niche or underserved communities, from the participation of the Tier I Providers in the Commission's VRS program.<sup>27</sup> And the inefficiency is very small relative to the overall size of the Telecommunications Relay Service ("TRS") Fund. Rolka Loubé Associates LLC ("Rolka Loubé") has estimated that the total cost to the TRS Fund of retroactively stabilizing Tier I Provider rates at June 30, 2015

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<sup>26</sup> See Letter from Jeremy Jack, Vice President, CAAG/Star VRS, to Marlene H. Dortch, FCC Secretary, CG Docket Nos. 03-123, 10-51 (filed July 8, 2015).

<sup>27</sup> See *VRS FNPRM*, ¶ 16; *2013 VRS Rate Order*, ¶ 200 ("We conclude that it is worth tolerating some degree of additional inefficiency in the short term, in order to maximize the opportunity for successful participation of multiple efficient providers in the future, in the more competition-friendly environment that we expect to result from our structural reforms.").

levels would be less than \$2.84 million per year,<sup>28</sup> which is less than one-third of one percent (0.27%) of the projected amount of the FY 2015-16 TRS Fund—\$1,048,050,673.<sup>29</sup> Moreover, even this figure most likely substantially overestimates the actual effect on the TRS Fund of retroactively freezing Tier I Provider rates because it assumes that the Tier I Providers each relay 500,000 minutes per month.<sup>30</sup> Although the actual number of minutes of VRS relayed per month by the Tier I Providers is not public, it is certainly far below 500,000 minutes. Consequently, the actual cost to the TRS Fund of freezing Tier I Provider compensation rates at June 30, 2015 levels is far below \$2.84 million.

### **III. ABSENT COMMISSION RELIEF, THE JULY 1, 2015 AND JANUARY 1, 2016 TIER I RATE CUTS THREATEN THE ABILITY OF TIER I PROVIDERS TO CONTINUE TO PARTICIPATE IN THE VRS PROGRAM**

Although each Tier I Provider's current circumstance is different, all three of the Tier I Providers currently face the same challenge. Having yet reached scale, they are operating at a deeper and substantial loss as a result of the July 1 rate reduction. Moreover this operating loss is certain to at least double on January 1, 2016, and steadily increase thereafter absent Commission action on this Waiver Request. These operating losses undermine and may jeopardize the Tier I Providers' continued participation in the TRS Program.

Rolka Loube has determined, and the Commission has acknowledged, that the Tier I Providers' permitted costs exceed the per-minute VRS compensation rates applicable to the Tier

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<sup>28</sup> *VRS FNPRM*, note 50.

<sup>29</sup> Rolka Loube, Supplemental Filing, CG Docket Nos. 03-123, 10-51, at 2 (filed May 1, 2015).

<sup>30</sup> *VRS FNPRM*, note 50 (attributing half of all Tier I relayed minutes to the Tier I Providers but acknowledging that the Tier I Providers account for less than half of all Tier I VRS minutes relayed).

I Providers as of July 1, 2015.<sup>31</sup> Specifically, Rolka Loube determined that, taking into account the July 1, 2015 rate reduction, the average loss to a Tier I provider in 2015 is \$0.15 per minute.<sup>32</sup> Consequently, if a Tier I Provider relays 200,000 minutes per month, the provider would operate at a net loss of about \$30,000 per month. Moreover, these figures do not adequately impart the financial stress that Tier I Providers currently face because the figures are aggregated across all of 2015—*i.e.*, both before and after the July 1, 2015 rate reduction took effect. Consequently, each Tier I Provider’s monthly loss in 2015 was significantly lower than this level prior to July 1 and is significantly higher today now that the July 1 rate reductions are in effect. With the next rate cut scheduled to go into effect on January 1, 2016, the monthly losses of a Tier I Provider which relays 200,000 minutes would climb to an estimated \$78,000 in January and steadily increase as long as the call volume handled by the provider is growing – at least until such as the provider reaches a scale that enables it to begin fully recovering its per-minute costs.<sup>33</sup> The Tier I Providers simply cannot sustain losses of this magnitude on an ongoing basis while awaiting Commission action on the *VRS FNPRM*.

Unlike the larger VRS providers, the Tier I Providers previously have largely managed to build their businesses without taking on a substantial amount of long-term debt. This has helped

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<sup>31</sup> *See id.* ¶ 11 (“Rolka Loube states that the average projected allowable costs for the three smallest providers, while having decreased substantially from 2013 to 2016, will remain above even the Tier I rates scheduled for 2015-16, potentially jeopardizing their continuation of service.”) (internal quotations and citations omitted).

<sup>32</sup> *See id.*, note 9 (determining that the average allowable VRS costs of Tier I Providers in 2015 was \$5.33 and the average 2015 compensation rate for Tier I Providers in 2015 was \$5.18 taking into account both the January 1 to June 30 and July 31 to December 31 rate levels).

<sup>33</sup> Scale varies for each VRS provider. Some of the Tier I providers have previously provided the Commission with that confidential information. Regardless of their unique break-even points, all three Tier I providers must immediately have the flexibility afforded by a rate freeze to be able to continue investing in its operations and technology so that it can grow to a level of efficiency where it has a sustainable business at a lower rate.

to offset some of the economies of scale from which the larger providers benefit. In addition, unlike the largest VRS providers, which are private equity-owned, the Tier I Providers continue to be closely held by their founders, which own and operate the businesses. However, absent Commission action on this Waiver Request, each of the Tier I Providers now need new funding sources to simply maintain their operations—either new outside equity investments or new debt financing. Traditional commercial lenders will not loan money to a small business that is operating at a loss, especially when the loss is scheduled to incrementally increase every six months for the foreseeable future due to automated regulatory actions. Further, even where a Tier I Provider is able to secure such financing, the new and added interest expense further erodes the ability of the Tier I Provider to break even.<sup>34</sup> As a result, the Tier I Providers have been forced to seek alternative financing arrangements, such as short-term bridge loans from family members, or to subsidize their VRS operations from revenue generated by other profitable non-VRS divisions.

These expensive short-term, stop-gap solutions are certain to stall the inroads that the Tier I Providers recently had been making in the VRS market. Prior to the July 1, 2015 rate cut, the Tier I Providers were generally successfully growing their VRS businesses month-over-month and year-over-year both in terms of total minutes relayed and the number of customers that they serve. This organic and incremental growth was consistent and steady despite the significant challenges that have faced Tier I Providers relative to the larger VRS providers. For example, Tier I Providers have been forced to fund the substantial costs of complying with the consistently shifting VRS regulatory landscape without having the same large customer bases

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<sup>34</sup> VRS is currently seen as a high-risk service offering with commensurate high interest rates. Few, if any, lenders are likely to consider making loans given the declining VRS rate structure and the potential disruption to the industry of ongoing reforms, especially given the recent bankruptcy of the largest VRS provider. *See VRS FNPRM*, ¶ 6.

across which the larger VRS providers distribute such costs. In addition, whereas the larger VRS providers have historically been compensated at levels that exceed their actual costs,<sup>35</sup> the Tier I Providers have never experienced such surpluses. Consequently, Tier I Providers did not have an opportunity to benefit from the expensive and aggressive marketing practices, such as the free distribution of VRS videophones, that enabled the larger VRS providers to initially rapidly grow their VRS businesses. Tier I Providers instead have had to mostly accomplish their growth through providing different and innovative services to diverse communities.

Tier I Providers are on track to maintain their prior growth and continue providing innovative and specialized products and services, but only if the Commission expeditiously grants them regulatory relief. Grant by the Commission of this Waiver Request will enable the Tier I Providers to renew their former upward trajectory and achieve new and improved efficiencies. By contrast, absent such action by the Commission, the Tier I Providers may be debilitated for an extended period of time by the interest expense on the debt that they are forced to incur while awaiting Commission action on the *VRS FNPRM*. Certain providers may even be forced to exit the VRS market completely while awaiting Commission action.

#### **IV. CONCLUSION**

As described above, grant of this Waiver Request will have only a minimal and temporary effect on the TRS Fund during the interim period prior to the Commission's action on the *VRS FNPRM*. But the public interest benefits that would accrue as a result of prompt Commission grant of the Waiver Request are substantial. Grant of this Waiver Request will enable the Tier I Providers to continue their steady and consistent growth without taking on new and potentially debilitating debt (if a source of such financing can even be found) and without

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<sup>35</sup> See *VRS FNPRM*, ¶¶ 11, 25.

being forced to subsidize their VRS businesses with profits from other, unregulated divisions. In addition, it will enable the Tier I Providers to continue to bring their unique perspectives and innovations to the VRS industry in competition with the much larger, entrenched providers, and thereby promote continued quality-of-service competition. Most importantly, prompt grant of the Waiver Request will prevent any Tier I Provider from having to shutter its operations, abandon its customer base, and lay off its employees.

Accordingly, Convo, CAAG/Star VRS, and ASL/Global VRS request the Commission to retroactively waive the application of its *2013 VRS Rate Order* to the extent necessary to freeze the compensation rates applicable to the Tier I Providers at the level in effect on June 30, 2015.<sup>36</sup> The Tier I Providers request for this waiver to remain in effect on a temporary basis until the earlier of (i) September 30, 2016 (*i.e.*, 16 months from the July 1, 2015 VRS rate reduction) and (ii) the date of Commission action on its recently released *VRS FNPRM* proposing to retroactively freeze Tier I compensation rates at the June 30, 2015 level. The Tier 1 Providers also request for this Waiver Request to be granted as promptly as feasible but in no event later than December 31, 2015—the day before the next VRS rate reduction is scheduled to take effect.

Respectfully Submitted,

By: /s/ Jeff Rosen  
Jeff Rosen  
General Counsel  
Convo Communications, LLC

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<sup>36</sup> Consistent with the proposal set forth in the *VRS FNPRM*, to effectuate this *nunc pro tunc* waiver, the Tier I Providers request for the Commission promptly to issue a true up payment to each Tier I Provider equal to the number of VRS minutes for which the Tier I Provider has been compensated at the July 1, 2015 rate times the difference between the June 30, 2015 and July 1, 2015 rates, which is \$0.23. *See VRS FNPRM*, ¶ 19 & note 51 (noting that the FCC previously has issued retroactive adjustments to TRS compensation rates).

By: /s/ *Jeremy M. Jack*  
Jeremy M. Jack  
Vice President  
Hancock Jahn Lee & Puckett, LLC (CAAG/Star  
VRS)

By: /s/ *Angela M. Roth*  
Angela M. Roth  
President & CEO  
ASL Services Holdings, LLC

November 25, 2015