

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of )  
 )  
Telecommunications Services and ) CC Docket No. 98-67  
Individuals with Hearing and )  
Speech Disabilities, and the )  
Americans with Disabilities Act )

**COMMENTS OF VERIZON<sup>1</sup>**

Almost two years ago, in response to the Commission’s notice of proposed rulemaking asking whether it should continue to fund recovery of IP Relay costs through the interstate Telecommunications Relay Services (TRS) fund, Verizon warned of the potential for fraudulent and improper use of IP Relay services. *See* Verizon Comments, CC Docket 98-67, at 3-7 (filed July 11, 2002). As Verizon explained, there is little incentive for misuse of traditional TRS, because TRS users’ locations can be identified, and they will be billed for any long distance charges associated with TRS calls. However, because IP Relay callers’ locations cannot be determined by a TRS provider, there is an increased ability, and incentive, for fraudulent use of the IP Relay service by those who are not hearing or speech impaired, or attempting to communicate with someone who is. Indeed, Verizon identified examples of publicly reported “scams” involving IP Relay service. *Id.*, at 4-5 & nn. 6-7.

The recent rapid growth in IP Relay demand suggests the need for heightened concern over the potential for fraudulent IP Relay use. NECA’s filing has proposed a

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<sup>1</sup> The Verizon telephone companies (“Verizon”) are the local exchange carriers affiliated with Verizon Communications Inc., and are listed in Attachment A.

“significantly higher” TRS assessment factor, due to increases in demand for IP Relay and Video Relay Service.<sup>2</sup> Just a year ago, NECA already had predicted a very significant growth rate of 28% in IP Relay minutes; this year, it revised the forecast to estimate a 79% annual growth rate. NECA Comments, at 11. Indeed, in the period beginning March 2003, when a third large provider entered into the market for IP Relay services, “minutes increased by more than one million in a single month.” *Id.*, at 11-12. Based on increased demand, NECA is proposing to increase the fund size 251% (from \$115.5 million in 2003 to a proposed \$289.4 million in 2004), which would increase the rate of assessment from 0.0022 of interstate and international end user revenues to a factor of 0.00356.<sup>3</sup> While legitimate increases in the use of these services are a positive development, the Commission and NECA must ensure that the dramatic reported increases are in fact not in part the result of improper use.

NECA states that it became aware of allegations of fraudulent use of IP Relay in March 2004. Although it does not describe those allegations, NECA claims that it “inquired as to the measures the IP relay providers were taking to control the situation” and has been told that all providers “have developed solutions to eliminate fraudulent use and are in the process of implementing them.” NECA Comments, at 12. However, more must be done to investigate and stop any fraudulent use of these services. As stated

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<sup>2</sup> See NECA Payment Formula and Fund Size Estimate, Interstate Telecommunications Relay Services (TRS) Fund for July 2004 through June 2005, at 2 (filed May 3, 2004) (*available at* [http://www.neca.org/source/NECA\\_154\\_3018.asp](http://www.neca.org/source/NECA_154_3018.asp)) (“NECA Comments”).

<sup>3</sup> See NECA Comments, at 2; *see also* *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, Order, 18 FCC Rcd 23834, ¶ 24 (2003).

above, Verizon and others<sup>4</sup> identified potential fraudulent use of IP Relay almost two years ago. The fact that NECA is only just learning of potential fraud, and providers are only just beginning to implement ways to combat fraudulent use, is a clear sign that insufficient attention has been devoted to this problem. Carriers contributing to the TRS fund (and consumers, who ultimately end up bearing the costs) should not pay for growing funds if they are going to subsidize fraudulent use of the service. The Commission should launch an investigation into the allegations of IP Relay fraud, and ask providers to identify the methods they have designed to combat it.

**Conclusion**

The Commission should examine allegations of fraudulent use of IP Relay services.

Respectfully submitted,

  
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<sup>4</sup> See Comments of Telecommunications for the Deaf, Inc. at 10 & n.24 (filed July 11, 2002); Comments of AT&T at 2 & n.6 (filed July 11, 2002).

## THE VERIZON TELEPHONE COMPANIES

The Verizon telephone companies are the local exchange carriers affiliated with Verizon Communications Inc. These are:

Contel of the South, Inc. d/b/a Verizon Mid-States  
GTE Midwest Incorporated d/b/a Verizon Midwest  
GTE Southwest Incorporated d/b/a Verizon Southwest  
The Micronesian Telecommunications Corporation  
Verizon California Inc.  
Verizon Delaware Inc.  
Verizon Florida Inc.  
Verizon Hawaii Inc.  
Verizon Maryland Inc.  
Verizon New England Inc.  
Verizon New Jersey Inc.  
Verizon New York Inc.  
Verizon North Inc.  
Verizon Northwest Inc.  
Verizon Pennsylvania Inc.  
Verizon South Inc.  
Verizon Virginia Inc.  
Verizon Washington, DC Inc.  
Verizon West Coast Inc.  
Verizon West Virginia Inc.