

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

In the Matter of)	
)	
Telecommunications Relay Services)	CC Docket No. 98-67
and Speech-to-Speech Services for)	CG Docket No. 03-123
Individuals with Hearing and Speech)	
Disabilities)	

To: The Commission

SUPPLEMENT TO APPLICATION FOR REVIEW

Hamilton Relay, Inc. (“Hamilton”), by its counsel and pursuant to staff request, hereby supplements its July 30, 2004 Application for Review of the *Order* of the Consumer & Governmental Affairs Bureau (“Bureau”) in this proceeding.¹ Hamilton sought review of the Bureau’s application of a “rate of return” methodology for traditional telecommunications relay service (“TRS”) rates. In a related proceeding, Hamilton filed a Petition for Reconsideration on October 1, 2004 (“Petition”), challenging the Commission’s June 30, 2004 *Report and Order* which endorsed the application of rate of return.² In the Petition, Hamilton argued that the Commission committed prejudicial error in going beyond the scope of the record before it and deciding to expand rate of return regulation to traditional TRS

¹ *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, Order*, CC Docket No. 98-67, DA 04-1999 (CGB rel. June 30, 2004).

² *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, Report and Order on Reconsideration, and Further Notice of Proposed Rulemaking*, CC Docket Nos. 96-571 and 98-67, CG Docket No. 03-123, FCC 04-137 (rel. June 30, 2004).

providers. The Commission did so without inquiring whether the circumstances which led the Commission to apply rate of return regulation to Video Relay Service (“VRS”) providers also exist in the traditional TRS marketplace. Hamilton proposed an alternative rate methodology grounded in competition and based on a multi-state TRS rate average (the “MARS Plan”).

Subsequently, the Bureau released an *Order* on December 30, 2004,³ in which it adjusted TRS compensation rates in light of further capital investment data submitted by TRS providers. However, the Bureau did not alter or address concerns about the rate of return methodology or examine Hamilton’s MARS Plan.

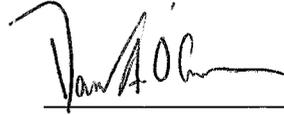
For this reason, Hamilton continues to seek review of the Bureau’s June 30, 2004 decision to adopt and use the rate of return methodology for traditional TRS. Hamilton urges the Commission to commence a rulemaking proceeding to adopt a competitive pricing methodology such as the MARS Plan. As Hamilton noted in its Petition, the MARS Plan: 1) is grounded in competition, and is thus superior to rate of return from a regulatory standpoint; 2) will be easier and less costly for the TRS Fund Administrator to administer; and 3) will benefit consumers by lowering interstate TRS rates. All of these factors merit a speedy adoption of competitive pricing through the implementation of a rate methodology such as the MARS Plan,

³ *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, Order*, CC Docket No. 98-67, DA 04-4063 (CGB rel. Dec. 30, 2004).

and the abandonment of outdated “rate of return” regulation.

Respectfully submitted,

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Submitted via ECFS

CERTIFICATE OF SERVICE

I, Laura Ledet, an employee of Holland & Knight LLP, hereby certify that on February 23, 2005, a copy of the foregoing "Supplement to Application for Review" was served, via first class mail, to the following:

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