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VIA ELECTRONIC FILING (ECFS)

Marlene H. Dortch, Esq., Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

RE: **EX PARTE PRESENTATION**
Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities
CC Docket No. 98-67, CG Docket No. 03-123

Dear Ms. Dortch:

On May 9, 2006, John Nelson, the President of Hamilton Relay, Inc. ("Hamilton"), Dixie Ziegler, the Vice President of Hamilton, and the undersigned on behalf of Hamilton, met with Dana Shaffer, Legal Advisor to Commissioner Tate. We discussed the status of Hamilton's October 1, 2004 Petition for Reconsideration in CC Docket No. 98-67, in which Hamilton proposed a multi-state average rate structure, or "MARS" Plan, for setting future annual compensation rates for traditional TRS, speech-to-speech and Internet relay services. Hamilton encouraged the Commission to release a Notice of Proposed Rule Making to elicit further comments on the MARS Plan. We also discussed possible competitively-based proxy rate methodologies for video relay services, in an effort to relieve the Commission and providers of the cumbersome cost-based ratemaking methodology.

In addition, Hamilton noted its opposition to the TRS Fund Administrator's recent proposal to remove providers' marketing, advertising and outreach costs from the relay rate calculations. Hamilton stated that such costs constitute legitimate costs under Part 32 of the Commission's rules, and are necessary as a policy matter to encourage greater use of relay services and to ensure that hearing persons are aware of the availability of relay services. Hamilton also encouraged the Commission to build a record in this proceeding prior to eliminating such costs, in order to avoid the transparency problems created in 2004 when numerous costs were eliminated without appropriate notice and opportunity for comment.

This filing is made in accordance with Section 1.1206(b)(2) of the Commission's rules, 47 C.F.R. § 1.1206(b)(2). In the event that there are any questions concerning this matter, please contact the undersigned.

Respectfully submitted,

HOLLAND & KNIGHT LLP

/s/ David A. O'Connor
David A. O'Connor
Counsel for Hamilton Relay, Inc.

cc (via e-mail): Dana Shaffer