

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

In the Matter of)	
)	
Telecommunications Relay Services)	
And Speech-to-Speech Services for)	CG Docket No. 03-123
Individuals with Hearing and Speech)	
Disabilities)	
)	
NECA Interstate Telecommunications)	
Relay Services (TRS) Fund Payment Formula)	
and Fund Size Estimate for the July 2006)	
Through June 2007 Fund Year)	

To: Secretary, FCC
For: The Commission

REPLY COMMENTS OF HAMILTON RELAY, INC.

Hamilton Relay, Inc. (“Hamilton”), by its counsel, hereby submits these reply comments in connection with the proposed TRS payment formula and fund size estimate for 2006-2007.¹

No party filed comments in support of the proposed payment formula or fund size estimate. Indeed, as the comments make clear, there is universal opposition to the process by which the TRS rates have been proposed. The comments reflect that it is not only providers that object to the ratemaking process. Consumer groups also oppose the proposed rates, citing the apparent “failure to factor in the access and functional equivalence requirements of the

¹ See *Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990, Interstate Telecommunications Relay Services Fund Payment Formula and Fund Size Estimate* (filed May 1, 2006), as amended May 10, 2006 (“2006 NECA Proposal”); see also *National Exchange Carrier Association (NECA) Submits the Payment Formula and Fund Size Estimate for Interstate Telecommunications Relay Services (TRS) Fund for the July 2006 Through June 2007 Fund Year*, Public Notice, CG Docket No. 03-123, DA 06-970 (rel. May 2, 2006); *National Exchange Carrier Association (NECA) Submits the Payment Formula and Fund Size Estimate for Interstate Telecommunications Relay Services (TRS) Fund for the July 2006 Through June 2007 Fund Year*, Public Notice, CG Docket No. 03-123, DA 06-1031 (rel. May 12, 2006).

Americans with Disabilities Act (“ADA”) in determining the reimbursement rate for Video Relay Services (“VRS”) and other Telecommunications Relay Services (“TRS”).”² Consumer groups thus recognize that the proposed rates endanger the continued quality of relay service.

In its comments, Hamilton encouraged the Commission to direct NECA to restore all disallowed costs and recalculate the relay rates.³ After reviewing the other comments in this proceeding, however, Hamilton now believes that the relay ratemaking process is so seriously flawed that the only rational course for the Commission is to freeze the existing relay rates until a comprehensive rulemaking proceeding on the rate methodology for *all* relay rates is completed. As part of that effort, Hamilton urges the Commission to solicit comment on the Hamilton MARS Plan.

Freezing the existing rates will not prejudice any party, and will ensure the stability of the relay system until a comprehensive ratemaking proceeding is finalized. In the event that the rulemaking proceeding takes longer than one year to complete, Hamilton recommends that the relay rates be adjusted annually on July 1 using such cost indices as the employment cost index and the consumer price index.

For the reasons set forth above, Hamilton urges the Commission to freeze the existing relay rates at the current per-minute rates approved in June 2005, *i.e.*, for Speech-to-Speech

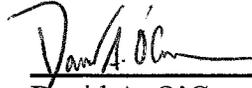
² See Joint Comments of Telecommunications for the Deaf and Hard of Hearing, Inc.; National Association for the Deaf; Deaf and Hard of Hearing Consumer Advocacy Network; and California Coalition of Agencies Serving the Deaf and Hard of Hearing, CG Docket No. 03-123, at 1 (filed May 17, 2006).

³ Hamilton notes that it still has not received any data from the TRS Fund Administrator regarding what costs were allowed, what costs were disallowed, or by what amount Hamilton’s VRS cost projections were increased. Without this information, it is impossible to submit detailed substantive comments challenging the disallowances or the proposed relay rates.

Service, \$1.579; for traditional TRS, \$1.440; for Internet Relay, \$1.278; and for Video Relay Service, \$6.644.⁴

Respectfully submitted,

HAMILTON RELAY, INC.



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⁴ See *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, Order, CC Docket No. 98-67, CG Docket No. 03-123, FCC 05-135 (rel. June 28, 2005).