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BEFORE THE
Federal Communications Commission
WASHINGTON, D.C.

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

**SNAP TELECOMMUNICATIONS, INC.’S
ANNUAL COMPLIANCE REPORT**

Snap Telecommunications, Inc. (“Snap”), by its attorneys, hereby submits its annual report demonstrating its continued compliance with the Commission’s mandatory minimum standards applicable to video relay service (“VRS”) providers.

I. INTRODUCTION AND SUMMARY

In this report, Snap demonstrates and certifies that it remains in compliance with all of the Commission’s applicable mandatory minimum standards for VRS providers. Snap takes its compliance obligations seriously and has committed substantial resources to ensuring its ongoing compliance with these minimum standards and with all applicable Commission rules.

Snap was the first company to apply for certification as a VRS provider¹ under the Commission’s new federal procedures.² Snap was also the first to be certified as a VRS provider

¹ See Application of Snap Telecommunications, Inc. for Certification as a Video Relay Services Provider, CG Docket No. 03-123 (filed Jan. 25, 2006) (“*Snap VRS Application*”). Currently Snap offers only VRS under the brand name Snap!VRS. See <http://www.snapvrs.com>. For a description of Snap Telecommunications, Inc., its parent Aequus Technologies Corp., and affiliates, see *Snap VRS Application* at 3-5. As explained therein, Aequus and Snap are fully committed to serving the needs of the disability community, and, indeed, Aequus’ corporate philosophy in its publishing and other businesses is that accessibility is good for everyone. Accordingly, Aequus is leading the transition from “accessibility as an afterthought” to “built-in accessibility” by creating solutions that both solve accessibility problems for people with disabilities and offer viable new listening, viewing, and communication styles for everyone. For more information about Aequus, visit <http://www.aequustechnologies.com>.

² See *In Re Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, Report and Order and Order on Reconsideration, 20 FCC Rcd 20577 (2005).

under these new federal procedures.³ In its Order certifying Snap, the Commission required Snap (as it requires all VRS providers under its new VRS certification procedures) to file an annual report with the Commission evidencing that Snap is in compliance with 47 C.F.R. § 64.604.⁴ The instant report, which is filed pursuant to this Commission requirement, demonstrates that Snap is in compliance with the Commission's mandatory minimum standards applicable to all VRS providers under 47 C.F.R. § 64.604.

Specifically, this report (1) incorporates by reference Snap's VRS Application for certification filed with the Commission on January 25, 2006, which explained in detail (particularly in Exhibit D) how Snap would comply with each of the applicable TRS/VRS rules; (2) certifies that the statements of compliance made in its VRS Application are still true and accurate for Snap's operations; (3) describes below anything new or different with Snap's operations since its VRS Application was granted last May, and explains how such changes are compliant with the Commission's mandatory minimum standards; and (4) attaches a declaration by Snap's CEO, Richard L. Schatzberg attesting to the truth and accuracy of the statements in this report.

With respect to the third item above, Snap (1) explains below how its operations comply with the Commission's VRS interoperability requirements;⁵ (2) provides more detail on its

³ See *Notice of Certification of Snap Telecommunications, Inc. as a Provider of Video Relay Service (VRS) Eligible for Compensation from the Interstate Telecommunications Relay Service (TRS) Fund*, Public Notice, 21 FCC Rcd 5511 (2006) ("Snap Certification Order"). See also *Notice of Snap Telecommunications as a Provider of Video Relay Service (VRS) Eligible for Compensation from the Interstate Telecommunications Relay Service (TRS) Fund*, Public Notice Erratum, CG Dkt. No. 03-123 (rel. May 9, 2006) (clarifying that Snap's VRS certification was conditioned on its compliance with the Commission's Declaratory Ruling on VRS interoperability that was adopted on May 3, 2006) ("Erratum").

⁴ See *Snap Certification Order* n.10. See also 47 C.F.R. § 64.605(g) ("VRS and IP Relay providers certified under this section shall file with the Commission, on an annual basis, a report providing evidence that they are in compliance with § 64.604.").

⁵ See *In re Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, Declaratory Ruling and Further Notice of Proposed Rulemaking, 21 FCC Rcd 5442 (2006) ("Interoperability Order"). Because the Commission's interoperability requirements were not adopted (in May

compliance with the important speed-of-answer requirement;⁶ and (3) notes a few minor changes to Snap's staff and operations since receiving its VRS certification. Snap further commits to continued compliance with the applicable requirements of 47 C.F.R. § 64.604 going forward.

II. SNAP'S VRS APPLICATION AND CERTIFICATION

As noted, the Application for VRS certification that Snap filed on January 25, 2006 explained in detail (particularly in Exhibit D) how Snap would comply with each of the mandatory minimum federal standards applicable to VRS providers. Snap opened its first VRS call center in February of this year in Herndon, Virginia, and is actively processing VRS calls from a number of users on a daily basis. Snap plans to open additional call centers in the coming year.

In preparing this report, Snap asked various key personnel to review Snap's VRS Application for its continued accuracy in light of Snap's current operations. Based on these reviews, Snap hereby incorporates by reference its VRS Application and certifies that the statements of compliance made therein are still true and accurate for Snap's current operations, as updated in a few ways by the discussion in the following two sections.

III. DESCRIPTION OF NEW ISSUES OR CHANGES IN SNAP'S OPERATIONS SINCE RECEIVING ITS VRS CERTIFICATION IN MAY 2006

A. Interoperability

The Commission has adopted the following interoperability restrictions and requirements for all VRS providers:

2006) until after Snap's VRS Application was filed (in January 2006), Snap's VRS Application did not explain how it would comply with the interoperability requirements. However, as noted, the Commission conditioned Snap's certification on its compliance with these new interoperability requirements. *See Erratum, supra* note 3. Therefore, Snap explains below how its VRS operations are compliant with these requirements.

⁶ *See In re Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, Report and Order, 20 FCC Rcd 13165 ¶ 19 (2005).

- VRS providers may not block calls to other VRS providers or provide degraded service quality for connections to the service of other VRS providers.⁷
- “[A]ll VRS consumers must be able to place a VRS call through any of the VRS providers’ service.”⁸
- “[A]ll VRS providers must be able to receive calls from, and make calls to, any VRS consumer.”⁹
- “[A]ny VRS provider restricting the use of its service so that a consumer cannot use it to place or receive a call through any of the VRS providers’ relay service will be ineligible for compensation from the Interstate TRS Fund.”¹⁰
- “[N]ew providers seeking to offer service have the burden of ensuring that their service is interoperable with existing providers’ service.”¹¹

Snap’s VRS operations are in compliance with all of these requirements. Although Snap has explained elsewhere that it believes Session Initiation Protocol (“SIP”) and H.264 are superior standards to, and provide higher video quality and better VRS offerings than, the legacy H.323 and H.263 protocols that are used by all other VRS providers,¹² Snap has nonetheless designed and launched its VRS operations in a manner that is fully compatible with these legacy protocols (and the existing videophones that rely on them) and that is compliant with the above Commission interoperability requirements.

In particular, Snap certifies that it does not block or restrict (by contract, technology, or otherwise) any user from placing calls to other VRS providers, and does not provide degraded service quality for connections to the service of other VRS providers.

⁷ See *Interoperability Order* ¶ 29. See also *id.* ¶¶ 1 and 34.

⁸ *Interoperability Order* ¶ 29. See also *id.* ¶¶ 1 and 34.

⁹ *Interoperability Order* ¶ 29. See also *id.* ¶¶ 1 and 34.

¹⁰ *Interoperability Order* ¶ 29 (footnote omitted). See also *id.* ¶¶ 1 and 34.

¹¹ *Interoperability Order* ¶ 34.

¹² See Request for Limited Waiver of Snap Telecommunications, Inc., CG Dkt. No. 03-123, at 12-23 (July 14, 2006) (“*Snap Waiver Request*”) (detailing the benefits of SIP over H.323, as well as the superiority of the H.264 video compression protocol over H.263); Comments of Snap Telecommunications, Inc., CG Dkt. No. 03-123, at 8-18 (July 17, 2006) (same).

In addition, all VRS consumers that can place a VRS call through other VRS providers are also able to place a VRS call through Snap!VRS. Snap is also able to receive calls from, and make calls to, any VRS consumer. While Snap's communications assistants ("CAs") use SIP-based videophones at the call center, Snap has deployed an automated call distributor ("ACD") that translates H.323 to SIP and vice versa on the fly with no perceptible delay or degradation of call quality. Accordingly, Snap's CAs can receive VRS calls from, and place VRS calls to, any videophone that can be used to call other VRS providers, including D-Links, VP-100s, and VP-200s. To place a VRS call to Snap, VP-100, VP-200, and D-Link users, as well as callers using other H.323-based videophones, simply dial "call.snapvrs.com," while hearing users wanting to reach a hearing-impaired user via Snap's VRS call center simply dial 1-877-711-SNAP (7627).

Snap!VRS is also interoperable with softphones. For example, Snap can accept VRS calls from, and place VRS calls to, any of the following softphones:

- Netmeeting
- Polycom PVX
- Eyeball
- Xten Counterpath

There are other softphones in the marketplace -- those that are compliant with the prevalent VRS standards (H.323 and H.263, and even SIP) -- that should also work with Snap!VRS. In fact, the Snap!VRS call center in Herndon has already been receiving and placing VRS calls from/to various softphones. To place a VRS call to Snap, softphones simply dial the same "call.snapvrs.com" address noted above for videophones.

Also, although not required by the Commission's rules, as part of its outreach and community efforts and involvement, Snap!VRS will be exploring the interest in and possibility

of allowing users that visit its web site (<http://www.snapvrs.com>) to place a Webphone VRS call from within that site.

Because Snap has not begun to distribute videophones to its users, it does not yet have any control over whether VRS consumers are able to contact other VRS providers (although, as noted above, it does nothing to block, restrict, or degrade any such calls to other VRS providers). However, as noted in its VRS Application, Snap does intend to distribute the Ojo™ videophone.¹³ On July 14, 2006, Snap filed a petition with the Commission seeking a limited, temporary waiver of the interoperability requirements until March 1, 2007. Snap explained that it needed the waiver in order to make the more advanced, functionally equivalent Ojo backward-compatible with the legacy equipment and protocols used by other VRS providers.¹⁴ The petition also explained that, absent a waiver, Snap would at the very least require additional time to design, implement, and test an interoperability solution using the Ojo.¹⁵

Since Snap's waiver was not acted upon, in the interim, Snap pursued and implemented the fully interoperable solution described above. While Snap's plans still include the provision of the Ojo to its users, as predicted, the Ojo integration and testing process has taken Snap longer to complete in the absence of the requested waiver. Snap is currently engaged in the comprehensive testing of the Ojo (which has been modified to accommodate both H.323 and SIP protocols, as well as both H.263 and H.264 protocols) to make sure it works with the Snap ACD, as well as with other videophones such as the VP-100, VP-200, and D-Link. Snap is also testing to ensure that a Snap user with an Ojo will be able to place a VRS call through any other VRS

¹³ See Snap VRS Application at 6-8.

¹⁴ See Snap Waiver Request at 9-11 and 60-61.

¹⁵ See *id.* at 8 (“By contrast, denial of this waiver request would result in significant harm for consumers. Notably, it would seriously delay Snap’s entry into the VRS marketplace, undoubtedly for a longer period than even the requested eight-month waiver (lack of cost reimbursement for Snap and the inability to test its interoperability solution in a live operational setting would be key causes for these further delays)”).

provider. Toward this end, since November 2006, Snap has been processing *non-reimbursable* VRS calls from/to our alpha-testers of the Ojo in order to fully test the integration and interoperability of the Ojo in live situations.¹⁶ Snap certifies that when the Ojo launches, Snap will not block or restrict (by contract, technology, or otherwise) any Ojo user from placing VRS calls to other VRS providers and will not provide degraded service quality for connections to the service of other VRS providers.

In short, Snap is still firmly committed to bringing the benefits of the Ojo to the VRS community, but it will not do so until it has determined that the Ojo is interoperable with existing VRS providers and existing videophone equipment, and is otherwise compliant with the above Commission requirements.¹⁷ Snap expects the rollout of the Ojo to occur within the next several months.¹⁸

B. Speed of Answer

Although the Commission's speed-of-answer ("SOA") rule¹⁹ was in place when Snap filed its VRS Application, and even though the Application addressed Snap's compliance with

¹⁶ To be clear, while Snap filed its first request for reimbursement from NECA last month, its filing did not include any request for reimbursement for minutes of VRS calls with the Ojos that Snap has provided to its alpha-testers. Snap will only seek reimbursement for such Ojo-based VRS calls after Snap has completed its testing of the Ojo and verified that the Ojo meets the Commission's interoperability requirements noted above.

¹⁷ See the clear and conspicuous notice on the Snap!VRS web site (<http://www.snapvrs.com>) explaining the status of Snap's testing of the Ojo to the VRS community ("**IMPORTANT NOTICE:** Snap!VRS is accepting applications for new customers. Please note we are currently testing our service with a group of users. We are not distributing Ojo video phones yet. Please continue to check our website for updates on the status of our launch.- Snap!VRS Team").

¹⁸ Once Snap launches the Ojo to its users, it will notify the Commission and certify that it continues to meet federal minimum standards applicable to VRS after implementing this change. See 47 C.F.R. § 64.605(f)(2) (requiring VRS providers to "notify the Commission of substantive changes in their TRS programs, service, and features within 60 days" of when such changes occur, and must certify that the interstate TRS provider "continues to meet federal minimum standards after implementing the substantive change").

¹⁹ See 47 C.F.R. § 64.604(b)(2)(iii) (requiring that, as of Jan. 1, 2007, VRS providers must answer 80% of all calls within 120 seconds, measured on a monthly basis).

this rule,²⁰ because this rule is so important to ensuring that VRS users receive functionally equivalent service, Snap provides below a brief update on its compliance activities in this area.

Snap's call center system samples SOA rates once per second constantly. The results are displayed on a supervisor's console, indicating the SOA for the last fifteen minutes, thirty minutes, one hour, day, week, and month. The call center supervisor monitors the SOA rates and supplements staff as needed to ensure that VRS calls are answered as quickly as possible. Additionally, the supervisor's console displays the number of calls in the queue, and the SOA system produces detailed reports, to allow the supervisor to anticipate call volume and staff the call center as needed. This robust system has allowed Snap to consistently answer VRS calls within times well below the Commission's mandatory minimum SOA benchmark, and Snap will continue to be vigilant in this area to ensure that VRS calls are answered and processed promptly and that Snap maintains its compliance with this important requirement going forward.

As a further measure to ensure reliability and the prompt answering and processing of user calls, Snap has established a fully redundant call center. The technological crux of the operations is based on an ACD that is housed in a Class I processing facility with an uninterruptible power supply ("UPS") and back-up generator power. The ACD and switches are fully redundant with back-up processors and data storage. There are multiple carriers providing connectivity to the data center, such that Snap's operations can survive a failure of several carriers without jeopardizing its ability to answer and process user calls. Snap's system is designed with two different carriers providing connectivity to each call center, *i.e.*, no one call center depends on the same two carriers as its primary and back-up service providers. This

²⁰ See *Snap VRS Application*, Ex. D, Statement of Compliance with Mandatory Minimum Standards for Provision of VRS as set forth in 47 C.F.R. §§ 64.604 and 64.605, at vii-viii (stating that Snap will meet the speed-of-answer benchmarks set forth in the rule and that it would "utilize state-of-the-art equipment to monitor VRS call traffic to ensure these requirements are met and to produce reports for Snap to assist in developing accurate projections for CA staffing at different times of the day and week").

allows Snap's ACD to continue to route calls to call centers and to maintain uninterrupted operations despite the failure of one or even two carriers.

In sum, Snap's call center, SOA systems, and its entire network operation have been designed from the ground up to be robust, fully redundant, and fast, so that users are well served by a highly reliable and fully FCC-compliant service.

C. Miscellaneous Changes

Key Staff Changes. Since May of 2006, Snap has undergone a few noteworthy staffing changes. Specifically, Daryl Crouse is no longer the point of contact for the Commission or designated agent for complaints²¹ and has been succeeded by Karl Kosiorek, who has been largely responsible for the hiring and training of Snap's CAs. Mr. Kosiorek also currently serves as Snap's Compliance Officer. His contact information follows below:

Karl Kosiorek
Senior Vice President and General Manager
Snap!VRS
1 Blue Hill Plaza
PO Box 1626
Pearl River, NY 10965
Email: Karl@SnapVRS.com
Tel/TTY: (845) 652-7010
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Snap informed the Commission of this change on February 12, 2007,²² and the Commission's TRS web site has been appropriately updated to reflect this change.²³

Snap has also recently hired Jeff Rosen, renowned disability advocate and current General Counsel and Director of policy for the National Council on Disability, the organization

²¹ See *id.*, Ex. D, at x and xiii.

²² See Letter from Grace Koh, Counsel for Snap Telecommunications, Inc., to Thomas Chandler, Chief, Disability Rights Office, CGB, FCC (Feb. 12, 2007).

²³ See FCC Consumer and Governmental Affairs Bureau, Relay Service Providers Contact List, at http://www.fcc.gov/cgb/dro/trs_providers.html (last accessed May 2, 2007).

that was the driving force behind Congress' enactment of the Americans with Disabilities Act (ADA) in 1990. On May 14, 2007, Mr. Rosen will join Snap as Vice President and General Counsel and will also assume the role of Snap's Compliance Officer to ensure that Snap continues to comply with the Commission's mandatory minimum standards and to serve the needs of the hearing-impaired community. Mr. Rosen has served on the boards of a number of disability and human rights organizations and was an advisory committee member of the American Judicature Society's project on Improving Access to the Court for People who are Deaf and Hard of Hearing. He has championed a number of issues important to the disability community both domestically and internationally, including emergency services for the disabled, independent living, VRS interoperability, and the role of the government in ensuring access to technology for the disabled.

Snap is honored to have Mr. Rosen join its company, and stresses that this is simply the most recent indication that Snap is firmly and genuinely committed to serving the needs of the disability community and to providing these individuals with the most functionally equivalent services possible.

Emergency Call Handling. Snap is in the process of implementing a solution provided by 911 Enable that will permit it to locate the number of an appropriate PSAP and call the number for a VRS user in an emergency-call situation. In the interim, when Snap receives a call for emergency services, the CA immediately alerts the floor supervisor to ensure that two interpreters can support the communication. The CA informs the VRS user to contact emergency services by dialing 911 on his or her TTY or regular telephone. Snap also places a warning on its website that explains the shortcomings of VRS for making emergency calls and

urges callers to use TTY to call for emergency assistance.²⁴ However, if requested by the VRS caller, the CA and supervisor will remain on the line with the caller and provide whatever support is needed, including right up until emergency services arrives. Snap does not bill these minutes of assistance for reimbursement from the TRS Fund.

For additional details on Snap's research and development efforts with respect to 911 and other currently waived VRS mandatory minimum standards, Snap refers the Commission to its recently filed pleading on this set of issues.²⁵

Caller ID. In its VRS Application for certification, Snap stated that it planned to transmit the VRS user's telephone number as the caller ID.²⁶ Currently, Snap transmits its own telephone number, 877-711-7627, with "SNAP VRS" in the description field, because most VRS calls are made from IP addresses and not from telephone numbers. Despite this difference, Snap remains in compliance with the Commission's rules, which require a TRS provider, where the technical capability exists, to transmit either the calling party's number, "711," or its own telephone number.²⁷

²⁴ See Snap!VRS, 911 Emergency Notice, at <http://www.snapvrs.com/legal/911/> (last accessed on May 2, 2007) ("SNAP!VRS RECOMMENDS YOU USE TRADITIONAL TTY RELAY SERVICE FOR EMERGENCY CALLS TO AVOID A POSSIBLE LIFE-THREATENING DELAY.").

²⁵ See Snap Telecommunications, Inc.'s Annual Report on Progress Toward Meeting Waived Requirements, CG Docket No. 03-123 (filed Apr. 16, 2007).

²⁶ See Snap VRS Application, Ex. D, at ix.

²⁷ See 47 C.F.R. § 64.604(b)(6).

IV. CONCLUSION

As explained above and in Snap's VRS Application filed with the Commission on January 25, 2006 (which is incorporated herein by reference), and as certified by the attached declaration of Snap's CEO, Snap is in compliance with all applicable VRS mandatory minimum standards under 47 C.F.R. § 64.604. Equally important, Snap is firmly committed to remain in compliance with these mandatory minimum standards and to pursue an unwavering course of innovation and enhanced service offerings for the disability community.

Respectfully submitted,

/s/ Francis M. Buono

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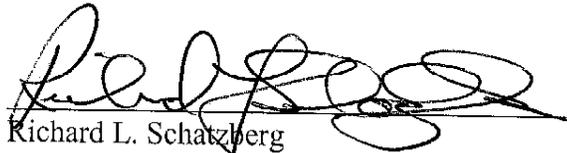
Its Attorneys

May 8, 2007

* admitted to practice in New York only.

Declaration of Richard L. Schatzberg

I, Richard L. Schatzberg, Chief Executive Officer of Snap Telecommunications, Inc. (“Snap”), with personal knowledge of the representations provided in the attached Annual Compliance Report (“Report”) of Snap and pursuant to 47 C.F.R. § 1.16, declare under penalty of perjury that the statements in the Report are true and correct.



Richard L. Schatzberg
Chief Executive Office
Snap Telecommunications, Inc.

Date: May 4, 2007