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October 2, 2007

Via Electronic Filing

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: *Ex Parte* Notice: *Telecommunication Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities* – CG Docket No. 03-123

Dear Ms. Dortch:

On October 1, 2007, Michael Fingerhut, Sprint Nextel Corporation (“Sprint Nextel”); Jeff Rosen, Snap!VRS (“Snap”); Frank Buono, outside counsel for Snap; Mike Maddix, Sorenson Communications, Inc. (“Sorenson”); and A. Richard Metzger, Jr. and Ruth Milkman, outside counsel for Sorenson; met with Scott Bergmann, Senior Legal Advisor to Commissioner Adelstein. On October 1, 2007, I also spoke with Scott Bergmann by telephone. On October 2, 2007, Michael Fingerhut, Frank Buono, Jeff Rosen, Mike Maddix, A. Richard Metzger, Jr. and Ruth Milkman met with Scott Deutchman, Legal Advisor to Commissioner Copps.

In those meetings, Snap, Sorenson and Sprint Nextel discussed the proposal described in their written *ex parte* of June 27, 2007, and urged the Commission to adopt promptly a three-year tiered price-cap rate methodology for Video Relay Service (VRS). The companies stated that the certainty and stability that will come with a three-year approach, at reasonable levels, are critical to providing quality Video Relay Services to the deaf community. The discussions were consistent with the companies’ previous written submissions in this docket. In addition, Snap, Sorenson and Sprint Nextel provided the attached proposal for “Data Collection Under a Tiered Price Cap Approach.” The companies stated that this proposal replaces a previous data collection proposal that had been submitted as part of the June 27, 2007 *ex parte*, and that the original proposal had been modified in response to comments from consumer groups and other VRS providers.

On October 1, 2007, I also provided Catherine Seidel and Nicole McGinnis with a copy of the attached Data Collection proposal.

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Pursuant to the Commission's rules, this letter is being submitted for inclusion in the public record of the above-referenced proceeding.

Sincerely,

/s/ Ruth Milkman
Ruth Milkman

cc: Scott Bergmann
Scott Deutchman
Nicole McGinnis
Catherine Seidel

Data Collection Under a Tiered Price Cap Approach

October 2, 2007

Snap, Sorenson, and Sprint Nextel recognize that the Commission likely will want to obtain data during the three-year period the tiered price cap plan is in effect to assess whether the VRS industry under the new regulatory methodology continues to advance the statutory objectives of the program. We outline below several different types of information that the Commission and/or NECA could compile through annual data submissions by the VRS providers (some of which may require confidential treatment) and otherwise that would assist the agency in making that assessment. This proposal replaces a previous data collection proposal that was submitted as part of the June 27, 2007 *ex parte*.¹ The original proposal has been modified in response to comments from consumer groups and other VRS providers.

- **Growth in VRS Penetration:** One possible way to measure this would be to aggregate each provider's total minutes of VRS use in the immediately preceding calendar year and compare that total with total VRS minutes in previous years. To the extent that average monthly VRS use per customer tends to be relatively constant, these comparisons would indicate the rate at which new VRS users are being added. In addition, the demand data would show the relative changes in the providers' shares of VRS usage from year to year. That information could be relevant to a Commission assessment of the effectiveness of pro-competition and interoperability VRS policies. Additional data that providers could supply to assist in this regard include: (1) the total number of VRS calls received in the immediately preceding calendar year; and (2) the total number of new videophones and webcams installed and/or the total number of new VRS user profiles created in the immediately preceding calendar year. In each case, the data for the immediately preceding calendar year could be compared to the data for the previous year. It is important to recognize, however, that not every VRS provider supplies videophones or webcams, and not every VRS provider maintains user profiles.
- **ASL Interpreter Pool:** One possible way to assess the state of the pool of available ASL interpreters is to compare the estimated total number of interpreters employed by the VRS industry during the immediately preceding calendar year with the total estimated number of interpreters available to be hired by providers and compare that number with the ratio in previous years. This information would enable the Commission to track over time the increase in the number of interpreters employed by VRS providers and their share of the total interpreter pool.

¹ Letter from Michael B. Fingerhut, Sprint Nextel, on behalf of Sprint Nextel, Snap, and Sorenson, to Marlene H. Dortch, FCC Secretary, CG Docket No. 03-123 (June 27, 2007).

- **Growth in ASL Interpreters:** One possible way to assess the rate at which new qualified ASL interpreters will become available is to determine the number of ASL interpreter training programs in service nationwide during the immediately preceding calendar year and develop an estimate of the annual increase in qualified interpreters that those programs likely produced in the immediately preceding calendar year compared with the previous year.
- **Industry Structure:** The FCC potentially could monitor changes in the structure of the VRS industry by determining the number of providers that entered and exited (through merger or otherwise) the VRS business during the previous year, as well as the shares of total minutes provided by each of the providers. The latter could be determined by calculating the percentage of each provider's total minutes for the immediately preceding calendar year.
- **Service Quality:** The Commission could compile information from a variety of sources that would indicate trends in VRS service quality. Among other things, this compilation could include input from consumers provided through comments, complaints, evaluations, and survey findings. The Commission could review: (1) providers' overall service quality; (2) providers' improvement (or decline) in average speed-of-answer over the past year; and (3) service innovations or improvements (*e.g.*, development of E911 solutions or other waived requirements) deployed in the immediately preceding calendar year.

As to cost information, the Commission and NECA currently have cost information for a base year (2006) that was submitted in connection with the filing for the 2007-08 rate year. Because the VRS rates under the proposed approach no longer would be revised annually on the basis of forecasts of selected categories of costs, there would be no need for providers to develop such estimates. In addition, the Commission's principal interest on a going-forward basis should be in monitoring trends in the most significant categories of compensable costs, namely, costs associated with interpreters, the single largest compensable input cost, and costs incurred in outreach activities, which are essential for spreading the reach of VRS to a wider portion of the deaf community. Thus, we suggest that each provider submit annually to NECA the following cost-related data:

- the percentage change in average wages paid to full-time and part-time interpreters between the immediately preceding calendar year and the previous calendar year;
- the percentage change in total costs (*i.e.*, health benefits, retirement) related to interpreters between the immediately preceding calendar year and the previous calendar year; and
- the percentage change in total costs related to outreach between the immediately preceding calendar year and the previous calendar year.

In addition to this cost information, each provider would also continue to provide NECA with its historic and projected demand data so that NECA could develop a reasonable estimate of the Interstate TRS Fund size for the coming year.