



# Default provider obligations for provider supplied VRS customer premises equipment

**Presented to Amy Bender, Office of Chairman Martin**

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# The VRS industry is broken

- Sorenson enjoys a near monopoly, 80-85 percent market share (est.), and has distributed 95+ percent of videophones. It gained its dominance by distributing videophones free to consumers and blocking their freedom of choice to use the networks of other providers.
- Even though consumers complained this was not legal or safe, the FCC allowed this to occur from April 2003 to May 2006, and then only addressed half the problem.
- Sorenson continues to operate a closed directory system using “faux” numbers that cannot receive 911 callbacks and which cannot be dialed outside its closed network. Consumers’ continued complaints have resulted in this proceeding.
- Sorenson’s monopoly has skewed the rate setting process, and reflected negatively on the VRS industry.

# The FCC should act to fix VRS

- Consumers deserve the same opportunity to make a default provider choice as hearing persons. As the Appendix shows, the rules for porting TRS numbers require correction to prevent frustrating the FCC's intent and Sorenson's continued monopoly.
- Because of Sorenson's near monopoly, the rate setting process has been ineffective and wasteful. It serves the public interest to take the appropriate steps to correct this problem.
- The FCC should consider corrective action by limiting further anti-competitive actions by Sorenson and correcting the imbalance that exists.

# Rebuilding the VRS Industry

- The FCC should consider corrective action in two steps: first, offset the damage caused by Sorenson's monopoly; second, reshape the VRS industry consistent with other telecommunications industries.
- The FCC should require providers that distribute CPE to continue to manage their devices upon a default provider switch until December 31, 2010, or until adoption of an industry standard to allow the new default provider to fully manage the device. To ensure its cooperation, Sorenson should be prevented from distributing new CPE until this industry standard is adopted.
- Consistent with other telecommunications industries, beginning immediately, providers should be allowed to contract with consumers to be their default provider. Providers should be prohibited from retroactively seeking contracts for previously distributed CPE which does not include the industry standard.

# Immediate FCC action is critical

- December 31, 2008 is less than two weeks away.
- Without immediate action, effective number portability and full interoperability will not exist per the Commission's commitment to consumers.
- Consumers expect full ability to port numbers without loss of functionality or threat of losing their device, just as hearing persons have.
- The FCC at a minimum should require providers to continue to manage their distributed CPE until industry standards for managing devices are adopted.
- We encourage the FCC to consider the impact of Sorenson's monopoly and continued anti-competitive activity in light of public interest concerns and consumer choice.



# Appendix

# The TRS Numbering Order requires the default provider to manage CPE

- The Numbering Order at paras. 60-63 requires the default provider to manage the consumer's CPE. See Rule §64.611(c) & (e).
- CPE distributed by providers must directly provide routing information to the default provider.
- Upon a default provider switch, the former default provider must cease acquiring routing information from the device.
- This is not how provider distributed videophones now work and is not technically feasible without the development of industry standard protocols.

# Currently issued CPE cannot comply with Rule Section 64.611

- No industry standard protocol exists for controlling the various CPE devices providers have distributed to users.
- Additionally, each provider's backend platform is different, with no required standards, making it harder to ensure proper management of numerous, disparate foreign CPE devices.
- Without an industry standard for managing these devices, §64.611's requirements cannot be functionally implemented.
- Although Sorenson just recently tendered a "proposal" ostensibly to address this issue, the proposal supports its effort to disable functionality and further restrict consumer choice. No videophone is currently capable of being managed by the new default provider.

# Under the current rule, the user's CPE will not be fully operable upon a switch

- A consumer with an existing provider supplied videophone porting his or her number to another provider will find his device unusable in many ways.
- First, the videophone may not be able to deliver routing information to the new provider at all, in direct violation of §64.611.
- Second, consumers will lose most, if not all, enhanced features of the device promoted by the original provider. Including their address books and call history.
- In short the user will not have a fully interoperable or usable videophone.

# Consumers will be effectively prevented from choosing a new default provider

- If users lose most functionality from their videophones upon porting their numbers, they will not be able to make a free choice for their default provider.
- A solution requiring consumers to obtain videophones from their new providers, is contrary to the intent of the Numbering Order and would amplify the cost inefficiencies in the industry.
- No requirement exists for providers to offer equipment, the cost of CPE is not now compensable from the TRS Fund, and replacement equipment is not yet available from most providers.

# GoAmerica

- FCC certified VRS, IP Relay, and IP CTS provider.
- Acquired Verizon TRS division and merged with Hands On Video Relay Services, Inc. January 2008.
- A leader in fraud reduction.
- Largest provider of IP Relay service.
- Second largest supplier of VRS service.
- Largest provider of ASL community interpreting.
- State relay provider for California and Tennessee.
- Contract VRS supplier for two other VRS providers.
- Operates [redacted] VRS call centers with several more in construction; employs more than [redacted] persons across the nation.