

On May 29, 2009, Karen Peltz Strauss, outside counsel for CSDVRS, Inc., had a conversation by telephone with Scott Deutchman of the office of Acting Chairman Copps regarding the pending VRS rate proceeding. During this conversation, it was noted that reducing the rate for the 2009-2010 year could have very detrimental consequences for smaller providers, whose business plans have depended on the three year rate structure established by the FCC. It was also noted that there are a lot of unanswered questions concerning what are allowable costs, including questions about the extent to which research and development and outreach and education are allowed. In the interest of fostering increased competition in an industry that has continued to be dominated by a single provider, the FCC was encouraged not to change the VRS rates in the coming year, but rather to open a proceeding that will carefully analyze and definitively determine allowable costs for the funding years beginning in 2010-11.