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Via Electronic Filing

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

Re: *Ex Parte* Notice – CG Docket Nos. 03-123, 10-51

Dear Ms. Dortch:

On June 14, 2010, Mike Maddix, Director of Government and Regulatory Affairs of Sorenson Communications, Inc. (“Sorenson”), and Gregory E. Lawler and the undersigned, counsel for Sorenson, met with Jennifer Schneider, legal advisor to Commissioner Copps, to discuss confidential documents regarding the company’s costs of providing VRS that had been previously submitted under a request for confidential treatment.¹ Sorenson also distributed and discussed an overview of the company’s record of success in advancing the goals of the Americans with Disabilities Act, and a table from the May 30, 2010 filing in which the National Exchange Carrier Association proposed four “VRS Rate Alternatives” for the period after June 30, 2010.² Copies of these handouts are attached hereto.

This letter is being filed for inclusion in the public record of the above-referenced proceeding.

Sincerely,

/s/ Richard D. Mallen
Richard D. Mallen

Attachments

cc: Jennifer Schneider

¹ See Letter from Regina M. Keeney, counsel for Sorenson, to Marlene H. Dortch, FCC Secretary, CG Docket Nos. 03-123 and 10-51 (June 3, 2010).

² National Exchange Carrier Association, Interstate Telecommunications Relay Services Fund Payment Formula and Fund Size Estimate, CG Docket No. 03-123, at 25 (Apr. 30, 2010).

Sorenson and VRS

Sorenson has advanced the goals of the Americans with Disabilities Act by expanding and enhancing communication services available to deaf and hard-of-hearing individuals

	2005	Current
# of Installed Videophones	~37,000	>110,000
# of VRS Call Centers	~30	108
Avg. Speed of Answer	85 seconds	<10 seconds
# of ASL Interpreters	~1,900	>4,500
# of Employees	~900	~6,000
Technology	1st generation videophone	2G videophone

- Sorenson sets industry-wide best practices in operations, significantly augmenting the level of ASL interpreter training in the marketplace. Sorenson is the only developer of leading-edge deaf-centric technologies across the VRS industry and is the industry's leading advocate against fraud and abuse.

Table 3 VRS Rate Alternatives

Type of Costs	Tier 1	Tier 2	Tier 3 ⁵¹	VRS Funding Requirement
Projected Costs	\$5.7826	\$6.1758	\$5.7204	\$569.9M
Projected Costs Current Tiers	\$6.0654	\$5.8430	\$5.6635	\$561.0M
Historical Costs	\$5.7754	\$6.0318	\$3.8963	\$429.1M
Historical Costs Current Tiers	\$4.1447	\$3.9797	\$3.8575	\$382.1M

The Administrator is providing the Commission with fund size projections in Exhibit 2 (a through h) based on each of the above alternatives.

IV. Demand Projection Methodology

In order to estimate the annual funding requirement and propose a contribution factor, an estimate of the interstate funding requirement for each of the services is required. However, providers of services being compensated using the MARS-based rate methodology, (i.e. traditional TRS, STS and CTS), are no longer required to submit demand projections.

As was done previously, historical demand was used to estimate the future demand for traditional interstate TRS, STS and CTS. Using the linear trend forecast capability of Microsoft Office Excel, the Administrator projected demand for the 2010 – 2011 Fund year using actual data available to the Administrator at the time the filing is

⁵¹ Tier 3 calculations for the two projected costs alternatives are based primarily on unsubstantiated projections. See pp. 20 - 22, *supra*.